VM Investments **BondiPO**

Your Money +
VM Investments =
Endless Possibilities.

VM Investments Limited

This Prospectus is dated December 10, 2024 and is issued by VM Investments Limited ("VMIL" or the "Company.") A copy of this Prospectus (this Prospectus) was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on December 10, 2024. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

VM Investments Limited has been registered as an issuer with the Financial Services Commission (the FSC) with respect to the Unsecured Corporate Bonds pursuant to Section 26(1) of the Securities Act, and pursuant to such registration, a copy of this Prospectus was also delivered to the FSC for registration, and it was so registered on December 11, 2024. The FSC has neither approved the Unsecured Corporate Bonds, nor has it passed upon the accuracy or adequacy of this Prospectus.

VM Investments Limited

PROSPECTUS

Dated as of the 10th day of December

INVITATION TO THE PUBLIC

FOR SUBSCRIPTION FOR

Unsecured Corporate Bonds having an aggregate principal amount of up to J$5,433,965,621.00

Issued by VM Investments Limited

OPENING DATE: December 19, 2024 at 9:00 a.m.

CLOSING DATE: December 27, 2024 at 4:30 p.m.

This Prospectus relates to an invitation by VM INVESTMENTS LIMITED to investors to subscribe for the Bonds

The Bonds are described in Section 8 and the specimen Global Bond for each Tranche appears as Appendix 4.1, 4.2 and 4.3 respectively. The Bonds will be issued and constituted under and governed by the terms and conditions of a Trust Deed dated May 1, 2024 entered into by the Company and the Trustee (JCSD Trustee Services Limited).

Application Guidelines are set out in Appendix 1, together with instructions on completing and submitting an Application. The Invitation to Applicants to subscribe for Bonds will open at 9:00 a.m. on December 19, 2024 and will close at 4:30 p.m. on December 27, 2024 ("the Closing Date") subject to the right of the Company to:

(a) close the Invitation at any time after 9:00 a.m. on December 19, 2024 with notice posted on the website of the Jamaica Stock Exchange (www.jamstockex.com), once all of the Bonds are fully subscribed; or

(b) extend the Closing Date for receipt of Applications with notice posted on the aforementioned website of the Jamaica Stock Exchange.

The Company intends to apply to the Jamaica Stock Exchange for the Bonds to be admitted to listing on the Bond Market of the Jamaica Stock Exchange within twenty-one (21) days of the Closing Date (or extended Closing Date, as the case may be) and that dealings in the Bonds will commence on the date of admission.

Please note that this statement of the Company's intention is not a guarantee that the Bonds will in fact be admitted to trading on the Bond Market of the Jamaica Stock Exchange.

VM INVESTMENT LIMITED

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SECTION 1

Important Notice **& Disclaimer**

Invitation is made to Jamaican Residents in Jamaica

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to any person outside of Jamaica to subscribe for or apply to purchase any interest in the Bonds. The distribution or publication of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus may come are required to inform themselves about, and to observe, such restrictions.

The Bonds may not be offered, sold, transferred, or delivered, directly or indirectly in the United States of America, its territories or possessions or any area subject to the jurisdiction of the United States or in any other country in which an invitation to subscribe for the Bonds or the offering of the Bonds is not permitted by applicable law.

Responsibility for Content of this Prospectus

The Directors of VM Investments Limited, all of whose names appear in Section 10 of this Prospectus, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of such information. Each of such persons accepts responsibility accordingly.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Content of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read the Prospectus carefully in its entirety before submitting an Application Form. In particular your attention is drawn to the Risk Factors which appear in Section 5.

If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, securities dealer, investment adviser, bank manager, attorney-at-law, professional accountant or other professional adviser.

This Prospectus contains summaries of certain documents which the Board of Directors of the Company believe are accurate. Prospective investors may wish to inspect the actual documents that are summarized, copies of which will be available for inspection as described in Section 17 (Documents for Inspection). Any summaries of such documents (including any of the documents relating to issuance of the Bonds) appearing in this Prospectus are qualified in their entirety by reference to the complete document. In cases of any conflict between the terms of this Prospectus and the transaction documents relating to the Bonds, the latter will prevail.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

Neither the FSC, nor the Registrar of Companies or any other Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

Application to Subscribe for the Bonds

This Prospectus is not a recommendation by the Company that prospective investors should submit Application Forms to subscribe for the Bonds proposed to be issued by the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for the Bonds. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for any of the Bonds, including, but not limited, to any tax implications.

Each Applicant who submits an Application Form acknowledges and agrees that:

i. he/she has been afforded a meaningful opportunity to review the Prospectus (including in particular the terms and conditions set out in Section 7 and the Risk Factors), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
ii. he/she has not relied on the Company or any other person connected to the Company in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
iii. no person connected with the Company has made made any representation concerning the Company or this Prospectus not contained in this Prospectus on, which the Applicant has relied in submitting his/her Application Form.

SECTION 1 CONTINUED

Important Notice & Disclaimer

Advice

Each Invitee and Applicant should consult with their own advisors as to the legal, tax, business, financial and related aspects of subscribing for Bonds. Neither the Company, nor any of its respective representatives, is making any representation to any Applicant regarding legal, tax, business, financial or related aspects concerning subscription for the Bonds notwithstanding the inclusion in this Prospectus of such information in respect thereof as the Directors believe to be accurate. Prospective Applicants should not consider this Prospectus as a recommendation by the Company or the Directors that they should subscribe for or purchase any of the Bonds. Each prospective Applicant must make their own investigation and evaluation of the Company and this Prospectus.

Forward Looking Statements

Except for the historical information concerning the Company contained in this Prospectus, certain matters discussed in this Prospectus, including without limitation, the discussions of future plans and financial projections of the Company or other entities or relationships or intended relationships, financial or otherwise, with such entities, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. These statements are made based on assumptions or predictions of the future which may not necessarily come true. Although the Directors believe that in making any such statements, their expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective Applicants are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company and its businesses, are intended to identify those forward looking statements. These forward looking statements are subject to numerous risk and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new informationor future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events. There are important factors that could cause actual results to differ materially from those in forward looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- economic, social and other conditions in Jamaica and and any other jurisdiction in which the Company may do business, including actual rates of growth of such economies, local, regional or global instability, interest rate changes or exchange rate volatility;
- adverse climatic events and natural disasters;
- changes in legislation or policy adversely affecting the the revenues or expenses of the Company;
- unavailability of regulatory approval to launch new financial products, or unfavourable market receptiveness to new products;
- changes in regulatory policy adversely affecting the revenues or expenses of the Company or any of its subsidiaries;
- any other factor(s) negatively impacting on the realisation of the assumptions on which the Company’s or any of its subsidiaries’ financial projections are based;
- other factors identified in this Prospectus; and
- factors as yet unknown to the Company.

In this Prospectus, the Company relies on and refers to information and statistics regarding market data of companies companies it has or proposes to have a business relationship with, including in certain cases through investment in such companies. The Company has obtained this information and industry data from market research, publicly available information and the referenced companies. Such reports generally state that the information contained therein has been obtained from sources believed to be reliable, but the the accuracy or completeness of such information is not guaranteed. Although the Company believes this information is reliable, neither the Company nor any of the Directors have independently verified or can gurantee the accuracy or completeness of that information and prospective Applicants should use appropriate caution in placing reliance on such information. Prospective Applicants are urged to consult with to consult with professional advisers, financial, legal or otherwise, to seek advice as to such information and any implications in consideration of their own particular circumstances.

SECTION 1 CONTINUED

Important Notice & Disclaimer

Prospective Applicants are cautioned that the list set out above should not be construed as exhaustive. Prospective Applicants should carefully consider the foregoing factors and other factors set forth in the Section 5 (Risk Factors) before making an investment decision.

Other factors not set out above could also adversely affect the results of the Company and its subsidiaries. When relying on these forward-looking statements to make decisions with respect to this Invitation, prospective Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events.

Electronic Prospectus

For convenience, the website addresses of certain parties have been provided in this Prospectus. Except as expressly set forth in this Prospectus, no information on such websites should be deemed to be incorporated in, or form part of this Prospectus and the Company takes no responsibility for the information contained on such websites. The JSE has approved the publication of this Prospectus on its website and accordingly, is expected to upload the Prospectus to its website (www.jamstockex.com). This should not be construed that the JSE has approved or is in any way responsible for the contents of this Prospectus.

This Prospectus may be sent to you in electronic form. You are reminded that documents transmitted via that medium may be altered or changed during the process of transmission and consequently neither the Company nor the Broker & Listing Agent nor any of their respective directors, officers, employees or advisers accepts any responsibility whatsoever in respect of any difference between the Prospectus delivered to any prospective Investor in electronic form and the hard copy version registered with the Registrar of Companies.

Legal Effect of Issuing the Prospectus

NOTWITHSTANDING ANYTHING HEREIN AND IN PARTICULAR THE USE OF THE MARKET TERM “OFFER” AND OTHER COGNATE EXPRESSIONS, THIS PROSPECTUS DOES NOT CONSTITUTE AND IS NOT INTENDED TO BE AN OFFER BY OR ON BEHALF OF THE COMPANY TO SELL ANY OF THE BONDS. IT IS INSTEAD AN INVITATION TO TREAT AN INVESTOR WHO SUBMITS AN APPLICATION FOR BONDS SHALL BE DEEMED TO BE MAKING AN OFFER TO THE COMPANY TO SUBSCRIBE FOR BONDSAND THE COMPANY MAY OR MAY NOT ACCEPT SUCH OFFER. ACCEPTANCE OF ANY SUCH OFFER WILL OCCUR ONLY BY WAY OF ALLOTMENT OF BONDS BY THE COMPANY TO THE APPLICANT IN RESPONSE TO SUCH APPLICATION. IN SUBMITTING AN APPLICATION EACH PROSPECTIVE INVESTOR ACKNOWLEDGES THE FOREGOING LEGAL EFFECT OF THE PROSPECTUS AND OF HIS APPLICATION.

SECTION 2

Invitation at a **Glance**

2.1 THE INVITATION

The Company invites Applications to subscribe for up to J$5,433,965,621.00 in Unsecured Corporate Bonds on the terms and conditions set out at Section 7 of this Prospectus (The Invitation).

2.2 THE BONDS

2.2.1 An aggregate of up to Five Billion, Four Hundred and Thirty-Three Million, Nine Hundred and Sixty-Five Thousand, Six Hundred and Twenty-One Jamaican Dollars (J$5,433,965,621.00) in Unsecured Corporate Bonds will be offered for subscription in the following Tranches:

	Tranche D	Tranche E	Tranche F
Amounts [1]	J$1,000,000,000.00	J$2,000,000,000.00	J$2,433,965,621.00
Tenure	18 Months	24 Months	36 Months
Coupon	9.75%	10.00%	10.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin of 2.0%
	Initial investments above J$5M will receive a 10.00% coupon.*	Initial investments above J$5M will receive a 11.00% coupon.*	Initial investments above J$5M will receive a 11.50% coupon % per annum for the first 2 years THEREAFTER the Interes;t Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin.*

(*) Investors who sell down their holdings below the J$5M threshold will continue to receive the higher coupon rate. Conversely, investors who increase their holdings above the J$5M threshold will not be eligible for the higher rate.

In relation to Bonds in Tranche F, a CariCRIS rating upgrade of VMIL would result in 0.25% reduction of the Fixed Margin payable in respect of each increase of each band of VMIL's rating according to CariCRIS's rating scale provided that in all cases the fixed margin shall not decrease below zero. There shall be no change to the Fixed Margin in the event of a CariCRIS rating downgrade.

2.2.3 All Applications for the Bonds in the Invitation should be made on the Wealth IPO Edge platform by logging onto the website https://wealthipo.myvmgroup.com and following the steps set out in **Appendix 1** of this Prospectus.

2.2.4 The Invitation to subscribe for the Bonds will open at 9:00 a.m. on the Opening Date, December 19, 2024. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. The Invitation will close at 4:30 p.m. on the Closing Date, December 27, 2024. The Company reserves the right to close the Application List for the Bonds at any time by notice published on the website of the Jamaica Stock Exchange or the Company's website if Applications have been received for the full amount of the Bonds, as the case may be. The Company also reserves the right to extend the Closing Date for the Bonds by similar notice published on the website of the Jamaica Stock Exchange or on the Company's website.

2.3 BASIS OF ALLOTMENT:

2.3.1 Allotment of the Bonds in this Invitation will be made on as "first come first served basis" subject to the right of the Company to reject any subscription of which it does not approve. If the Bonds are oversubscribed, it is likely that the Bonds will be allocated on a pro rata basis, in which event Applicants may be allotted fewer Bonds than were the subject of their Application(s). However, the Company (in the event of oversubscription) reserves the right to allot Bonds on an alternative basis to of be determined in its sole discretion including allotting a minimum of Bonds to each Applicant and then allocating the excess on a pro rata basis or on such alternative basis as seems justifiable having regard to fairness and efficacy.

2.3.2 Where there is an oversubscription for Bonds in a particular Tranche, but not in others, VMIL reserves the right in its sole discretion to alter the amounts to be raised in each Tranche, subject always to the aggregate principal amount of Bonds not exceeding J$5,433,965,621.00.

1 Where demand for a particular Tranche of Bonds exceeds the proposed amount allocated thereto, VMIL revserves the right in its sole discretion to allot more Bonds in that Tranche, and fewer Bonds in other Tranches, subject always to the aggregate principal amount of Bonds not exceeding J$5,433,965,621.00.

SECTION 3

Letter to **Prospective Investors**

The Directors of VM Investments Limited (VMIL) are pleased to invite you to subscribe for up to J$5,433,965,621.00 in Unsecured Corporate Bonds, in accordance with the Terms and Conditions set out in Section 7 of this Prospectus.

VMIL is an investment holding company that was incorporated in 1984 and is domiciled in Jamaica. It is a subsidiary of VM Financial Group Limited, a financial holding company that was established in 2023, and the parent company and sole owner of VM Wealth Management Limited (VMWM) and only owner of the common shares VM Wealth Funds Limited (Barbados), formerly Republic Funds (Barbados) Inc. (RFI).

VMIL also has significant shareholdings in Kingston Properties Limited ("KPREIT") Home Choice Enterprise Limited ("HCEL" or "Home Choice") and indirectly in Coldbush Organics Limited through VMWM. Additionally, VMIL has partnered with Lodon-based Actus Partners (Actus) to form Jamaica Actus Small & Medium Enterprises Fund I (JASMEF).

VMIL, its subsidiaries and associated companies constitute a solid organisation. It is committed to delivering value to shareholders while also helping clients build their wealth by combining knowledge and expertise with the right mix of financial tools, products, and services. Driven by an objective to provide competitive financing solutions for clients, VMIL's primary offerings include investment banking services, private equity investments, trading of financial securities, lease financing, margin loans, and corporate lending solutions. VMIL also provides development financing solutions through its partnership with the Development Bank of Jamaica "DBJ") to provide secured corporate loans. (Its subsidiaries, VMWM and VM Wealth Funds Limited (Barbados), are licensed securities dealers offering investment brokering, investments advisory, asset management, and securities trading services to their clients.

With this offer, VMIL is actively pursuing the strategic refinancing of its current debt facilities to bolster its financial health. By issuing new bonds to replace the existing ones, VMIL aims to extend the maturity dates of its current debt. This extension will afford the company enhanced financial flexibility by providing longer repayment periods. This adjustment ensures that VMIL can maintain robust liquidity effectively manage its cash flows, and pave the way for sustained future growth, through more acquisitions and private equity investments.

As an added feature, should the Invitation be successful in raising at least J$2,750,000,000.00, we intend to make an application to the JSE for the Unsecured Corporate Bonds to be admitted to the JSE Bond Market within twenty- one (21) days of the Closing Date (or the extended Closing Date, as the case may be). Please note that the admission is not guaranteed and is solely up to the discretion of the JSE, however we will take the requisites steps to favourably secure such listing.

Allotment of bonds in this Invitation will be made on a "first come first served basis", which means that they will be processed and allocated according to the order in which they are received. VMIL reserves the right to reject any subscription which might not meet the full requirements, or to allocate bonds on an alternative basis, if oversubscribed.

If you are interested in subscribing to this offer, please read this Prospectus in its entirety, paying close attention to the Risk Factors in Section 5 and the full terms and conditions set out in Section 7 (The Invitation), and then complete the Application by following the steps set out in Appendix 1. Before subscribing, please feel free to also consult with your advisor(s) as to the legal, tax, business, financial and related aspects of the invitation.

We hope that you will join VMIL in this exciting new phase of its development.

Yours sincerely,
For and on behalf of VM Investment Limited

Michael A. McMorris
Chairman

SECTION 4

Definitions

In this Prospectus, the following words and phrases shall, unless the context otherwise requires, be read, and construed as having the following meanings:

Act means the Companies Act of Jamaica.

Applicant means a person (being an individual, company, body corporate or other legal entity) who or which submits an Application to subscribe for the Bonds in accordance with the terms and conditions of this Prospectus.

Application means an application to subscribe for Bonds in the Invitation made by an Applicant by completing the Application Form on the VM Wealth IPO Edge portal at https://wealthipo.myvmgroup.com and following the steps set out in **Appendix 1** of this Prospectus.

Application Form The form of application to be used by Applicant who wishes to subscribe for Bonds in the Invitation. The Application Guidelines in Appendix 1 sets out where an Application Form may be obtained and submitted

Approved Payment Method means any of the following methods:

a. cleared funds in an investment account held in the Applicant's name at VMWM, supported by an authorisation from the Applicant instructing VMWM to encash and make payment from that account;

b. transfer by Real Time Gross Settlement (**RTGS**) to VMWM, in the case of payments of One Million J$ or more; or

c. transfer via the Automated Clearing House (**ACH**) to VMWM,

by which Applicants are required to tender payment of their Subscription Price.

Articles of Incorporation means the articles of incorporation of the Company, together with any amendments thereto.

Auditor means KPMG, Chartered Accountants, the VM Building, 6 Duke Street, Kingston.

Auditor's Report the report of KPMG set out in Section 13.3 of this Prospectus;

BOJ means the Bank of Jamaica.

Board of Directors or Board means the board of directors of the Company, details of which are set out in Section 9 of this Prospectus (***Directors and Management***).

Bond means an Unsecured Corporate Bond issued by the Company, constituted pursuant to a Trust Deed dated May 1, 2024, and offered pursuant to this Prospectus.

Bond Market The trading platform for debt securities established by JSE.

Bondholder a registered holder of a Bond.

Business Day any day (other than a Saturday, Sunday or public general holiday) on which banks are open for business in the Corporate Area of Kingston & Saint Andrew, Jamaica

Closing Date means the time of closing of the Invitation, being December 27, 2024 at 4:30 p.m. (subject to such early closure or extension as the Directors may determine as set out in this Prospectus).

Company or **VMIL** means VM Investments Limited, a company duly incorporated under the laws of Jamaica with registered office at 8 – 10 Duke Street, Kingston.

Director or **Director(s)** means a person (or persons) who is/are a member of the Board of Directors, details of which are set out in Section 9 of this Prospectus (Directors and Management).

Enforcement Action any action taken by the Trustee on behalf of Bondholders to enforce recovery of obligations due under the Bonds or under the Trust Deed or otherwise pursuant to any common law or statutory right.

Executive Director means a Director who is an employee of the Company.

Financial Information means the pro forma financial statements for the Company found in Section 11 of this Prospectus (Financial Information).

FSC means the Financial Services Commission of Jamaica.

IFRS means the International Financial Reporting Standards as adopted and applied in Jamaica by the Institute of Chartered Accountants of Jamaica.

Independent Director means a Director who is not (or has not been, as the case may be):

a. an employee of the Company within the last (5) five years; or

b. a person holding 5% or more of the shares of the Company or is connected to such a person; or

c. a party to a significant economic or other relationship with the Company within the last five (5) years.

Invitation means the invitation by the Company to subscribe for up to J$5,433,965,621.00 in Unsecured Corporate Bonds on the terms and conditions set out in this Prospectus.

Invitee means any Person resident in Jamaica of full age and capacity.

J$ or JMD means the lawful currency of Jamaica.

SECTION 4 CONTINUED

Definitions

JCSD	means Jamaica Central Securities Depository Limited, a company incorporated in Jamaica (Company number 58658) with its registered and principal offi ce at 40 Harbour Street, Kingston, Jamaica.
JCSD Processing Fee	means the fees that the JCSD charges of approximately J$172.50 inclusive of GCT, for processing each Application.
JSE	means the Jamaica Stock Exchange.
JSE Rules	means the rules of the JSE (as amended from time to time) applicable to the Bond Market.
JSE Website	means the official website of the JSE found at https://www.jamstockex.com/
KPREIT	Kingston Properties Limited, a company incorporated under the laws of Jamaica and having its registered offi ce at 7 Stanton Terrace, Kingston 6 in the Parish of Saint Andrew, Jamaica.
Arranger, Broker & Listing Agent or VM Wealth Management Limited	means VM Wealth Management Limited, a company incorporated under the laws of Jamaica and having its registered offi ces at 53 Knutsford Boulevard, Kingston 5.
Maturity Date	in respect of each Tranche of Bonds, the day on which the said Tranche of Bonds matures.
Opening Date	means the time of opening of the Invitation, being December 19, 2024.
Person or person	means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, Governmental Authority or trust or any other entity or organization.
Portfolio Companies	means the following companies in which the Company or its principal subsidiary, VM Wealth, holds portfolio investments; namely (i) KPRIET; (iii) Home Choice and (iv) Coldbush Organics;
Prospectus	means this document which constitutes a prospectus for the purposes of the Companies Act, 2014 and the Securities Act.
Registrar	means the JCSD or such other persons as may be appointed by the Company from time to time to provide the services of registrar and transfer agent for the Company in relation to the Bonds.
Securities Act	means the Securities Act, 2012 (as amended from time to time) of Jamaica, together with all subsidiary legislation thereto.
Subscription List	means the subscription list in respect of the Bonds.
Subscription Price	means J$100.00 per Bond.
US$ or USD	means the lawful currency of the United States of America.
USA or US	means the United States of America.
VM Financial Group	means VM Financial Group Limited and its subsidiaries.
VM Group	means VM Group Limited and its subsidiaries.
VM Wealth	means VM Wealth Management Limited, a company incorporated under the laws of Jamaica;
VM Wealth Fund	means VM Wealth Funds Limited, a Barbados mutual fund company, formerly known as Republic Funds (Barbados) Inc. and since December 1, 2023, the common shares are wholly-owned by the Company;
VM Wealth IPO Edge	means VM Wealth's IPO portal that facilitates the completion and submission of Application Forms electronically.

SECTION 5

Risk Factors

5.1 This section describes what VMIL believes to be the key potential risks associated with an investment in VMIL and the industry in which it operates, as well as the general risks associated with an investment in the Bonds.

5.2 It does not purport to be an exhaustive list of every risk that may be associated with an investment in VMIL's business or the industry in which it operates, or an investment in the Bonds, now or in the future. The occurrence or consequences associated with each risk are partially or completely outside the control of VMIL, the directors and management and, if they were to occur, may adversely affect the future operating and financial performance of VMIL and its ability to make interest and principal payments on the Bonds.

5.3 The selection of risks included in this Section has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change, or other risks will not emerge. Individually or in combination, the risks identified may materially affect the future operating and financial performance of VMIL, its investment returns and the ability of VMIL to make interest payments on the Bonds or to redeem the Bonds on their maturity or redemption dates.

5.4 Before applying for Bonds, you should satisfy yourself that you have a sufficient understanding of the risks described in this Section and consider whether the Bonds are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or have any questions about whether to invest in VMIL, you should seek professional advice from your securities dealer, investment adviser, accountant, stockbroker, lawyer or other professional adviser.

5.5 IN THIS SECTION, FOR CONVENIENCE, REFERENCES TO:

(a) "our Group" should be taken to mean VMIL and its subsidiary, being VM Wealth Management Limited and the Portfolio Companies, being (i) KPREIT (23%); (ii) Home Choice (10%) and (iii) Coldbush Organics (5%);

(b) "Associate" means KPREIT; and

(c) "VM Group" refers to VM Group Limited and its subsidiaries.

5.6 VMIL AND ITS PRINCIPAL SUBSIDIARY VM WEALTH FACE REGULATORY RISKS.

5.6.1 In Jamaica, the financial sector is primarily regulated by the Bank of Jamaica under the Banking Services Act, and the Financial Services Commission under sector-specific legislation. The industry is also subject to a variety of other laws including privacy, financial transactions reporting and money laundering laws and limited exchange control restrictions.

5.6.2 If VMIL's principal subsidiary, VM Wealth, does not meet regulatory requirements, it may suffer penalties or become subject to regulatory sanctions, which would likely have a material impact on its, and consequently VMIL's, business and financial performance. Sanctions could include:

- imposition of fines;
- obligation to pay compensation; and
- cancellation or suspension of license or authority to carry on business.

In addition, the regulatory framework may change. This could have an impact on the financial sector or VMIL' s operations. Depending on the nature of any such changes, it may adversely impact the operations or future financial performance of VMIL.

The FSC supervises VM Wealth through regular examinations and other means that allow the regulators to gauge management's ability to identify, assess and control risk in all areas of operations in a safe and sound manner and to ensure compliance with laws and regulations. In the course of their supervision and examinations, FSC may require improvements in various areas. If VM Wealth is unable to implement and maintain any required actions in a timely and effective manner, it could become subject to informal (non-public) or formal (public) supervisory actions and public enforcement orders that could lead to significant restrictions on its existing business or on its ability to engage in any new business. Such forms of supervisory action could include, without limitation, written agreements, cease and desist orders, and consent orders and may, among other things, result in restrictions on our ability to pay

SECTION 5 CONTINUED

Risk Factors

dividends, requirements to increase capital, restrictions on our activities, the imposition of civil monetary penalties, and enforcement of such actions through injunctions or restraining orders. VM Wealth could also be required to dispose of certain assets and liabilities within a prescribed period. The terms of any such supervisory or enforcement action could have a material adverse effect on our business, financial condition and results of operations.

5.7 COMPANIES WITHIN OUR GROUP, ESPECIALLY OUR PRINCIPAL SUBSIDIARY, VM WEALTH AND VM WEALTH FUNDS ARE EXPOSED TO CONTAGION OR SYSTEMIC RISK TRIGGERED BY OTHER INSTITUTIONS AND ALSO FACE MATERIAL COUNTERPARTY RISKS FROM OTHER FINANCIAL INSTITUTIONS.

5.7.1 This is the risk that financial difficulties or failure at one institution can cause customers to lose confidence in other institutions and trigger a "run" on otherwise financially sound institutions leading to its collapse. This domino effect could threaten the financial system as a whole. Jamaica experienced such an event in the 1990s, when the financial sector underwent a period of great uncertainty and a number of financial institutions collapsed.

5.7.2 Financial service institutions are also interrelated as a result of trading, clearance processing, counterparty exposure or other relationships. VM Wealth in particular routinely executes transactions with other counterparties in the financial services industry including commercial banks, brokers, dealers, payment processors and other institutional clients which may result in payment obligations to them or their clients. Many of these transactions expose VM Wealth to credit and market risks which may cause its counterparties or clients to default. In addition, VM Wealth is exposed to market risks when the collateral it holds cannot be realized or liquidated at prices sufficient to cover the full amount of the secured obligations to it. Losses arising from counterparty risks could materially and adversely affect our business, results of operations, and financial conditions.

5.7.3 VM Wealth Funds faces similar risk but on a lesser scale because of its relatively modest size compared to VM Wealth.

5.8 INCREASED COMPETITION MAY AFFECT OUR GROUP'S COMPETITIVE POSITION.

5.8.1 Our two subsidiaries and Portfolio Companies operate in a competitive market. They each face the risk that increasing levels of competition, including competition from business models using new technology platforms could result in, among other things, a subsidiary or a Portfolio Company foregoing a greater proportion of its profit margin to retain market share in the sector in which it operates. This would likely result in reduced revenue, reduced operating margins and a loss of market share, which would then have a material adverse effect on the business, operating and financial performance and position and future prospects of such subsidiary or Portfolio Company.

As we derive our revenues from our subsidiaries and Portfolio Companies, the end result is that there would be less revenues to upstream to us and in the final resort we could then be forced to inject more capital into such subsidiary or Portfolio Company or take other costly remedial action to maintain its operational viability.

5.9 OUR REPUTATION MAY BE DAMAGED AND THAT COULD CAUSE CUSTOMERS TO TURN AWAY FROM THE VM GROUP.

5.9.1 The success of our Group is reliant on the maintenance of our reputation and brand name. Reputational damage could arise due to a number of circumstances, including improper conduct, human error, actions by third parties or adverse media coverage. In particular, illegal practices by employees within our Group or the wider VM Group such as fraud, money laundering, or non-compliance with regulatory requirements could adversely affect our reputation. These actions could also lead to regulatory action including loss or suspension of operating licenses, fines, penalties and other actions adverse to operations of our subsidiaries which could materially affect our business and profitability.

5.9.2 Any factors within our Group or the wider VM Group that damage or adversely reflect on our Group's reputation could potentially affect our ability to attract and retain productive employees and maintain relationships with our existing business partners, as well as our ability to attract

SECTION 5 CONTINUED

Risk Factors

key employees. In such situations, our business and operating and financial performance could be materially adversely affected.

5.10 EMPLOYEES MAY LEAVE AND OUR GROUP MAY NOT BE ABLE TO ATTRACT SUFFICIENTLY SKILLED AND TRAINED EMPLOYEES.

5.10.1 Our Group employs individuals who are key to the success of the Group's businesses. These individuals typically possess deep industry expertise and have well-established relationships in the Jamaican financial industry. The loss of key employees could undermine our Group's ability to operate our businesses to the current standards. These occurrences may have a material adverse impact on our Group's earnings and profitability and on our own earnings and profitability in particular.

5.10.2 While the departure of an individual employee from our Group may not have a material impact on our Group, the departure of a number of key personnel simultaneously or over a short period of time could have a material adverse effect on Group's operations and financial performance. We do not maintain keyman's insurance on the lives of any of our executives or employees.

5.11 OUR GROUP FACES OPERATIONAL RISKS AND COSTS.

5.11.1 Our Group (through our subsidiaries and Portfolio Companies) is exposed to operational risks present in the respective businesses conducted by our Group including risks arising from process error, fraud, system failure, failure of security and physical process systems, manufacturing defects, product recalls, staff deficiencies and under-performance and product development and maintenance. Operational risk has the potential to have a material adverse effect on our financial performance as well as our reputation.

5.12 THERE MAY BE CHANGES TO LEGAL, ACCOUNTING AND REGULATORY REQUIREMENTS.

5.12.1 An investment in the Bonds may be adversely affected by legal, accounting and regulatory changes or requirements, and actions pursuant to such requirements. Potential changes to existing laws or the introduction of new laws could increase our Group's compliance costs and obligations. If we or any of our subsidiaries or the Portfolio Companies fail(s) to comply with applicable laws or regulations, the recalcitrant Group member may itself be subject to fines, injunctions, penalties, remediation, total or partial suspension of regulatory approvals, product recalls or other sanctions that may have an adverse effect on us as the holding company and by extension on an investment in the Bonds.

5.13 RISK OF BONDS NOT BEING REPAID ON SCHEDULED MATURITY DATE

5.13.1 The Company intends to repay the principal amounts due on the Bonds on their maturity date, in whole or in part, from either operating profit from its business or a refinancing of the Bonds. The Company is not obliged to establish any sinking fund for redemption of the Bonds. The Company's ability to refinance the Bonds is dependent on its ability to access the capital markets, which may not be available or may be available at unfavourable terms and conditions. The Company's ability to redeem the Bonds is also dependent on a realisation of future profits which may be significantly less than projected. Any or both of these eventualities could have a material adverse effect on the Company. We may also choose to redeem the Bonds in whole or in party by realising our investment in any of the Portfolio Companies.

5.14 THERE MAY BE ADVERSE CHANGES TO TAX RATES OR LAWS (OR THE MANNER IN WHICH THOSE TAX LAWS ARE APPLIED OR INTERPRETED BY A TAX AUTHORITY OR COURT).

5.14.1 Any increase in the existing effective rate of income tax payable by us or key members of our Group may adversely impact our ability to receive dividends from our subsidiaries and other Group Portfolio Companies and to generate cash flow and accumulate distributable reserves. This would adversely affect our ability to service the Bonds. Likewise, an adverse change to the tax treatment of the Bonds could materially affect the return on, and hence the value of, the Bonds. Any other changes to Jamaican tax law and practice (including the manner in which a tax law or tax regulation is applied or interpreted by a tax authority or court) that impacts our Group, or the financial industry generally, could also have an adverse effect on our business, financial condition, results of operations and reputation.

SECTION 5 CONTINUED

Risk Factors

5.15 EXPECTED FUTURE EVENTS MAY NOT OCCUR AND WE MAY NOT MEET OUR FORECASTS.

5.15.1 The forward-looking statements, opinions and estimates provided in this Prospectus including the financial forecasts, are based on assumptions. Various factors, both known and unknown, may impact our performance and cause actual performance to vary significantly from what was expected. There can be no guarantee we will achieve our stated objectives or that any forward-looking statement or forecast will eventuate.

5.15.2 Given these uncertainties, prospective investors should not place undue reliance on such forward-looking statements. In addition, under no circumstances should a forward-looking statement be regarded as a representation or warranty by VMIL, or any other person referred to in this Prospectus that a particular outcome or future event is guaranteed.

5.16 OUR GROUP MAY BE ADVERSELY AFFECTED BY FORCE MAJEURE EVENTS.

5.16.1 Events may occur within or outside Jamaica that could impact upon the world economy, the local economy and at the micro level on the operations of our Group - in particular, the performance of its subsidiaries and/or Portfolio Companies. These events include war, acts of terrorism, civil disturbance, political intervention, financial market disruption, economic depression in the USA and natural events such as hurricanes, earthquakes, floods, fires and sustained inclement weather condition. Any of these events could have a detrimental effect on our Group business and an investment in the Bonds.

5.17 DATA LOSS AND CYBER SECURITY RISKS.

5.17.1 Our Group is reliant on the security of our information technology system network environment, and websites. Breaches of security including hacking, ransomware attacks, malicious software use, internal intellectual property theft, data theft or other external or internal security threats could put the integrity and privacy of customers' data and business systems used by us at risk which could impact technology operations and ultimately customer satisfaction with the products and services offered by our Group, leading to loss of customers and revenue. The impact of loss or leakage of customer or business data could include costs for potential service disruptions, litigation and brand damage which may potentially have a material adverse impact on our reputation as well as our Group's profitability. Furthermore, any such historical and public security breaches could impact our ability to acquire future customers and revenue. In addition, substantial costs may be incurred in order to prevent the occurrence of future security breaches. The occurrence of these cyber security events at the level of the wider VM Group- especially within VM Building Society could likewise have substantial sympathetic damage and reputational harm to us.

5.17.2 Whilst the wider VM Group has established risk management systems to prevent cyber-attacks and any potential data security breaches, including firewalls, encryption of customer data (storage and transmission) and a privacy policy, there are inherent limitations on such systems, including the possibility that certain risks have not been identified. There can be no guarantee that the measures taken by us and the wider VM Group will be sufficient to deter, detect or prevent data security breaches.

5.18 ADDITIONAL REQUIREMENTS FOR CAPITAL.

5.18.1 Our capital requirements depend on numerous factors. Depending on our ability to generate income from our subsidiaries and Portfolio Companies, we may require further financing in addition to amounts raised under this offer. Debt financing, if available, may involve restrictions on financing and operating activities. If we are unable to obtain additional financing as needed, we may be required to reduce the scope of the operations of our subsidiaries and Portfolio Companies thereby reducing the level of profit-generating activities within the subsidiaries and Portfolio Companies and their ability to upstream dividends to us. There is no guarantee that we will be able to secure, as and when needed, any additional funding or be able to secure such funding on terms favourable to us.

5.19 WE FACE GENERAL ECONOMIC AND POLITICAL ENVIRONMENTAL RISKS.

5.19.1 The business of our Group is also affected

SECTION 5 CONTINUED

Risk Factors

by general financial, economic and external events beyond our control. Unfavourable economic and external conditions may impact negatively on our Group operations. In particular, demand for products and services offered by our subsidiaries and Portfolio Companies would decrease significantly as a result of such unfavourable conditions.

5.20 RISKS RELATED TO MONEY LAUNDERING AND / OR TERRORIST FINANCING.

5.20.1 Although our Group has implemented a comprehensive anti-money laundering ("AML") and "know-your-customer" ("KYC") policy, monitored by a Compliance Department, and has adhered to all measures required under Jamaican legislation aimed at preventing our subsidiaries being used as a vehicle for money laundering, there can be no assurance that these measures will be completely effective. If a subsidiary were to fail in the future to comply with timely reporting requirements or other AML regulations and/ or is associated with money laundering and/ or terrorist financing, its reputation and financial performance may be adversely affected. In addition, involvement in such activities may carry criminal or regulatory fines and sanctions. Any such sanctions would cause reputational damage to us and our affected subsidiary as a whole which may in turn reduce clients' willingness to continue doing business with the Group.

5.20.2 The occurrence of these risk within the wider VM Group-in particular within VM Building Society would also adversely reflect on us and cause our customers and counterparties to assume similar weaknesses in our own AML/AFT risk management policies and procedures. We do not control or have oversight of the AML/AFT risk management systems within our Portfolio Companies.

5.21 RISK ASSOCIATED WITH OUR INTEREST IN OUR SUBSIDIARIES AND PORTFOLIO COMPANIES.

5.21.1 Performance our subsidiaries and Portfolio Companies has a direct impact on our interest as their parent or investor. If our subsidiaries and Portfolio Companies perform well, we will benefit and vice-versa. As the future performance of our subsidiaries and Portfolio Companies, can be below expectations there is always a risk that our interest as parent or investor may be affected negatively. In particular, 42% of VMIL's net profits are generated by VM Wealth Management, and so VMIL is heavily exposed to the performance of VM Wealth Management.

5.21.2 We have business partners in our Portfolio Companies. A breakdown of our working relationship with our business partners could have a debilitating effect on the business of the relevant Portfolio Company and could adversely affected its financial condition, results of operations and reputation. In addition, the cost of managing our investment in such a Portfolio Company could be materially increased in terms of management time and actual financial costs -especially if a dispute were to become litigious.

5.21.3 We have not had any dispute or disagreement with our co-investors in any of the Portfolio Companies, but we cannot predict that the amicable working relationship which currently exists will continue in the future.

5.22 SUPERVISORY REQUIREMENTS AND EXPECTATIONS ON US, OUR NEED TO MAKE IMPROVEMENTS AND DEVOTE RESOURCES TO VARIOUS ASPECTS OF OUR CONTROLS, PROCESSES, POLICIES AND PROCEDURES, AND ANY REGULATOR-IMPOSED LIMITS ON OUR ACTIVITIES, COULD LIMIT OUR ABILITY TO IMPLEMENT OUR STRATEGIC PLAN, EXPAND OUR BUSINESS AND IMPROVE OUR FINANCIAL PERFORMANCE.

5.22.1 As respects VM Wealth, a securities dealer regulated by FSC, it is unclear at the present time as to the extent, if any, to which enhanced regulatory oversight, and capital requirements will be imposed upon security dealers. The recent regulatory intervention in a licensed securities dealer by the Government and reports (yet to be proven) of massive fraud in the institution have not only served to undermine confidence in the sector but have triggered increased regulatory surveillance and it is expected that regulatory and capital requirements as well as compliance costs will be increased with respect to security dealers and other institutions such as insurance companies regulated by the FSC.

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5.22.2 In addition, the Government has announced that it proposes to adopt the twin-peaks regulatory model whereby the Bank of Jamaica will regulate prudential and financial soundness and stability of all licenced financial institutions including security dealers and the FSC will focus on market conduct and consumer protection affairs. The foregoing regulatory model is likely to increase regulatory compliance costs, at the very least. All the foregoing regulatory matters, whilst designed to enhance security and confidence in regulated financial institutions, will come at a cost and could likely, in the immediate aftermath, adversely affect financial conditions and results of operations- especially in respect of VM Wealth on which we depend for the lion's share of our revenues.

5.23 OUR ABILITY TO MEET OUR OBLIGATIONS, AND THE COST OF FUNDS TO DO SO, DEPENDS ON OUR ABILITY TO ACCESS SOURCES OF LIQUIDITY AND THE PARTICULAR SOURCES AVAILABLE TO US.

5.23.1 Liquidity risk is the risk that we will not be able to meet our obligations, including funding commitments, as they come due.

5.24 THE FINANCIAL SERVICES INDUSTRY IS UNDERGOING RAPID TECHNOLOGICAL CHANGES AS A RESULT OF COMPETITION AND CHANGES IN THE LEGAL AND REGULATORY FRAMEWORK, AND WE MAY NOT BE ABLE TO COMPETE EFFECTIVELY AS A RESULT OF THESE CHANGES.

5.24.1 The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. In addition, new, unexpected technological changes could have a disruptive effect on the way securities dealers offer products and services. We believe our success depends, to a great extent, on our ability to use technology to offer products and services that provide convenience to customers and to create additional efficiencies in our operations. However, we may not be able to, among other things, keep up with the rapid pace of technological changes, effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers. As a result, our ability to compete effectively to attract or retain new business may be impaired, and our business, financial condition or results of operations may be adversely affected.

5.24.2 In addition, changes in the legal and regulatory framework under which we operate require us to update our information systems to ensure compliance. Our need to review and evaluate the impact of ongoing rule proposals, final rules and implementation guidance from regulators further complicates the development and implementation of new information systems for our business. Also, recent regulatory guidance has focused on the need for financial institutions to perform increased due diligence and ongoing monitoring of client relationships, thus increasing the scope of management involvement. Given the significant number of ongoing regulatory reform initiatives, it is possible that we incur higher than expected information technology costs in order to comply with current and impending regulations.

5.25 INTEREST RATE RISK.

5.25.1 If the prevailing interest rate in the market increases, the demand for the fixed rate Bonds will likely decrease, resulting in a reduction in market price. But on the reverse side if interest rate falls then greater value would be attributed to those Bonds and demand for them would increase leading to higher trading prices.

5.26 LIQUIDATION RISK.

5.26.1 Though the Bonds have lower liquidation risk compared to equity shares, nevertheless this risk continues to exist. In a liquidation the order of asset distribution or waterfall would generally be in the following order of priority (i) liquidations expenses; (ii) preferential debts (such as taxes and employees' costs including redundancies; (iii) secured creditors; (iv) unsecured creditors including un-secured Bondholders in this case and trade creditors; (iv) preference shareholders; and (vi equity shareholders.

5.27 VM WEALTH, OUR SECURITIES DEALER SUBSIDIARY, MAY INCUR SIGNIFICANT LOSSES IN ITS TRADING AND INVESTMENT OPPORTUNITIES DUE TO MARKET FLUCTUATIONS AND VOLATILITY.

5.27.1 VM Wealth generally maintains trading and investment positions in fixed income and equity securities. To the extent that it owns assets (i.e., has long positions in those

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securities) a reduction in market value of those securities could result in losses from the declining value of those long positions.

5.28 COMPANIES WITHIN THE GROUP ARE EXPOSED TO CLAIMS FOR DATA PRIVACY BREACHES.

5.28.1 By the very nature of their businesses, certain companies in our Group such as VM Wealth, collect and process personal data (and in some instances, sensitive personal data) of their customers and other stakeholders (including employees and pensioners) such as names, contact details, KYC, financial information and health information. The Data Protection Act is in full force. Under the Act, a data breach whereby the personal data of a customer or other counterparty is disseminated or "stolen" by a third party could expose the relevant company to claims for damages by the affected person(s), actions by the data protection agency and damage to our reputation if the actions of the relevant Group companies were not up to the requisite legal standard or the legitimate expectation of its customers or other counterparty. Concern among customers and counterparties interacting with our Group about the data management and safe-keeping practices of our Group could cause us to lose potential business and require us to incur costs to improve the Group's data processing capabilities with concomitant increased data protection compliance costs.

5.29 OUR SUBSIDIARIES AND PORTFOLIO COMPANIES DEPEND ON THE ACCURACY AND COMPLETENESS OF INFORMATION PROVIDED BY CUSTOMERS AND COUNTERPARTIES.

5.29.1 In deciding whether to extend credit, or enter into other transactions with customers and counterparties, relevant companies within our Group rely on information furnished to them by or on behalf of customers and counterparties, including financial statement, other financial information and description of risks and their market value. They also rely on representation of customers and counterparties as to the accuracy and completeness of such information, and with respect to financial statements and reports of independent auditors. The financial conditions, results of operations, financial reporting and reputation of a subsidiary or Portfolio Company could be negatively affected if it relies on materially misleading, false, inaccurate or fraudulent information and such negative effect on the financial performance or results of such subsidiary or Portfolio Company would, in turn, negatively impact upon us, as the holding company.

5.30 OUR ABILITY TO ACHIEVE OUR INVESTMENT OBJECTIVES DEPENDS ON VM WEALTH'S ABILITY TO MANAGE AND SUPPORT OUR INVESTMENT PROCESS. IF VM WEALTH WERE TO LOSE KEY MEMBERS OF ITS SENIOR MANAGEMENT TEAM, OUR ABILITY TO ACHIEVE OUR INVESTMENT OBJECTIVES COULD BE SIGNIFICANTLY HARMED.

5.30.1 We will depend on the investment expertise, skill and network of business contacts of VM Wealth. VM Wealth, will evaluate, negotiate, structure, execute, monitor and service our investments. Our future success will depend to a significant extent on the continued service and coordination of VM Wealth. The departure of either of key individuals at VM Wealth could have a material adverse effect on our ability to achieve our investment objectives.

5.30.2 Our Group's operations have been dependent on the experience, skills and knowledge of its executive officers and senior management, including the Chief Executive, who provides expertise and experience in the implementation of our Group's strategy and ability to attract and retain business. The loss of key personnel within our Group may cause a significant disruption to our Group's business, resulting in an adverse effect on our Group's operations, including our Group's ability to establish and maintain relationships with clients and financial institutions and to implement our Group strategy. This could adversely affect our Group's business and results of operations or financial condition and hence the level of dividends which we our subsidiaries and Portfolio Companies may be able to up-stream to us.

5.30.3 The Group does not presently have key man insurance in place in relation to any of its Directors, Senior Managers or employees. The Group has put in place succession planning measures aimed at enabling the development of its employees to provide successors over time. However, there can be no assurance that these measures will be successful or that the Group will

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be able to attract, develop or retain executives of the right calibre. The ability of the Group to meet its operational requirements and future growth and profitability may be affected by our inability to attract, develop or retain such executives.

5.31 WE MAY FACE INCREASING COMPETITION FOR INVESTMENT OPPORTUNITIES, WHICH COULD DELAY DEPLOYMENT OF OUR CAPITAL, REDUCE RETURNS AND RESULT IN LOSSES.

5.31.1 We compete for investments with companies and investment funds, as well as traditional financial services companies such as commercial banks and other sources of funding. As a result of these entitles, competition for viable investment opportunities may intensify. This increases the risk that we may invest in sub-optimal and risker opportunities.

5.32 FLUCTUATIONS IN CAPITAL MARKETS

5.32.1 Fluctuations in capital markets may adversely affect the value of our Group's assets under administration or management, from which our subsidiaries and some Portfolio Companies derive revenues, as well as investor confidence. A dramatic or sustained decline in capital markets may prompt investors to sell investments administered or managed by VM Wealth or render potential investors less willing to make new investments and render it more difficult for VM Wealth or VM Wealth Fund to attract new assets under administration or management or provide advisory services in relation to such investments, in each case having an adverse effect on the financial position and prospects of our Group. Further, such a decline would adversely affect revenues received on an annual or other recurring basis calculated by reference to the value of such assets under administration or management.

5.33 FAILURE TO MAINTAIN INVESTMENT PERFORMANCE OF MANAGED UNIT TRUSTS.

5.33.1 VM Wealth provides investment management services to a number of collective investments schemes ("CISs"). If the investment performance of those unit trusts were to be poor relative to the market or in absolute terms, then VM Wealth would be vulnerable to increased redemptions/ cancellation of units by investors in those CISs and a consequential reduction in revenues received derived from management fees. In the worst case one or more of those unit trust may have to be wound which would not reflect well on VM Wealth.

5.34 HOLDERS OF THE BONDS WILL BE STRUCTURALLY SUBORDINATED TO ANY OF OUR SUBSIDIARIES' THIRD-PARTY INDEBTEDNESS AND OBLIGATIONS.

5.34.1 The Bonds will be obligations of the Company exclusively. All of our operations are conducted through our subsidiaries and Portfolio Companies. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Bonds or to make any funds available therefore, whether by dividends, loans or other payments. Except to the extent that we are a creditor with recognized claims against any of our subsidiaries, all claims of third-party creditors (whether secured or un-secured including trade creditors) and holders of preference shares in any of our subsidiaries or Portfolio Companies, will have priority with respect to the assets of such subsidiaries over distribution to us as equity holders. It is from such distribution (other than disposal of interest in a subsidiary or Portfolio Company) that we would generate funds or accumulate distributable reserves to service the Bonds. Consequently, the Bonds will be structurally subordinated to all existing and future liabilities of any of our current or future subsidiaries and Portfolio Companies.

5.35 THE PRICE AT WHICH YOU WILL BE ABLE TO SELL YOUR BONDS PRIOR TO MATURITY WILL DEPEND ON A NUMBER OF FACTORS AND MAY BE SUBSTANTIALLY LESS THAN THE AMOUNT YOU ORIGINALLY EXCHANGED IT FOR.

5.35.1 The Bonds will constitute new issues of securities for which there are no existing trading markets. We believe that the value of the Bonds in any secondary markets, to the extent such develop, would be affected by the supply and demand of the Bonds, the prevailing interest rate in the market and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe what we expect to be the impact on the market value

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Risk Factors

of the Bonds of a change in a specific factor, assuming all other conditions remain constant.

The market price for the Bonds will be based on a number of factors, including but not limited to (i) the prevailing interest rates being paid by other companies similar to us; and(ii) the overall condition of the financial markets. The condition of the credit markets and prevailing interest rates have fluctuated in the past and can be expected to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the Bonds. Thus, you may not be able to sell your Bonds if active trading markets for the Bonds do not develop. This could adversely affect the price of the Bonds in the secondary market and your ability to resell the Bonds should you desire to do so. Neither the Company nor any of its subsidiaries will act as market make in respect of the Bonds.

5.36 CREDIT RATINGS, IF ANY, MAY NOT REFLECT ALL RISKS OF AN INVESTMENT IN THE BONDS.

5.36.1 The credit ratings, if any, assigned to the Bonds will be limited in scope, and do not address all material risks relating to an investment in the Bonds, but rather reflect only the view of the rating agency at the time the rating is issued. There can be no assurance that those credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by one or more rating agencies if, in that rating agency's judgment, circumstances so warrant.

5.36.2 Agency credit ratings are not a recommendation to buy, sell or hold any security. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the Bonds and increase our corporate borrowing costs.

5.37 THERE WILL BE LIMITED COVENANTS IN THE TRUST DEED.

5.37.1 Neither we nor any of our subsidiaries will be restricted from incurring additional debt or other liabilities, including additional senior or pari passu debt. If we incur additional debt or liabilities, our ability to pay our obligations on the Bonds could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities. In addition, we will not be restricted under the Trust Deed from granting security interests over our assets, or from paying dividends or issuing or repurchasing our securities. Thus, if we were to assume debt secured on any part of our assets; for example, a secured loan or issue or placement of secured notes or bonds the obligations in respect of those secured facilities would rank ahead of our obligations under these Bonds. Likewise, if we assume unsecured debt or issue additional unsecured bonds or notes which are not expressly subordinated these Bonds such debt would rank pari passu with these Bonds in a winding up would increase the amount of funds need to service such senior debts first and these Bonds and other pari passu debt pro rata and simultaneously.

5.38 REDEMPTION MAY ADVERSELY AFFECT YOUR RETURN ON THE BONDS.

5.38.1 We will have the right to redeem in full or in part all of the Bonds prior to their stated maturity or redemption date. We would typically exercise that right when prevailing interest rates in the market may be relatively low. If we were to exercise that right, you may not be able to reinvest the pre-payment, or redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds and you would therefore be exposed to interest rate loss.

5.39 ACTIONS TAKEN BY GOVERNMENTS IN RESPONSE TO RISING INFLATION RATES MAY HAVE A MATERIAL IMPACT ON OUR BUSINESS.

5.39.1 Both domestic and international markets experienced significant inflationary pressures in fiscal year 2023 and inflation rates are currently expected to continue at elevated levels for at least the near-term. In response, the Bank of Jamaica has raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening related risks. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world. These factors have affected, and may

SECTION 5 CONTINUED

Risk Factors

continue to affect, the reported value of our assets and liabilities, our expenses, and our cash flows.

5.40 WE MAY PURSUE PORTFOLIO INVESTMENT OPPORTUNITIES OR OTHER INORGANIC GROWTH STRATEGY WHICH COULD PRESENT UNFORESEEN INTEGRATION OBSTACLES OR COSTS. WE MAY ALSO FACE COMPETITION IN OUR ACQUISITION STRATEGY, AND SUCH COMPETITION MAY LIMIT SUCH OPPORTUNITIES.

5.40.1 We have explored and continue to explore a wide range of investment opportunities. These opportunities and activities involve a number of risks and challenges, including:

(a) potential disruption of our ongoing businesses and product, service and market development and distraction of management;

(b) difficulty retaining and integrating personnel and integrating administrative, operational, financial reporting, internal control, compliance, technology and other systems;

(c) the necessity of hiring additional managers and other critical professionals and integrating them into current operations;

(d) increasing the scope, geographic diversity and complexity of our operations;

(e) to the extent that we pursue these opportunities internationally, exposure to political, economic, legal, regulatory, operational and other risks that are inherent in operating in a foreign country, including risks of capital controls, foreign exchange controls, foreign currency fluctuations, regulatory and tax requirements, economic and/or political instability,

(f) the risks relating to integrating accounting and financial systems and accounting policies and the related risk of having to recast our historical financial statements; and

(g) the upfront costs associated with pursuing transactions and recruiting personnel, which efforts may be unsuccessful in the increasingly competitive marketplace for the most talented producers and managers.

5.41 CREDIT RISK RELATING TO THE DBJ LOAN PROGRAMME

5.41.1 VMIL operates a programme whereby it borrows funds from the DBJ for on-lending to its ultimate clients. VMIL is exposed to a credit risk in relation to this programme whereby the ultimate client may default on its obligations to VMIL, but VMIL will nevertheless continue to be obligated to make payments to the DBJ.

SECTION 6

Professional Advisors **to the Invitation**

BROKER & LISTING AGENT

VM Wealth Management Limited
6th Floor, The VM Building
53 Knutsford Boulevard
Kingston 5

ATTORNEYS-AT-LAW

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6

REGISTRAR & PAYING AGENT

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston

AUDITORS

KPMG
The VM Building
6 Duke Street
Kingston

SECTION 7

Key Information **on the Invitation**

The following summary information is derived from, should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices.

You are advised to read this entire Prospectus carefully before making an investment decision about the Invitation. Your specific attention is drawn to the Risk Factors in Section 5 of this Prospectus and the Disclaimers & Notes on Forward Looking Statements in Section 4 of this Prospectus.

If you have any questions arising out of this document or if you require any explanation, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant, or other professional advisor. [2]

ISSUER:	VM Investments Limited
SECURITIES TO BE ISSUED:	Unsecured Corporate Bonds
UNSECURED CORPORATE BONDS	The Bonds will be issued in three Tranches as follows: a. Tranche D = VM Investments 18-month Bonds Due 2026; b. Tranche E = VM Investments 24-month Bonds Due 2026; and c. Tranche F = VM Investments 36-month Bonds Due 2027
BOND COUPON	a. Tranche D = 9.75% - 10.00% b. Tranche E = 10.00% - 11.00% c. Tranche F = 10.50% - 11.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a 2.0% Fixed Margin
BOND COUPON (cont'd):	Where an Event of Default has occurred, and is continuing, and then there will be an up-lift of 2.00% per annum on the applicable Interest Rate on each Tranche of Bonds. Interest will be payable quarterly. Interest calculation convention: actual number of days/365 (366 for a leap year)
REPAYMENT:	Bullet payment in full at maturity.
COVENANTS:	Financial Covenant: Maximum Debt to Equity: 5.00× Affirmative and Negative Covenants: See Section 8.2.14 for further details.
EVENTS OF DEFAULT:	See Section 8.2.15
EVENTS OF DEFAULT:	See Section 8.2.15
SUBSCRIPTION PRICE:	a. J$100.00 per Bond, being 100% of the face value of the Bond, plus the JCSD Processing Fee of J$172.50 per Application must be included in each payment.
TAXATION:	Interest payments to Jamaican resident Bondholders will be subject to tax at 25%. Such interest will be withheld by the Registrar and Paying Agent and paid to the relevant tax authority. A certificate in the usual form confirming payment of such tax will be issued to the relevant Bondholder by the Registrar and Paying Agent.
TAXATION (cont'd):	Bondholders that are resident outside of Jamaica may be subject to higher or lower rates of tax on interest and principal depending on their circumstances. Each prospective Bondholder should consult with an independent advisor as to the rate of withholding and other taxes that is applicable to them. If the Bonds are listed on the Bond Market of the JSE as anticipated, the transfer of the Bonds will be exempt from both Transfer Tax and Stamp Duty.
APPLICATION:	All Applications for Bonds in the Invitation should be made on the Wealth IPO Edge platform by logging onto the website https://wealthipo.myvmgroup.com and following the steps set out in **Appendix 1** of this Prospectus. [However, should VM Wealth IPO Edge's portal become unavailable due to disruptions unforeseen then potential investors are invited to apply for Bonds in the Invitation via the application form in **Appendix 1.**

[2] Note that a higher interest rate will apply to initial investments above J$5 million in the Bonds.

If a CariCRIS rating upgrade shall occur during the life of the Tranche F Bonds there shall be a 0.25% reduction in the Fixed Margin in respect of each such upgrade provided that in all cases the fixed margin shall not decrease below zero. There shall be no change to the Fixed Margin in the event of a CariCRIS rating downgrade.

SECTION 7 CONTINUED

Key Information **on the Invitation**

PAYMENT:	Payment for all Bonds must be made in full using the Approved Payment Method upon delivery of an Application together with the JCSD Processing Fee and an Interest mandate fee (where applicable) of J$172.50 (inclusive of General Consumption Tax).
APPROVED PAYMENT METHOD:	In full on Application by: a. cleared funds held in an investment account in the Applicant's name at VM Wealth Management (**VM Wealth**), supported by an authorisation from the Applicant instructing VM Wealth to make payment from that account; b. transfer by Real Time Gross Settlement (**RTGS**) to VM Wealth, in the case of payments of One Million J$ or more; or c. transfer via the Automated Clearing House (**ACH**) to VM Wealth.
ISSUE SIZE:	J$5,433,965,621.00
ARRANGER:	VM Wealth Management Limited
BROKER & LISTING AGENT:	VM Wealth Management Limited
REASON FOR INVITATIONS & USE OF PROCEEDS:	The Company intends to use the net proceeds of the Invitation to refinance maturing debt facilities and covering transaction costs. The debt schedule below indicates a total of $5.40 billion to be refinanced, which leaves $31.77 million to cover transaction costs.

REASON FOR INVITATIONS & USE OF PROCEEDS (continued):

Tranche	Amount	Interest Rate
Tranche A	$642,966,218	6.75%
Tranche B	$4,759,227,353	11.25%
Total to be Refinanced	**$5,402,193,571**	
Transaction Costs	**$31,772,050**	

BASIS OF ALLOTMENT:

Unsecured Corporate Bonds will be allocated on a "first come first served basis". The Subscription List will close on December 27, 2024 at 4:30 p.m. Jamaica time, unless the Company elects to close the Application List prior to the Closing Date as stated herein.

Unsecured Corporate Bonds "first come first serve" basis means that all Applications are processed, and the securities allocated in the order in which they are received.

If the Bonds are oversubscribed, it is likely that the Bonds will be allocated on a pro rata basis, in which event Applicants may be allotted fewer Bonds than were the subject of their Application(s). However, the Company (in the event of oversubscription) reserves the right to allot Bonds on an alternative basis to be determined in its sole discretion including allotting a minimum of Bonds to each Applicant and then allocating the excess on a pro rata basis or on such alternative basis as seems justifiable having regard to fairness and efficacy.

BASIS OF ALLOTMENT (continued):

Where there is an oversubscription for Bonds in a particular Tranche, but not in others, VMIL reserves the right in its sole discretion to alter the amounts to be raised in each Tranche, subject always to the aggregate principal amount of Bonds not exceeding J$5,433,965,621.00.

NOTIFICATION OF ALLOTMENT:

Successful Applicants will be notified by way of Letters of Allotment electronically mailed ("emailed") by the Broker & Listing Agent on behalf of the Company to the email address of the Applicant (*or of the first-named joint Applicant*) as stated in the Application Form and sent at the risk of the Applicant.

TIMETABLE

Registration of Prospectus with the FSC	December 11, 2024
Publication of Prospectus	December 12, 2024
Invitation Opens	December 19, 2024
Invitation Closes	December 27, 2024
Announcement of Basis of Allotment	January 06, 2025
Allotment of Unsecured Corporate Bonds	January 06, 2025
Refunds (*Transfers to Brokers*)	January 06, 2025
Listing of Unsecured Corporate Bonds on the JSE (subject to the successful completion of the respective listing applications)	January 16, 2025

SECTION 7 CONTINUED

Key Information **on the Invitation**

TIMETABLE (continued)	*The above timetable is indicative and will be implemented on a best-efforts basis, with the Directors however reserving the right (in consultation with the Broker & Listing Agent) to change the Opening Date and the Closing Date based on market conditions and other relevant factors. Notice of any changes in the above dates for the opening or closing of the Invitation will be given as soon as reasonably practicable via a press release and by posting a notice on the website of the JSE at www.jamstockex.com, and/or at the Company's website at www.vmil.myvmgroup,com*
EARLY APPLICATIONS:	Applications submitted prior to the Opening Date will be received but will not be processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served basis
CONFIRMATION OF BASIS OF ALLOTMENTS:	A notice confirming the provisional Basis of Allotment will be delivered to the JSE three (3) days after the Closing Date.
REFUND CHEQUES:	Returned Applications will be available for collection from VM Wealth within ten (10) days after the Closing Date.
FINAL ALLOTMENT:	There will be final allotment of the Bonds within ten (10) days of the Closing Date. Successful Applicants will receive a letter from the Registrar, confirming their final allotments.
INTENTION TO LIST ON JSE:	The Company intends, immediately following the closing of the Invitation, to make an application to the JSE to list the Bonds on the Bond Market. This statement is not to be construed as a guarantee that the Bonds will be listed. The making of the application by the Company, and its success, is dependent on the criteria for admission set out in JSE Rules

SECTION 8

Description of the **Bonds**

The Bonds will be issued by VMIL. The following summary of certain provisions of the Bonds does not purport to be complete and is qualified in its entirety by reference to the terms of the actual Bonds. Bondholders will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Bonds. Copies of the Form of Global Bond will be among the documents available for inspection during normal business hours at the Office of VMIL on the 6t Floor of the VM Building, 54 Knutsford Boulevard, Kingston 5, Jamaica.

8.1 THE ISSUER

The Issuer: VM Investments Limited ("VMIL" or "the Issuer").

The Issuer Credit Rating: The current CariCris credit rating of the Issuer is as follows:

- jm**A-** (Jamaica National Scale JMD Currency)
- jm**BBB+** (Jamaica National Scale Foreign Currency)
- Cari**BBB** (Regional Scale Local Currency)

8.2 THE BONDS

8.2.1 *General:* The Bonds will be issued and constituted under a Trust Deed between the Issuer and JCSD Trustee Services Limited ("the Trustee") dated May 1, 2024. The Bonds will constitute direct, unconditional and unsecured obligations of the Issuer and will (i) rank equal in right of payment with all of the Issuer's existing and future unsecured indebtedness; (ii) rank senior in right of payment of all the Issuer's existing and future indebtedness (if any) legally ranking subordinate to the Bonds (iii) (iii) be effectively subordinated to all of the Issuer's existing and future secured indebtedness as respect the collateral securing such indebtedness and (iv) be subordinated to the Issuer's obligations preferred by statute or by operation of law. The obligations to make payments of principal, interest and any additional amount, if any, on the Bonds, will be solely the Issuer's. None of the Issuer's shareholders, affiliates, directors, managers, officers or employees, will guarantee the payment of the Bonds or will have any liability for any of the Issuer's obligations under the Bonds or the Trust Deed or for any claim based on, in respect of, or by reason of, such obligations or their creation. Interest on the Bonds will be payable on each Interest Payment Date as described in 8.2.3 below, section with the principal payment thereof of being required to be made on the Maturity Date.

8.2.2 *Type of Bonds:* Bonds will be issued in three tranches as follows:

Tranche	Tenor	Interest Rate	
D	18 Months	9.75%	Initial investments above J$5M will receive a 10.00% coupon.*
E	24 Months	10.00%	Initial investments above J$5M will receive a 11.00% coupon.*
F	36 Months	10.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a 2.00% Fixed Margin. A CariCRIS rating upgrade would result in 0.25% reduction in the Fixed Margin on each occasion, provided that in all cases the fixed margin shall not decrease below zero.	Initial investments above J$5M will receive a 11.50% coupon % per annum for the first 2 years THEREAFTER the Inter-est Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin.* A CariCRIS rating upgrade would result in 0.25% reduction in the Fixed Margin on each occasion, provided that in all cases the fixed margin shall not decrease below zero.

(*) Investors who sell down their holdings below the J$5M threshold will continue to receive the higher coupon rate. Conversely, investors who increase their holdings above the J$5M threshold will not be eligible for the higher rate.

8.2.3 *Interest on the Bonds:* The interest or coupon rates on Tranche D, E and F Bonds are shown in column 3 of the table above. Interest will be calculated and paid at the Agreed Rate and shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (or 366-day year in the case of a leap year) for the actual number of days comprised in each Interest Period. Interest will be payable quarterly in arrears. The first

SECTION 8 CONTINUED

Description of the **Bonds**

Interest Payment will become due and payable on three (3) months after the Issue Date in December and thereafter each three (3) month period expiring on June 27, 2026, October 27, 2026 and October 27, 2027 provided that the last interest payment will be payable on the Maturity Date.

8.2.4 *Withholding Tax:* Interest will be paid net of withholding tax except in the case of holders who are exempt from such withholding. As it relates to the Jamaican resident holders who are not exempt from withholding tax, the withholding tax rate will be 25%. In the case of non-resident holders, the withholding rate may be reduced by applicable treaty where such treaty exists and is applicable.

8.2.5 *Principal Payment:* Bullet payment at Maturity Date being as shown below:

Tranche	Maturity Date
D	June 27, 2026
E	December 27, 2026
F	December 27, 2027

8.2.6 *Prepayments:* Following forty-five (45) days) after the Issue Date, the Issuer will have the option to prepay, without premium or penalty, any or all tranches of Bond, in whole or in part, plus any accrued and unpaid interest up to the date of repayment, subject to 30 days prior written notice.

8.2.7 *Currency:* All Bonds will be denominated in Jamaican currency and interest and principal will be payable in Jamaican currency.

8.2.8 *Subscription for Bonds:* Bonds will be allocated to subscribers on a “first come first served” basis or in such other manner as the Issuer may, in its sole discretion, decide. The full-face value of a Bond is payable on subscription.

i. Minimum Subscription: J$10,000.00
ii. Minimum Transfer/Trading block: J$5,000.00

8.2.9 *Settlement:* The Bonds will be immobilized in the Jamaica Central Securities Depository (“JCSD”). A single definitive Global Bond will be issued to the Trustee in respect of each Tranche. Individual Bondholders will be issued depository receipts by the JCSD evidencing their interest in the Global Bond. As between the Issue and a Bondholder such interest will be legally represented in the form of an individual bond. The Issuer reserves the right to issue individual Bonds to a Bondholder. In such a case, payment made under the Global Bond would pro tanto reduce the obligation of the issue under such individual Bond.

8.2.10 *Paying Arrangements:* JCSD Trustee Services Limited, the Bond Trustee will also act as paying agent and will affect payment of interest and principal on behalf of the Issuer.

8.2.11 *Transferability:* Bonds may be transferred by means of a book entry in the records of the JCSD or any other similar depository/agency on provision of written transfer duly signed by the registered Bondholder and the transferee and authenticated by the Trustee.

8.2.12 *Collateral:* The Bonds will be unsecured.

8.2.13 *Transaction Documents:* The principal transaction documents applicable to the Bonds will be the (i) Trust Deed (ii) Bond Purchase Agreement and (iii) Global Bonds. The Trust Deed is generally in customary terms for debt placement in Jamaica. Under the Trust Deed, each tranche of Bonds will be represented by a Global Bond which will be deposited in the Depository and the Depository will issue a Depository Receipt to each individual Bondholder.

8.2.14 *Trust Deed:* The Trust Deed contains the customary affirmative and negative covenants. Among the **affirmative covenants** are (i) payment of taxes; (ii) perseveration of corporate existence; (iii) arm’s length dealings with affiliates; (iv) insurance on business assets; (v) reporting requirements – unaudited quarterly financial statements (60 days after the quarter) and audited financial statements (120 days after fiscal year); (vi) certification of compliance with financial statements – 21 days after each interest period and (viii) Events of Default – no later than 10 Business Days stating details of the default and any remedial action. **Negative covenants** include, inter alia (i) no merger without consent of the Trustee; (ii) no sale of assets exceeding 50% of the tangible net worth of the Issuer million without Trustee’s consent; and (iii) no repayment of related party loans which may cause a breach of covenants and (iv) no reduction in capital so as to breach any financial covenants, namely:

SECTION 8 CONTINUED

Description of the **Bonds**

8.2.14 *Trust Deed (continued):*

Maximum Debt to Equity: 5.00×

where:

"**Debt to Equity**" means as of any date of determination, the result of the following formula, expressed as a multiple: VMIL's Total Borrowings (Excluding Repurchase Agreements) / VMIL's Total Equity.

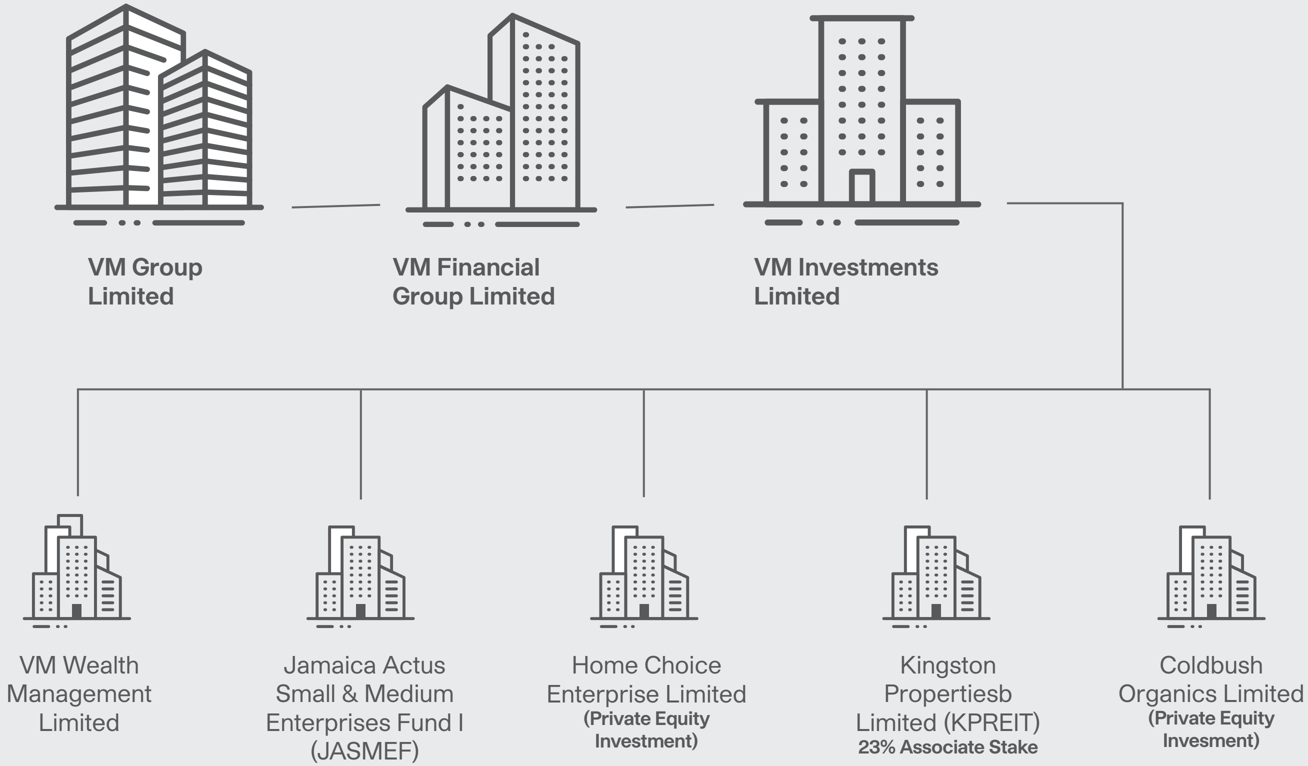
The financial covenants will be tested semi-annually on a consolidated basis on a 12-month rolling timeline.

8.2.15 *Event of Default:* Upon the occurrence of an Event of Default, Bondholders may resolve by ordinary resolution to accelerate repayment of the Bonds. Events of Default include inter alia (i) non-payment of principal or interest for more than 14 days; (ii) misrepresentation or breach of warranty; (iii) default in respect of any covenant (other than for payment of money) (iv) cross default under any other financial indebtedness; (v) cessation of the issuer to operate as a going concern; (vi) Insolvency Event with respect to the issuer; (vii) enforcement action by any secured creditor over the assets of the company; (viii) enforcement action by judgement creditor; (ix) the Trust Deed or a bond becomes or allege to be unlawful or unenforceable; (x) the cancellation by any regulatory agency of a Material Licence; (xi) failure to satisfy a judgment exceeding US$1 million or in any other currency within 45 days unless the judgement is subject to a bona fide appeal.

8.2.16 *Listing of the Bonds:* The Company intends to apply for a listing of the Bonds on the Bond Market of the JSE. Please note that this is not a guarantee that the Bonds will in fact be admitted to the Bond Market. Further, if the Company does not meet the criteria for admission set out in the relevant Rules of the JSE, it reserves the right to cancel all allotments of the Bonds and all payments would thereupon be refunded in full without interest to successful applicants.

SECTION 9

Information about the **Company**



9.1 VM INVESTMENTS LIMITED

VM Investments Limited (VMIL) is an investment and financing company incorporated in 1984 and domiciled in Jamaica. The company has been listed on the JSE Main Market since December 2017. It is now 80% owned by VM Financial Group Limited (VMFG) and 20% by the public.

In 2022, VM Building Society (VMBS), then parent of VMIL, undertook a court-approved scheme of arrangement to re-organize the group of companies to ensure compliance with the Banking Services Act (2014) which mandates that a corporate group which includes both financial entities and non-financial entities, be reorganised by separating the financial services companies from the non-financial companies. The scheme of arrangement was approved overwhelmingly by the members of Victoria Mutual Building Society and sanctioned by the Supreme Court of Judicature. As a result of the scheme of arrangement VMIL became a subsidiary of VMFG and the 20% of the business that is owned by shareholders remained the same with all rights and benefits intact. VMFG is a 100% subsidiary of the ultimate parent company, VM Group Limited.

VMIL is the parent company of VM Wealth Management Limited (VM Wealth), which was founded in 1994, and owns the common shares VM Wealth Funds Limited (Barbados), formerly Republic Funds (Barbados) Inc. (RFI). VMIL also has significant shareholdings in Kingston Properties Limited ("KPREIT"), Home Choice Enterprise Limited ("HCEL" or "Home Choice") and Coldbush Organics Limited. In 2022, VMIL partnered with London-based Actus Partners (Actus), and together they completed the first closing of a new Caribbean private equity fund, Jamaica Actus Small &

SECTION 9 CONTINUED

Information about the **Company**

Medium Enterprises Fund I (JASMEF). The fund focuses on Small & Medium Enterprises (SMEs) and is supported by the Development Bank of Jamaica (DBJ) via a partnership between the World Bank and the Jamaican Government. VMIL's primary offerings include margin loans, lease financing, underwriting services and secured corporate loans, managed by the financial expertise of the team at its subsidiary - VM Wealth.

As part of the VM Group's strategic goal of being a strong integrated financial group, in 2017 the organisation initiated the recapitalisation of VMIL, as a vehicle to facilitate corporate lending and investing to support well-run Jamaican businesses. To date, VMIL has successfully raised over J$40 Billion of debt by way of private placement, through its subsidiary VM Wealth.

In October 2024, the Caribbean Information and Credit Rating Services Limited (CariCRIS) maintained the issuer/corporate credit ratings for VMIL at CariBBB (Local Currency Rating) on the regional scale and at jmA- (Local Currency Rating) and jmBBB+ (Foreign Currency Rating) on the Jamaica national scale. The regional scale rating reflects VMIL's good credit standing relative to other Caribbean obligors, while the national scale ratings affirm its adequate creditworthiness compared to other Jamaican obligors. The rating has been influenced by the support from its parent company, VMFG, along with enhancements in the credit risk profile of VMIL, which is linked to positive shifts in Jamaica's sovereign risk profile.

Additionally, the rating agency commended VMIL on its launch in Barbados earlier in 2024, which deepened its operations in Barbados, added to its assets under management and increased its client base, indicating that it expects this expansion to support the company's overall business risk profile. VMIL was also commended for its advances in building out its digital ecosystem, which, when fully implemented, will allow clients to continue to receive advice from financial advisors and afford them independence in executing transactions. This is supported by the robust risk management practices, which underpin the efficacy of operations. CariCRIS acknowledged the resumption of dividend payments with a $48 million distribution in July, a priority for the business provided the financial performance facilitates. The resumption signals a positive outlook for the company, which is facilitated by expected improvements in the Jamaican economy, also acknowledged by Standard & Poor's Rating agency's revision of its outlook for Jamaica from Stable to Positive on September 24, 2024.

9.2 VM WEALTH MANAGEMENT LIMITED (SUBSIDIARY OF VMIL)

VM Wealth Management Limited is a licensed securities dealer that is regulated by the Financial Services Commission. It is incorporated and domiciled in Jamaica. VM Wealth is a premier provider of wealth management services, security trading and sales, investment advisory and corporate solutions.

VM Wealth has been a member of the Jamaica Stock Exchange since 1994 and operates as a licensed securities dealer. VM Wealth has earned a credible name for itself amongst the top performing investment managers in Jamaica, due to its strong and consistent performance, spanning many years. VM Wealth has played a critical role in promoting investment opportunities to investors – as a leading securities dealer and a formidable player in the stock brokerage and capital market businesses.

Over the last five years, VM Wealth's revenue stream has evolved from a predominantly fixed income and securities trading-dominated entity, where the greater part of its total revenues came from net interest income. Since 2011, VM Wealth has diversified its revenue streams, becoming active in the asset management and capital market space, with a comprehensive range of products and services. As a result, VM Wealth now derives the majority of its revenue from non-interest income sources.

The Wealth Managers at VM Wealth are committed to transforming lives, through bettering the future for families, a thriving business, a retirement that is rich with experience, and a lasting legacy. VM Wealth seeks to deliver smart solutions, unlock maximum value, and propel growth for individuals and organisations.

9.3 KINGSTON PROPERTIES LIMITED (KPREIT)

In 2022 VMIL acquired 135,483,871 units of Kingston Properties (KPREIT) shares for a combined consideration of J$1,050,000,000. This transaction increased VMIL's stake in KPREIT to a total of 23% and made KPREIT an associate company of VMIL.

KPREIT invests in and actively manages real estate properties o generate stable and sustained cash flows, as well as to achieve capital appreciation, for the benefit of its shareholders, through rental income and profit from sale. KPREIT has an extensive real estate portfolio that encompasses several properties locally, in the Cayman Islands and the USA. The company has managed properties in Trinidad and Tobago, before offloading for profit, and focusing mainly on expanding its holdings in Jamaica, Cayman Islands and the US. The last financial year ended December 2023, KPREIT's rental income

SECTION 9 CONTINUED

Information about the **Company**

income was reported at an all-time high of US$3.83 millio against US$3.35 million for 2022. Operating Expenses grew marginally by 3.35% year- over-year to US$1.53 million. This resulted in a net improvement in Operating Income of 22.65% above the US$1.99 million for 2022 to close the year at US$2.45 million. This supported the US$4.65 million profit.

For the three months ending March 31, 2024, group rental income increased by 29% year-over-year to US$1.11 million. This growth was primarily driven by the addition of units from the Grand Harbour Commercial Centre (GHCC) to the investment property portfolio, along with higher occupancy rates and rental prices at the other properties in Jamaica and Cayman. Additionally, year-to-date net profit rose by 13%, from US$836.26 thousand to US$946.36 thousand.

KPREIT is well-positioned for continued growth, supported by the recent addition of the Grand Harbour Commercial Centre (GHCC). Furthermore, planned improvement works at various local and regional properties are expected to drive significant rental rate increases, enhancing financial performance. As part of its growth strategy and efforts to achieve greater geographical diversification, KPREIT has also recently incorporated a new subsidiary in the United Kingdom.

9.4 COLDBUSH ORGANICS LIMITED

VMIL purchased a 5% equity stake in Coldbush Organics Limited, in October 2018, through its partnership with the FirstAngelsJA Angel Investor network. As an Associate member of the Network since 2015, this deal represented VM Wealth's first private equity investment. The proceeds from the investment were used to increase the acreage under cultivation at Mount Pleasant farm, from an initial 5 acres to 20 acres and later to the current 50 acres.

Coldbush Organics produces high-quality chocolate bars made from cocoa grown and processed on the company's farm. The product offerings include internationally awarded 70% premium dark chocolate bars with Jamaican-loved flavours, Jamaican premium 100% chocolate tea balls, natural cocoa powder and natural cocoa Nibs. Sustainability and fair trading are important at Coldbush and all their products are made according to holistic and sustainable environmental practices and support the local community. Additionally, the chocolates are packaged in eco-friendly 100% tree-free recycled cotton cardstock and hand screen printed to reflect its organic and artisanal quality.

Through its investment in this and similarly fast-growing companies, VMIL and VM Wealth hope to foster the entrepreneurial spirit of Jamaica and offer its support and financial backing to the small and medium enterprises sector. Since the initial investment, Coldbush has experienced strong growth. Coldbush achieved Sales growth of 84.7% in 2021 generating a modest profit. During 2022, sales remained stable.

Coldbush has received a number of awards including a Jamaica Observer's Food Award in 2013 for its chocolate and peanut spread. In 2017, the business received the Sir Arthur Guinness Trust Award and in 2022, the Mount Pleasant Farm was named among the top global food and drink producers, receiving the Golden Star in the Great Taste Awards for its 70% 70% dark bars.

9.5 HOME CHOICE

Home Choice Enterprise Limited was founded in 1999 by its Chairperson and CEO Ms Kareema Muncy and became a corporate entity in 2004. The company's main products include, Jerk seasonings, pepper, jerk, soya and garlic sauces, flavoured noodles, lemon juice, pepper shrimp, curry powder, pepper jelly, vinegar, soup mixes & ginger beer, and other notable products under the Home Choice brand. Home Choice distributes to over 3,000 customers across Jamaica. Since its inception, the company has grown its business model by selling to the 'small shop' businesses, to ensure it maintains its service level agreement, particularly, the expected level of service and performance standard.

In 2022, VMIL acquired an equity stake in food-manufacturing company Home Choice Enterprise Limited. The equity injection, which is in keeping with VMIL's mission to empower businesses for transformational growth, was used to provide the Portmore-based manufacturer with enough cash to expand production to meet demand for its products locally and in foreign markets. This investment also aligns with our Diversity, Equity and Inclusion (DEI) initiatives, as we collaborate with the Jamaican-Muslim Community.

Following the acquisition and capital injection in 2022, Home Choice revenue and bottom-line has expanded significantly. This was directly attributable to the capital injection from our private equity investment that improved the company's capacity to meet the demand for its products. On a year-over-year basis, revenue grew 26.74%, while cost saving initiatives saw the cost of sales declining 32.68%. Ultimately, the net profit surged close to thirteen-fold.

9.6 VM WEALTH FUNDS LIMITED (BARBADOS), FORMERLY RFI

In line with our objectives of regional integration and capitalizing on our expertise for enhanced financial outcomes, VMIL and Republic Funds (Barbados) Inc (RFI) signed an agreement in November 2021 for VMIL to acquire a complete

SECTION 9 CONTINUED

Information about the **Company**

100% of the common shares in RFI. RFI, which managed three investment funds open to investors, was one of five mutual fund companies active in Barbados. The funds managed by RFI included the Capital Growth Fund, the Income Fund, and the Property Fund.

The acquisition was completed in January 2024, having met all the regulatory requirements and the Barbados location was officially opened on January 22, 2024. Subsequent to the completion, the entity was renamed the VM Wealth Funds Limited, and the Barbados mutual funds renamed VM Wealth Capital Growth Fund, VM Wealth Income Fund and VM Wealth Property Fund.

At the end of June 2024, the VM Wealth Capital Growth Fund, which is the equity fund, grew 0.90% YTD and ranked 4th out of 6 equity funds nationally. The VM Wealth Income Fund, which is the fixed income fund, expanded 0.08% YTD and the VM Wealth Property Fund had a much larger 12.12% YTD expansion to rank 1st of 3 property funds nationally. There are short- and medium-term investment strategies for each fund that are expected to boost the performances, supported by continued growth, albeit by a slower pace, in the tourism dependent economy of Barbados.

▶ 9.7 CARILEND LIMITED (FORMER PRIVATE EQUITY INVESTMENT)

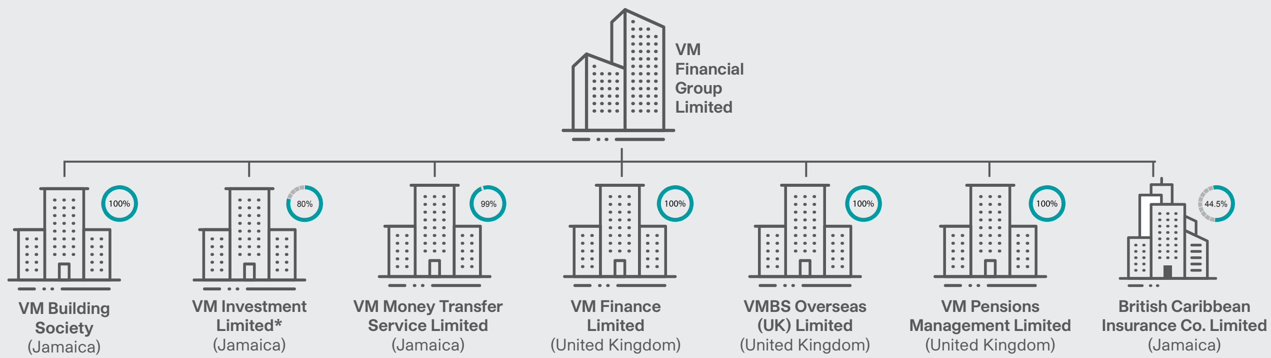
Carilend was founded in 2015 by two seasoned industry executives, Mark Linehan and Mark Young. Carilend is a FinTech company that has revolutionised borrowing and lending in the Caribbean, providing fully online lending services. The first major success was the introduction of a peer-to-peer lending services in Barbados and the phenomenon that has swept the globe and is now a billion-dollar industry in the US, UK and Canada.

In 2019, VMIL acquired a 30% private equity stake in Carilend. This investment contributed to the expansion in Jamaica and the noticeable growth and financial improvements. Carilend launched operations in 2020 offering the co-branded, "VM e-loan powered by Carilend" direct to Jamaican consumers in partnership with the VM Group. This partnership approach was replicated for the 2022 launch of Carilend in Trinidad and Tobago alongside Massy Finance.

Carilend now has over 77,000 registered users and has received over 5,000 completed loans applications across its countries of operation. **In 2024, VMIL exited this private equity investment, having contributed to the Company's growth and repairing the financial gains of such. This transaction was a part of VMIL's private equity strategy, which we intend to continue pursuing, as we further diversify our streams of income.**

▶ 9.8 THE VM FINANCIAL GROUP (PARENT OF VMIL)

The VM Financial Group (VMFG) is the dedicated and outcome-oriented financial division of the VM Group. It is the holding company for the financial service entities within the VM Group being (i) VM Building Society, (ii) VM Investments Limited and through this Company VM Wealth Management Limited, (iii)VM Pensions Management Limited, (iv) VM Finance Limited, (v) VMBS Money Transfer Services Limited, (vi) VMBS Overseas (UK) Limited and (vii) British Caribbean Insurance Company Limited (an affiliate). VMFG is committed to working diligently and purposefully to achieve excellence.-The VM Financial Group provides individual consumers, small and medium businesses and large corporate entities with a suite of financial services, which includes savings and investments; wealth and pension fund management; corporate fin-ancing, mortgages; real estate and money transfer services; and general insurance. These services are offered through the strategic business units and an affiliate company, supported by a network of 16 branches, a representative office in the United Kingdom and two in the United States.



SECTION 9 CONTINUED

Information about the **Company**

9.9 CAPITAL STRUCTURE

As at September 30, 2024, the latest practicable date prior to publication of this Prospectus, the authorised and issued share capital of the Company was as follows:

Authorised Number of Ordinary Shares at the date of this Prospectus:	**Unlimited**
Number of Existing Ordinary Shares in issue at the date of this Prospectus	**1,500,025,000**

By virtue of the provisions of the Act, shares in the Company have no par value.

As of September 30, 2024, the following are the top ten largest shareholders in the Company:

Rank	Shareholder	Total Shares	% Ownership
1	VM Financial Group Limited	1,200,020,000	80.00%
2	PAM – University Hospital Scheme of Pensions	7,560,600	0.50%
3	Rezworth Burchenson & Valerie Burchenson	6,400,330	0.46%
4	Sagicor Select Funds Limited (Class B' Shares) Financial	6,135,970	0.41%
5	JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	5,185,077	0.35%
6	Michael McMorris & Christine McMorris	5,055,667	0.34%
7	VM Wealth Equity Fund	4,791,347	0.32%
8	Rickardo Ebanks & Alda Ebanks	4,637,221	0.31%
9	Geoffrey Forde	4,500,000	0.30%
10	PAM – Pooled Equity Fund	3,673,648	0.24%
	Total	**1,247,859,860**	**83.23%**

As of the date of this Prospectus, the indebtedness of the Company was as follows:

Facility	Type of Facility	Amount
Fixed and variable rate bonds	Unsecured Jamaican Dollar Bonds	J$7,842,891,000

SECTION 10 CONTINUED

Directors & Management

The Board of Directors of the Company is composed of ten (10) Directos. The Board is responsible for leading and controlling the Company and has overall responsibility for the management and control of the business and the Company's strategic objectives. In particular and without limitation, the Board has powers to:

i. approve the arrangement under which VM Wealth provides management and administrative services to the Company;

ii. review the performance of its investment in subsidiaries, affiliates and other companies;

iii. approve the Company's system of supervisory control and oversight of its subsidiaries, affiliates and other companies;

iv. contract for loan and other financing arrangements;

v. approve the Company's overall business plan and see to its implementation;

vi. recommend dividends and distributions; and

vii. through its representatives on the Board of its subsidiaries and affiliates, seek, in in accordance with sound principles of corporate board democracy, to implement the business strategies approved by the Board.

10.1 DIRECTORS OF THE COMPANY

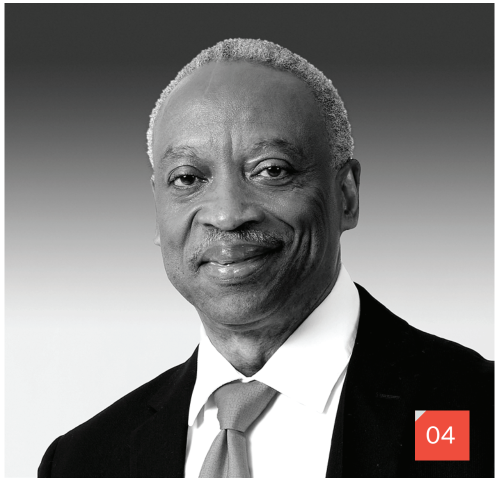
The Board of Directors is composed of ten (10) persons. Brief details of the Directors appear below:

01 **Michael A. McMorris**
BA – Chairman, Independent Director

02 **Matthew Wright**
MPhil, MA, BA, Independent Director

03 **Vikram Dhiman**
CPA, MBA, BSc, Independent Director

04 **Milton J. Samuda**
Esq., Independent Director



SECTION 10 CONTINUED

Directors & **Management**

05 **Noel Hann**
EJD, FAIA, MCMI, Independent Director

06 **Phillip G. Silvera**
FCCA, FCA, Independent Director

07 **Sandra M. Shirley-Auxilly**
MBA, BSc (Hons), PMP, Independent Director

08 **Courtney Campbell**
CD, MBA (Distinction), ACIB, BSc, JP, Executive Director

09 **Janice McKenley**
FCCA, FCA, MBA, B.Sc., Executive Director

10 **Rezworth Burchenson**
MBA, Executive Director

SECTION 10 CONTINUED

Directors & Management

01 Michael A. McMorris

BA – Chairman, Independent Director

Mr. Michael McMorris is Chairman of the Board of Directors at VM Investments Limited and has held that office since 2011. 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 has had a long spanning career in both the private and public sectors. He was previously an Executive Director of Jamaica Promotions 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. Currently, he is also Chairman of VM Wealth Management Limited and VMBS Money Transfer Services Limited, 1st Vice President of the Jamaica Chamber of Commerce and Director of other commercial enterprises. Previously, he was President of the Merchant Bankers' Association, Chairman of the Finance Committee of the Airports Authority of Jamaica, and a member of the Board of the National Export-Import Bank of Jamaica Limited ("Exim Bank").

02 Matthew Wright

MPhil, MA, BA, Independent Director

Mr. Matthew Wright is the Principal of IWC Capital Management LLC, a New York based private equity firm specializing in multi-family residential and commercial real estate investments in New York City. He has over 13 years' experience in corporate finance, credit risk management and real estate investment. He is a former Vice-President in the Infrastructure Finance Group of Citibank Global Capital Markets in New York, with responsibility for providing financial advisory and debt arrangement services to major infrastructure projects in North America, Latin America, and the Caribbean. Mr. Wright has also served as Assistant Vice-President for Capital Markets in the Emerging Market and Corporate Bank for Citibank Jamaica.

As a former Cambridge Commonwealth Scholar, he holds a Master of Philosophy in Environment and Development from Cambridge University in the United Kingdom, a Master of Arts Degree in International Development Policy from Stanford University, California, and a Bachelor of Arts Degree in Economics from Williams College, Massachusetts. He also serves as a Board member for VM Building Society, VM Wealth Management, and VM Finance Limited (UK).

03 Vikram Dhiman

CPA, MBA, BSc, Independent Director

Mr Vikram Dhiman is the Chief Operating Officer of ICD Group Holdings Limited, a Jamaica-based investment holding company with regional and global interests in Real Estate, Construction, Property Management, General Insurance, Business Process Outsourcing and e-Commerce.

He serves on several private and public-sector boards as part of his employment and as a volunteer. He is the Chairman of British Caribbean Insurance Co. Limited, and WIHCON Properties Limited, and a past Deputy Chairman of the Special Economic Zone Authority's board. He is a director of Advantage Communications Inc. (Canada), ADV Communications Jamaica Limited, Social Media Group LLC (Puerto Rico), West Indies Home Contractors, ICD Group Holdings Limited, the University Hospital of the West Indies (Private Wing), VMIL, Lumber Depot Limited, and M.A.G. Medical Supplies Limited.

Since 2016, he has been the Honorary Treasurer of the PSOJ. He has served as Treasurer of the Jamaica Golf Association since 2007 and was the Chair of its Junior Golf Committee from 2007-2017. He has raised over US$500,000 for the development and growth of Junior Golf in Jamaica and mentors several executives and CEOs.

Vikram holds a First Class Bachelor's Degree in Mathematics from Christ Church College, Kanpur, India; is a Fellow Member (not in practice) of the Institute of Chartered Accountants of Jamaica; a past practising member of the Institute of Chartered Accountants of India; has passed the American Institute of Certified Public Accountants examination; and also holds an MBA from INSEAD, Fontainebleau, France.

04 Milton J. Samuda

Esq., Independent Director

Mr. Milton J. Samuda is the Managing Partner of Samuda & Johnson and heads the firm's Commercial Department. His practice includes Tourism, Corporate and Hotel Financing, Trade and Transportation, Mining and Energy, Sports and Entertainment, and Maritime Law. He is a Past Chairman of Jamaica Promotions Corporation (JAMPRO) and a Past-President of the Jamaica Chamber of Commerce (JCC). Currently, he is a director of VM Wealth Management, VM Investments Limited, Creditinfo Jamaica Limited, Berger Paints Jamaica Limited, OMS Associates Limited and Credit Advice Barbados Limited. Mr. Samuda is Chairman of Sabina Park Holdings, the Institute of Law and Economics, the National Dance Theatre Company (NDTC), and the Wolmer's Trust. A member of the Finance & General Purposes Committee of the University of the West Indies, and a member of the Advisory Board of the Spanish-Jamaican Foundation in which he serves as the Foundation's Secretary.

05 Noel Hann

EJD, FAIA, MCMI, Independent Director

Mr. Noel Hann joined the VM family in 1976 and served the Society for over 30 years. As Senior Vice President Finance and Chief Financial Officer, he had responsibility for Accounting, Finance, Investment, Pension Fund Administration, Foreign Currency Trading, and Information Technology. He retired in 2010 as Senior Vice President, Group Risk and Compliance. He also has extensive professional experience in manufacturing, construction, and hotel operations. A past Council Member of the Building Societies Association of Jamaica, Mr. Hann also serves on the Boards of several companies. He is the Chairman of the McGrath High School and the founder and senior pastor of The New Life Tabernacle Church in Bog Walk, St. Catherine. A Justice of the Peace, he serves as a Lay Magistrate and is very involved in the communities of Bog Walk and Linstead, being on the Community Consultative Committees, as well as the Linstead Hospital Redevelopment Committee. Over the years, Mr. Hann has spearheaded numerous programmes geared towards the advancement of young people.

SECTION 10 CONTINUED

Directors & Management

06 Phillip Silvera

FCCA, FCA, Independent Director

Mr. Phillip Silvera is a long-standing member of the VM Family and is a former Executive Vice-President of The VM Building Society, where he spent 32 years in various senior positions including Divisional President, Financial Controller and Chief Accountant. A fellow of the Association of Chartered Certified Accountants (FCCA) UK and the Institute of Chartered Accountants (FCA) Jamaica, Mr. Silvera has over four decades of experience in the financial industry. He was also a licensed Security Dealer and served as a registered Public Accountant for many years. He currently serves on the boards of VM Investment and VM Wealth Management. He chairs the Audit, Risk and Compliance Committees of both companies. Mr. Silvera is the Chair of the Board of Directors of Topaz Christian Fellowship and a Past President of the Golden Acres Citizens Association. He previously served on the boards of several other companies, including VMBS Money Transfer, VM Insurance Company, Jamaica Unit Trust and The Caribbean Graduate School of Theology. He is also a past Chairman of J.E.T.S. Limited, operators of Multilink, Jamaica's largest payment system

07 Sandra Shirley-Auxilly

MBA, BSc (Hons), PMP, Independent Director

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 Organization 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, Antidumping & Subsidies Commission and Jamaica Deposit Insurance Company.

08 Courtney Campbell

CD, MBA (Distinction), ACIB, BSc, JP, Executive Director

Mr. Courtney Campbell is President and Chief Executive Officer of VM Group Limited (VM), a leading Jamaican Financial Group with operations that extend to major financial districts in North America and the United Kingdom. Courtney assumed this position in April 2016, and immediately went about igniting a transformation of the organization, which includes an ambitious digital strategy that has led to new products and services being delivered in modern, convenient ways. Courtney has leveraged the organization's cultural beliefs and core values to kindle the VM Team's passion for uplifting Jamaicans. He is a strident advocate for greater financial inclusion, which is the founding purpose of VM and a significant motivator behind the work that he does. Before joining VM, Courtney held 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 management positions, including Head of the Retail Banking Division and other roles instrumental to the bank's success.

09 Janice McKenley

FCCA, FCA, MBA, B.Sc., Executive Director

Mrs. Janice McKenley joined VM in July 2007. As Group Chief Financial Officer, she is responsible for the Group's Programme Management Office, Procurement and Finance departments. Prior to joining VM, Mrs. McKenley held the position of General Manager, Financial Control Division at the National Commercial Bank Ltd. In that role, she had responsibility for the transformation and reorganization of the division; improvement in the financial reporting timeframes; budget preparation and regulatory reporting; as well as coordination of the external audit, stock exchange releases and financial reporting for the Bank and Group. Mrs. McKenley has a wealth of business experience inclusive of Computerized Information System Risk Management (CISRM), which was her specialty during her tenure at McKenley & Associates and PriceWaterhouseCoopers, where she had CISRM assignments throughout the Caribbean. She was also instrumental in formulating the corporate direction and strategic goals for the City of Kingston Co-operative Credit Union, while serving as Deputy General Manager, Finance & Corporate Planning.

10 Rezworth Burchenson

MBA, Executive Director

Mr. Rezworth Burchenson is the CEO of VM Wealth Management. He was appointed to the role in January 2019 after a successful tenure as Deputy CEO and CEO of VM Pensions Management Limited. He transitioned to the VM Group with a proven track record of delivering results in the financial sector with prior roles including CEO of Prime Asset Management Ltd. and Vice President and General Manager of Pan Caribbean Asset Management Ltd., with an overarching responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust). His contributions to the sector also include serving on the Private Sector Organization of Jamaica's (PSOJ's) Economic Policy Committee and The Jamaica Stock Exchange (JSE). He has also served as a director of National Road Operating and Constructing Company (NROCC), National Education Trust Ltd (NET), Human Resource Management Association of Jamaica, and Pension Funds Association of Jamaica (PFAJ).

SECTION 10 CONTINUED

Directors & Management

10.2 THE MANAGEMENT COMPANY

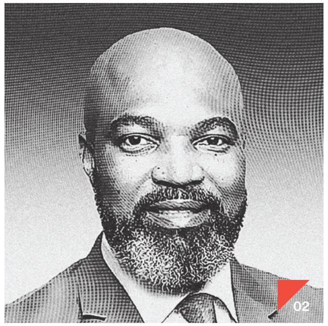
VM Wealth Management Limited

VM Wealth Management Limited (VM Wealth) is a wholly owned subsidiary of VM Investments Limited (VMIL). VM Wealth is domiciled in Jamaica and its registered office is located at 53 Knutsford Boulevard, Kingston 5. VM Wealth acts as the management company for VMIL and oversees all aspects of VMIL's operations and manages the Company's assets and liabilities. VM Wealth is licensed by the FSC as an investment advisor and securities dealer. It is also a member of the JSE and is regulated as a stockbroker.

Management Fee: VMIL does not have any employees, so its operational activities are managed by staff from its subsidiary, VMWM. The management fees for overseeing VMIL's affairs are calculated as 20% of the VMIL's profit before tax, excluding management fees and dividend income.

The VM Wealth Team

VM Wealth management team has experience which spans asset management, corporate finance, financial advisory services, stock brokerage, unit trust management and includes the following key executives:



- ▶ 01 **Rezworth Burchenson**
  MBA, Executive Director
- ▶ 02 **Brian Frazer**
  Deputy Chief Executive Officer
- ▶ 03 **Allison Mais**
  Vice President, Operations
- ▶ 04 **Dwight Jackson**
  Assistant Vice President, Capital Markets
- ▶ 05 **Karlene Waugh**
  Assistant Vice President, Business Operations
- ▶ 06 **Evette Bryan**
  Assistant Vice President, Treasury & Asset Management
- ▶ 07 **Denise Marshall-Miller**
  Senior Manager, Bond & Equity & Digital Asset Trading
- ▶ 08 **Nicole Adamson**
  Manager, Research, Business Planning and Investor Relations
- ▶ 09 **Christine Benjamin**
  Head, Sales and Client Relations

SECTION 10 CONTINUED

Directors & Management

01 Rezworth Burchenson
Chief Executive Officer

Mr. Rezworth Burchenson's foray into the financial services sector began at Sigma Investments Ltd in 1995, where he was employed in the role of Investment Analyst. He was promoted to Equity/Research Manager and later Vice President and General Manager at the merged Pan Caribbean Asset Management Ltd, with an overarching responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust). In early 2006, Mr. Burchenson joined Prime Asset Management Ltd, later VM Pensions Management and would go on to become its Chief Executive Officer.

On September 1, 2016, following a restructuring exercise within the organization, Mr. Burchenson took on the additional role of Deputy Chief Executive Officer for VM Wealth Management, the investment arm of the VM Family. He was promoted to Chief Executive Officer of VM Wealth Management in January 2019.

Throughout his career, he has been consistently involved with various corporate bodies, including as a Director of the Pension Funds Association of Jamaica (PFAJ) and as a Member of the Jamaica Stock Exchange (JSE) Best Practice Committee. He is also a former director of the National Road Operating and Constructing Company (NROCC), the National Education Trust Ltd (NET), Human Resource Management Association of Jamaica and a former member of the Private Sector Organization of Jamaica's (PSOJ's) Economic Policy Committee.

In 2012, Mr. Burchenson was named to the PSOJ's "50 Under Fifty" in the field of investments and finance. A Barclays Bank Scholar while at the University of the West Indies, he received a Bachelor's degree in Economics (Hons.) and an MBA in Banking and Finance (Hons.).

02 Brian Frazer
Deputy Chief Executive Officer

Brian Frazer joined the VM Group in September 2022 as Deputy CEO of VM Investments Limited (VMIL) and VM Wealth Management Limited (VMWM) after more than 20 year of senior management experience in the financial sector. Brian's knowledge and experience in investment, trading, treasury, asset management, risk management, compliance, corporate governance, operations and product development, makes him uniquely poised to contribute materially to strengthening the implementation of the strategic plan for the business.

His career began in accounting, but he soon developed a passion for investment and made the switch, serving companies such as the ICD Group and Scotiabank, before joining VM. In his previous role at Scotiabank as Vice President and Chief Investment Officer, Brian was responsible for developing the strategic direction and focus for investment management and product development for mutual funds, unit trusts and institutional asset management business lines across the English-speaking Caribbean.

He is a Chartered Financial Analyst (CFA) and a member of the CFA Institute. Brian earned his undergraduate degree in Accounting and Economics at The University of the West Indies and received professional training in Accounting, Asset/Liability Management, and Risk Management both locally and overseas.

03 Allison Mais
Vice President, Operations

Allison previously worked at GraceKennedy as Head, Strategic Planning where she was responsible for the Group's Strategic Plan and the monitoring of the Group's areas of focus and KPIs, leading the Corporate Planning Unit and executing retreats and investor briefings. Prior to this, Allison was the Head, Digital Strategy, GraceKennedy Financial Group and Assistant Vice President, Strategy and Project Management Office, First Global Bank. She holds a Master of Science in Manufacturing, Management & Information Systems from Cranfield University, UK and a Bachelor of Science in Computing and Information Technology from the University of Technology.

04 Dwight Jackson
Assistant Vice President, Capital Markets

Mr. Dwight Jackson joined the VM Wealth Management Limited team in February 2021 as Assistant Vice President, Capital Markets and will be developing and implementing strategies aimed at growing VM Wealth's and VMIL's market share locally and regionally.

Mr. Jackson has more than 10 years of combined experience in the financial industry spanning investment banking, commercial banking, central banking, risk management, model building and research.
His most recent assignment was in the role of Manager, Origination & Structuring – Investment Banking Unit at NCB Capital Markets. While there, he was instrumental in originating, structuring, arranging, brokering, underwriting, and listing some of the largest IPOs and public offering of shares in Jamaica's history.

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

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

05 Karlene Waugh
Assistant Vice President, Business Operations

Mrs. Karlene Waugh holds the post of Assistant Vice President – Business Operations for the VM Building Society. In this capacity, Mrs. Waugh plays a pivotal role in the design & alignment of business objectives to products, process & technology, standardisation of business processes, increased automation of process controls and compliance to internal controls throughout the VMBS Branches & Representative Offices.

SECTION 10 CONTINUED

Directors & Management

Mrs. Waugh's journey in the financial industry started in 1992 at VMBS in the capacity of Teller at the Half-Way-Tree Branch. She has since progressed through the organisation, serving in various positions through to her current role. These positions include Supervisor – Branch Accounting, Customer Service Representative and Teller, Assistant Manager – Systems and Methods and Assistant Manager – Half-Way-Tree Branch.

With over 20 years of experience in Building Society operations with proven competence in operations, policy & process improvement, Mrs. Waugh holds a BSc. in Management Studies (Hons.) from the University of West Indies (Mona). She also has formal training in credit Administration, Lean Six Sigma, Job Evaluation, Change Management and certification in Applied Project Management administered by Project Management Global Institute and Financial Advisory administered by JIM.

06 Evette Bryan

Assistant Vice President, Treasury & Asset Management

Mrs. Evette Bryan joined VM Wealth Management Limited as a Client Relations Officer in July 2001. She quickly advanced to the position of a Senior Investment Advisor and Treasury Officer by 2003. Her promotion to Manager, Treasury and Trading in 2011, was followed by a further advancement in 2019 to her current role as Senior Manager, Treasury, where she practices due diligence in managing not only the portfolio of assets for VMIL/VM Wealth but also, on occasion, for select clients.

Having acquired over 25 years of experience in banking and finance, Mrs. Bryan is engaged in treasury management, trading, portfolio management, risk management, and mentorship. Prior to joining VM Wealth, she served in the private sector as an Accounts Supervisor at one of the leading financial institutions in Jamaica.

Mrs. Bryan holds an MBA in Banking and Finance from the Mona School of Business, University of the West Indies, Mona. She has also undertaken professional short courses focusing on Project Management, Strategic Financial Management and Portfolio Management, from the Mona School of Business and Fitz Ritson and Associates.

07 Denise Marshall-Miller

Senior Manager, Bond & Equity & Digital Asset Trading

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

Towards this end, she focuses on building and expanding trading relationship with overseas counterparts, providing guidance to the Bond Trading Team and deepening relations with existing VM Wealth clients.

In July 2019, Mrs. Marshall-Miller's portfolio was expanded to include the stockbrokerage division of the business. She is tasked with growing the equity portfolio, generate trading gains and grow equity commission while educating the client base on investing.

Mrs. Marshall-Miller has over sixteen years of experience in the Finance Industry. She is engaged in deal structuring, Corporate and Sovereign Bond Trading, US Treasury Trading, Portfolio Management, Equity Trading and Treasury Management.

Her career in investment started at Mayberry Investment as a Wealth Advisor and quickly accelerated to that of Manager, Markets & Trading Department. Her core competence entails the creation of customized portfolios specifically designed to meet clients' investment needs and maximizing portfolio returns.

Mrs. Marshall-Miller holds an MBA from the Mona School of Business and a BBA (Hons) & Diploma (Distinction) from the University of Technology with a major in Finance. She has also attained Professional certificates from Harvard, CPTC, Morgan Keegan Bond Schools and Mona School of Business

08 Nicole Adamson

Manager, Research, Business Planning and Investor Relations

Mrs. Nicole Adamson has two decades of experience in the financial industry in both the private and public sectors. She joined the team at VM Wealth Management (VM Wealth) in April 2011 in the capacity of Research Manager and during her tenure has also had responsibility for stockbroking. As manager for research, Mrs. Adamson oversees the team of analysts that provides insights into the local and global economies and investment guidance on investments spanning equities, bonds, and other non-traditional investments. Under her guidance, VM Wealth took 1st and 3rd place in the Jamaica Stock Exchange's (JSE) 2017 Research Analyst competition. Prior to working at VM Wealth, Mrs. Adamson worked at the VM Building Society in the Strategy department and at the Ministry of Finance & Planning.

Mrs. Adamson is a CFA Charter holder, Financial Risk Manager (FRM) fellow with the Global Association of Risk Professionals and a Certified ScrumMaster® with the Scrum Alliance. She holds an MSc in Finance, Economics and Econometrics from the Cass Business School, City University, London, UK, and a BSc (First Class Honors) in Actuarial Science from the University of the West Indies, Mona. She is also a Board member of the Jamaica Island Nutrition Network (JINN), a non-profit organization dedicated to improving nutrition in students, and a volunteer with CFA Institute and CFA Society Jamaica. She also serves as a mentor at her alma mater, St. Andrew High School for Girls.

09 Christine Benjamin

Head, Sales and Client Relations

Christine Benjamin joined the VM Group in January 2023, as Head, Sales and Client Relations at VM Wealth Management Limited (VMWM).

Christine works closely with Brian Frazer, Deputy Chief Executive Officer – VM Investments Limited (VMIL) and VM Wealth Management Limited (VMWM) in providing oversight of VMWM's Sales and Client Relations operations.

As an investment professional with over 10 years of experience in investment banking and business development, she honed her craft several firms within the industry, including Proven Group Limited, JMMB Group Limited, and most recently as Vice President of Sales and Client Services at Mayberry Investments Limited.

SECTION 10 CONTINUED

Directors & Management

As a sales leader, she has garnered experience in optimizing the design of sales structures and compensation, for optimal results. In her previous roles, she has also been a key driver of sales strategy development and execution, with a keen focus on sales effectiveness.

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

10.3 CORPORATE GOVERNANCE

Committees

The Board has delegated specific responsibilities for audit, risk, nominations and corporate governance, information systems, finance and culture and human development to committees. The Board and each of its committees has written approved terms of reference setting out their respective roles and responsibilities and limits of authority.

10.3.1 Corporate Governance, Nominations and Compensation Committee

This Committee is responsible for periodically assessing the skill composition and performance of the Board, through the process of Board evaluation, to guide succession planning and selection of directors. The Committee also has oversight of the compensation philosophy and performance management policy. The members are:

i. Milton Samuda (Chairman)
ii. Michael McMorris
iii. Sandra Shirley

10.3.2 Audit, Risk and Conduct Review Committee

This Committee is tasked with overseeing and improving the reliability of the company's financial reporting, managing and evaluating risks, and upholding ethical behaviour across the organization. The members are:

i. Phillip Silvera (Chairman)
ii. Sandra Shirley
iii. Noel Hann
iv. Vikram Dhiman

10.3.3 Finance Committee

This Committee is tasked with ensuring effective oversight and review of capital allocation, treasury, and credit portfolio management to achieve growth targets. The Committee reviews, evaluates and recommends projects or transactions involving major capital expenditure as well as merger, acquisitions, and divestments. The members are:

i. Michael McMorris (Chairman)
ii. Phillip Silvera
iii. Matthew Wright
iv. Noel Hann

SECTION 11

Management Discussion & Analysis

11.1 ECONOMIC OVERVIEW

The local economy continues to demonstrate resilience evidenced by positive trends observed in key economic indicators, including Gross domestic product (GDP) growth, international reserves, and the unemployment rate. However, despite a deceleration in inflation, the local stock market has been experiencing another choppy year as higher interest rates have subdued the appetite for local equities.

According to the Statistical Institute of Jamaica (STATIN), the local economy grew by 0.20% in Q2 2024. This growth was primarily driven by a 1.50% increase in the Goods-Producing Industries, while being tempered by a 0.20% decline in the Services industries. This figure was below the Planning Institute of Jamaica's (PIOJ) preliminary estimate but marks the 13th consecutive quarter of growth for the domestic economy, underscoring the positive effects of prudent fiscal and monetary policies.[3]

The Bank of Jamaica (BOJ) broke its hiatus in August 2024, reducing the policy interest rate by 25 basis points to 6.75%. This was the first rate cut since the series of rate hikes began in October 2021 and was followed by two additional rate cuts, landing the policy rate at 6.25% at the end of November 2024. The 12-month inflation rate for October 2024 decreased to 4.90%, remaining within the BOJ's 4% to 6% mandate and the lowest point-to-point rate since July 2021. This serves as an indicator to the effectiveness of elevated interest rates,[4] while strengthening the BOJ's signal of a more rate cuts during 2024.[5]

The impact of the BOJ's interest rate cuts has seen the yields on short-term instruments including certificates of deposit (CD) and treasury bills falling, which is expected to see the demand shifting back to stocks. The Treasury Bill auctions in December 2024 saw yields decreasing month-over-month. The average yield on the 91-day and 182-day tenors closed at 8.03% and 6.28% and 6.17% respectively.

In March 2024, the Government of Jamaica (GOJ tabled the 2024/25 National Expenditure Budget of J$1.341 trillion[6] to be supported mainly by tax revenue and loans receipts to fund capital and recurring expenditure projects. This is the country's largest budget and is anticipated to maintain fiscal prudence, while increasing the quality of life of individuals and supporting productivity. At the end of October 2024, the GOJ's revenue exceeded that of the first supplementary estimates by 0.60%, while expenses were lagging by 1%, indicating prudent fiscal management.

At the end of November 2024, the Jamaican dollar appreciated by 0.11% month-over-month against the US dollar, with the weighted average selling rate (WASR) moving from $159.05 at the end of October to close November at $158.88[7]. During the month, the central bank intervened over three consecutive days in open market operations, injecting over US$124 million to aid in stabilising the foreign exchange market. The BOJ is expected to maintain its influence over the foreign exchange market, as the net international reservces (NIR) maintains robust growth, recording US$5.41 billion in November 2024.

In 2023, a debt limit showdown brought the US to the brink of default, which was prevented with the suspension of the debt ceiling until 2025. Increased borrowing by the Federal government resulted in a credit rating downgrade by Fitch ratings from 'AAA' to 'AA+' and an outlook downgrade by Moody's investors Service from stable to negative[8].

The US economy continues to demonstrate sustainability, with real GDP growing at an annual rate of 2.80%[9] in the 3rd quarter of 2024. Despite this expansion, the Institute of Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) improved to 48.40% in November 2024, indicating an expansion in the manufacturing sector, despite a marginal uptick in the November 2024 unemployment rate to 4.20%[10]. The labour market cooling, combined with the inflation rate slowing to 2.60%[11] in October 2024 are the major variables pointing market players to continued rate cuts in 2025. The US Federal Reserve began reducing the policy rate in September and again in November, decreasing the Fed Funds Rate from 5.50% to 4.75%.

[3] https://statinja.gov.jm/PressReleases.aspx
[4] https://boj.org.jm/boj-publications/boj-monthly-reports/
[5] https://www.jamaicaobserver.com/2024/04/21/rate-cuts-year/
[6] https://www.mof.gov.jm/march-2024-fiscal outturn/#:~:text=Although%20total%20GOJ%20revenues%20 for,than%20budgeted%20by%20%2424.8%20billion.
[7] https://boj.org.jm/market/foreign-exchange/average-exchange-rates/
[8] https://www.moodys.com/research/Moodys-changes-outlook-on-United-States-ratings-to-negative-affirms--PR_480815?cy=emea&lang=en
[9] https://www.bea.gov/data/gdp/gross-domestic-product
[10] https://www.bls.gov/news.release/pdf/empsit.pdf
[11] https://www.bls.gov/cpi/

SECTION 11 CONTINUED

Management Discussion & Analysis

11.2 FIVE YEAR CONSOLIDATED FINANCIAL REVIEW (2019 TO 2023)

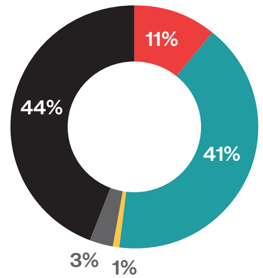
Income Statement					
FYE December (J$000)	**2019**	**2020**	**2021**	**2022**	**2023**
Net Interest Income	260,381	289,622	369,214	253,038	47, 821
Net Operating Revenue	1,682,961	1,875,589	1,856,147	2,336,950	1,882,536
Total Expenses	881,397	1,240,712	1,197,928	1,400,674	1,873,649
Net Profit	598,049	433,590	440,032	716,588	198,844
Balance Sheet					
Total Assets	25,327,701	29,493,139	30,924,602	28,941,792	29,506,794
Total Liabilities	21,000,873	25,359,543	27,868,027	26,453,220	25,456,585
Total Equity	4,326,828	4,133,596	3,056,575	2,488,572	4,050,209
Cash Flow					
Cash From Operating Activities	2,089,688	(1,147,644)	1,934,484	(2,020,206)	(3,048,136)
Cash From Investing Activities	(1,634,715)	208,863	(5,057,797)	532,667	153,109
Cash From Financing Activities	700,421	572,292	2,217,321	1,936,083	2,573,566
Cash and Cash Equivalents	1,917,241	1,571,567	763,557	1,192,249	877,655

11.3.1 INCOME STATEMENT

VMIL has grown its net operating income over the last five years by a compound annual growth rate (CAGR) of 2.84%. The slow growth resulted from the impacts of the fallout from the COVID-19 pandemic on Net Interest Income (NII) and muted growth in Net Fees and Commissions, which are 2 of the Company's major revenue segments. These were marginally tempered by the 15.55% CAGR in the Company's gains from Investment Activities, which underscores VMIL's agility to reposition its portfolio and expand into different revenue streams such as private equity investments.

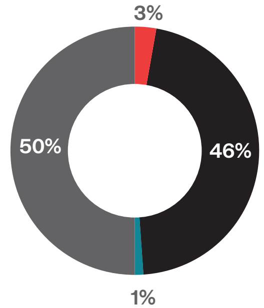
On a year-over-year basis, elevated interest rates improved our total interest income by 20.07%, from $1.41 billion in 2022 to $1.69 billion in 2023, mainly supported by higher interest on loans. However, the 42.16% uptick in interest expense resulted in the NII declining by 81.10% at the end of the year. NII fell from $253.04 million to $47.82 million, as the company paid higher interest on Loans and Borrowings.

The Company's other operating revenue items weathered the difficult environment but were unsuccessful in outperforming the previous year. Net Fees and Commission Income, which continued to account for 50.20% of our other operating revenue, had a 6.61% decline in 2023, to end the year at $944.93 million. High interest rates have negatively impacted the valuations of many companies that are interested in listing on the JSE, while increasing the rates on new debt facility, which have contributed to the $66.83 million reduction in our Net Fees and Commission.



Group Operating Revenue 2022

- Net interest income
- Gains from investment activities
- Dividend Income
- Rental Income
- Net Fees and Commission



Group Operating Revenue 2023

- Net interest income
- Gains from investment activities
- Dividend Income
- Net Fees and Commission

Gains from Investment Activities, which is the second largest contributor to our other operating revenue, had a 8.47% '

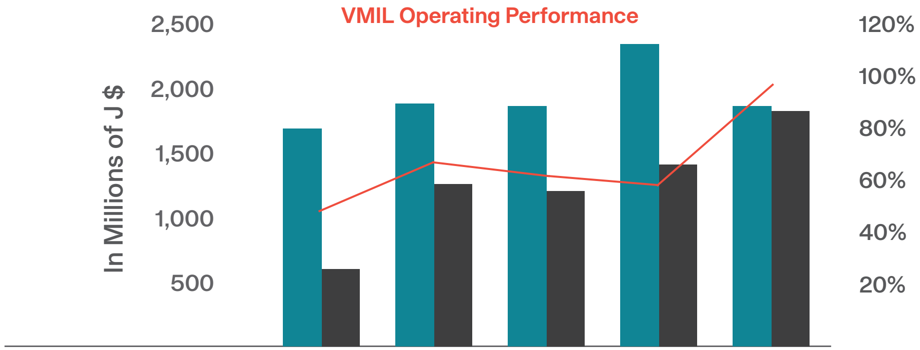
SECTION 11 CONTINUED

Management Discussion & Analysis

11.3.1 INCOME STATEMENT (continued)

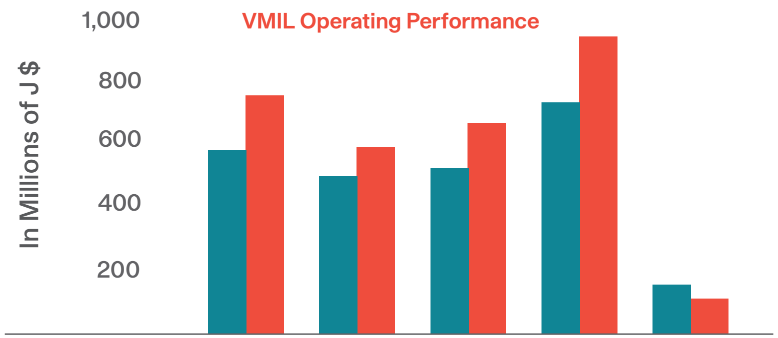
decrease, to end 2023 at $866.34 million. Likewise, our Dividend Income slipped after shedding $17.48 million to end at $15.56 million. With no rental income and a 55.62% decline in other income, VMIL's other operating revenue declined by 11.96% to $1.83 billion. Ultimately, Total/Consolidated Revenue dipped 19.44% to $1.88 billion, compared to $2.34 billion at year end 2022.

The impact of red-hot inflation locally and internationally contributed to the 21.41% CAGR of the Company's operating expenses. This was mainly due to the growth in staff costs, to attract and retain top talent to enhance our productivity and results. Consolidated staff costs, which account for half our expenses, jumped 19.34% to end 2023 at $912.57 million. This was followed by Other Operating Expenses, which posted a 7.19% increase to end the year at $810.70 million, mainly supported by $194.30 million paid in Legal fees and $104.39 million in Management Fees paid to VM Financial Group for recharged payroll cost. The $150.38 million Impairment Losses contributed to a 33.77% uptick in Total Operating Expenses, ending the reporting period at $1.87 billion.



	2019	2020	2021	2022	2023
Consolidated Revenues	1,682,961	1,875,589	1,856,147	2,336,950	1,882,536
Total Operating Expense	881,397	1,240,712	1,197,928	1,400,674	1,873,649
Cost/Income Ratio	52.37%	66.15%	64.54%	59.94%	99.53%

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



	2019	2020	2021	2022	2023
Net Profit	598,049	433,590	440,032	716,588	198,844
EBITDA	786,227	598,873	658,219	936,276	173,298

11.3.2 BALANCE STATEMENT

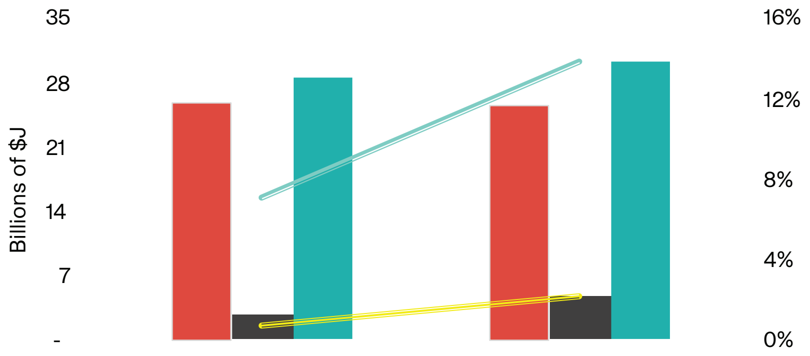
Despite a few fluctuations and repositioning to offset the impacts of the pandemic, the Company's asset base has remained solid over the 5-year period, supported primarily by Investment Securities. As at December 2023 VMIL's asset base improved to $29.51 billion when compared to $28.94 billion reported in the prior year, an equivalent increase of 1.95%. The outcome was mainly influenced by significantly higher holdings of resale agreements, which grew by 109% to close the year end at $1.57 billion.

SECTION 11 CONTINUED

Management Discussion & Analysis

11.3.2 BALANCE SHEET

As of September 30, 2024, the Company's total assets reached $30.03 billion, reflecting a $1.67 billion or 6% increase compared to the same period in 2023. This growth was primarily driven by a $2.12 billion or 12% increase in investment securities, offset by a $168.15 million decrease in resale agreements and a $828.06 million reduction in loans payable, aligning with our strategy to de-risk the balance sheet. Other assets rose by $922.58 million, while cash and cash equivalents increased to $1.13 billion, underscoring enhanced financial stability. The return on assets (ROA) improved significantly from 0.7% to 2.2%, attributable to increased net profits and enhanced asset utilization, which bolstered operational efficiency.



	September 2023	September 2024
Total Liabilities	25,629,022	25,339,855
Shareholders' Equity	2,703,1904	,688,921
Total Assets	28,356,456	30,028,776
Return on Total Assets	0.7%	2.2%
Return on Equity	7.0%	13.8%

Total liabilities stood at $25.34 billion as of September 30, 2024, representing a marginal 1% reduction compared to September 30, 2023. The decrease was driven by a $1.68 billion reduction in loans payable and a $299 million decline in repurchase agreements, partially offset by a $1.77 billion increase in other liabilities. Despite the adjustments in both the asset base and liabilities, the company's current ratio and quick ratio remained stable at 1.5×, reflecting a robust liquidity position capable of meeting short-term obligations.

As of the end of the quarter, shareholders' equity totalled $4.69 billion, an increase of $1.98 billion from September 30, 2023. Key contributors included:

1. **Net profit** of $647.21 million.
2. **Revaluation reserve adjustment**, reducing loss by $39.50 million (net of taxes).

We maintained a robust capital position, exceeding the regulatory minimum requirements. The capital-to-total-assets ratio stood at 15.61%, well above the 8% minimum. Additionally, the Capital Adequacy Ratio as of September 2024 was 22.90%, surpassing the benchmark set by the FSC. Concurrently, the reduction in debt and the expansion of the equity base led to a decrease in the debt- to-equity ratio, which fell fell from 3.5× to 1.6×.

11.3.3 CASH FLOW STATEMENT

Net operating cash flow experienced a significant improvement over the 9-month period, driven predominantly by increased net income and gains from resale agreements. This underscores VMIL's operational agility and the effectiveness of its strategic investments. Specifically, net operating cash flow shifted from a net outflow of $2.22 billion to a net inflow of $2.17 billion.

In contrast to the annual reporting cycle, cash provided from investing activities remained negative, as the company did not liquidate any investment securities during the period and continued to acquire additional securities. Consequently, the net outflow from investing activities expanded from $290.63 million to $796.21 million.

The absence of new debt issuance during the first 9 months of 2024, coupled with a substantial debt repayment of $1.08 billion, resulted in a 162% decrease in cash from financial activities, culminating in a net outflow of $1.11 billion. Nonetheless, the closing cash balance more than doubled, reaching $1.13 billion at the end of the period. Considering this increase, the company's cash interest coverage ratio and Cash Debt Service Coverage Ratio improved to 1.8×, reflecting enhanced liquidity and debt service capacity.

SECTION 11 CONTINUED

Management Discussion & Analysis

11.4 STRATEGY

VMIL has charted a clear and robust path to medium/ long-term success. This path will increase revenue and minimise operational costs via our two-pillar strategy:
Diversify and Grow Revenue
Implement Self-Service

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

As VMIL pursues revenue growth and diversification in 2024 and beyond – reducing dependency on any one revenue source, spreading financial risk, driving innovation, and becoming competitive in multiple markets – there are robust efforts to grow Assets Under Management (AUM), expand funding sources, and rationalise products. In this context, VMIL will be operationalising a strategy to - inter alia - structure and launch new funds, facilitate lucrative private equity investments, explore real estate development, tokenise assets, increase our regional presence and engage international investors via our diaspora thrust.

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

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

11.5 IMPAIRMENT ON FINANCIAL ASSETS/INCREASE IN ECL PROVISION HIGHLIGHTS (2024)

Fund	Type	NAV (August 31, 2024)	YTD Return	12M Return
Global Income (USD)	F	1.2238	1.37%	4.30%
Global Income Plus (USD)	F	1.2118	-1.34%	2.55%
Global Income Max (USD)	F	1.1720	-8.15%	-4.61%
Global Equity Growth (USD)	E/F	1.2693	7.04%	15.34%
Classic Income (JMD)	F	1.4440	2.49%	6.21%
Classic Equity Growth (JMD)	E/F	1.8747	2.41%	6.35%
Classic Property (JMD	R/F	1.7389	0.62%	14.53%
Classic Protector (JMD	F	0.9689	-12.24%	-9.40%
Goal Maximizer Portfolio (JMD)	E/R/F	1.0161	-3.17%	-2.22%

Our Unit Trust Portfolios have been met with unfavourable headwinds this year, but our agility has resulted in the Global Equity Fund generating a YTD return of 7.04% as at Augaut 31, 2024, making it the top performer amongst our 9 funds.

11.6 IMPAIRMENT ON FINANCIAL ASSETS/INCREASE IN ECL PROVISION

Our on-balance sheet assets of $29.39 billion were 3.28% lower, mainly due to our strategy to derisk our on-balance sheet exposures. Importantly, our investment securities and Interest in Associates increased. VM Wealth Management (VMWM), continued to manage clients' funds on a non-recourse basis under management agreements, which saw total off-balance sheet assets of $34.89 billion versus $33.01 billion as at June 2023. Our Unit Trust Portfolios have been met with unfavourable headwinds this year, but our agility has resulted in the Global Equity Fund generating a YTD return of 7.04% as at August 31, 2024, making it the top performer amongst our 9 funds.

11.7 IMPAIRMENT ON FINANCIAL ASSETS/INCREASE IN ECL PROVISION

The group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at fair value through profit and loss (FVTPL): - financial assets that are:

i. debt instruments; and
ii. lease receivables.

Management Discussion & Analysis

11.7 IMPAIRMENT ON FINANCIAL ASSETS/INCREASE IN ECL PROVISION (continued)

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

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

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

The calculation of ECL incorporates forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the Probability of Default "PD"), Exposure at Default "EAD") and Loss Given Default ""LGD") vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the group's Finance team on an annual basis and provide the best and worst estimate view of the economy based on the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

11.8 CREDIT RISK

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

Margin Loans - daily monitoring of the collateral package and executing margin calls or asset sales to address any shortfall. Additional scrutinizing of tradeable securities utilized as collateral and removing those negatively impacted by the pandemic.

Corporate Loans - Assessing loans likely impacted by the existing conditions (e.g. tourism).

In relation to VMIL's holding of investment securities, VMIL manages the level of risk it undertakes by investing substantially in short-term Government of Jamaica, BOJ and foreign Government debt securities, which are generally unsecured. There is a significant concentration of credit risk in that VM Wealth, being a securities dealer that is obliged to trade mostly debt securities issued by the Government of Jamaica and Bank of Jamaica, holds substantial amounts of these debt securities. The management of the concentration of credit risk is guided by the group's Investment Policy, whereby exposure per debt security is limited to 20%. Compliance with these limits is reported on and monitored monthly

11.9 LIQUIDITY MANAGEMENT

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Prudent liquidity risk management procedures which the group applies include maintaining sufficient cash and marketable securities and monitoring future cash flows and liquidity on a daily basis.

11.9 LIQUIDITY MANAGEMENT (continued)

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

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

SECTION 11 CONTINUED

Management Discussion & Analysis

VM Wealth manages liquidity risk by keeping a pre-determined portion of its financial assets in liquid form. The key measure used for monitoring liquidity risk is the ninety-day liquidity gap ratio. In computing the ratio, the numerator is calculated by subtracting the total assets maturing within ninety days from the total liabilities which fall due in ninety days. The denominator is total liabilities. VM Wealth's ninety-day liquidity gap ratio at the end of the year was 67% (2022: 75.32%). During 2023 there was no change to the nature of liquidity risk to which the group is exposed, or to the manner in which it measures and manages the risk

11.10 ACKNOWLEDGEMENT

Despite the challenging financial environment, the VMIL team is dedicated to prudently managing our operations and implementing improvements to drive shareholder value. We continue to reiterate our commitment to delivering value to our shareholders and enhancing your everyday experience for our clients and Team Members.

11.11 VMIL'S DIVIDENDS PAID SINCE IPO

VMIL's dividend payout ratio has averaged 14.40% over the last 5 years. The Company reduced the payout ratio during the COVID-19 pandemic to maintain adequate capital levels during the uncertain economic period. Dividend payment continued until 2021 before a 2-year hiatus. This break was due to the lagged impact of the pandemic on market conditions, along with heightened geopolitical tensions, which spiked economic instability and subsequently dragged our performance. However, after much consideration to enhance shareholder value and improving financial health, the Board of Directors has passed a resolution to approve the payment of an interim dividend of $0.032 per ordinary share. This dividend was paid on July 9, 2024, to shareholders and represents a 9% payout ratio.

Annual Dividend Payment

FYE December (J$000)	2020	2021	2022	2023	2024*
Net Income	$ 433,590	$ 440,031	$ 716,588	$ 198,844	$ 647,214
Dividend Paid	$ 45,001	$ 232,504	$ -	$ -	$ 48,001
Earnings Per Share	$ 0.29	$ 0.29	$ 0.48	$ 0.13	$ 0.43
Dividend Per Share	$ 0.0300	$ 0.1550	$ -	$ -	$ 0.0320
Dividend Payout Ratio	10.4%	52.8%	0.0%	0.0%	7.4%
Dividend Yield	2.1%	0.5%	0.0%	0.0%	1.2%

(*) YTD September 30, 2024

SECTION 12

Enterprise Risk Management

12.1 RISK PROCESS

VMIL's business operations expose it to risks as it pursues its strategic objectives. The company's Enterprise Risk Management ("ERM") adheres to international best practices and evolves with new risk exposures. Risks are proactively managed and communicated across the organization to balance risk and return, maximize value, and minimize adverse effects on performance, brand, and team engagement. This is supported by innovative risk solutions and methodologies across the three lines of accountability.

12.2 RISK GOVERNANCE

The Board of Directors has ultimate oversight and responsibility for risks and has a fiduciary responsibility to its stakeholders. The Board is supported by the Audit, Risk and Conduct Review Committee, which oversees VMIL's risk management framework, the integrity of the financial statements, compliance with legal and regulatory requirements, as well as the performance of the internal audit function. While the Board has overall responsibility for risk management, and VMIL's alignment with established risk appetite statements and tolerance limits, the Board is supported by the:

i. Group Finance and Risk Management Committee
ii. Group Audit Committee
iii. Group Corporate Governance and Nominations Committee
iv. VMIL Corporate Governance, Nominations and Compensation Committee
v. VMIL Finance Committee VMIL Audit, Risk and Conduct Review Committee

12.3 RISK MANAGEMENT FRAMEWORK

VMIL's ERM Framework continues to be robust and facilitative of growth despite the heightened risk. Risk management continues to be an integral part of good internal control and corporate governance. The Board is responsible for ensuring that an effective ERM Framework is in place and promoting a risk aware culture that ensures that all key risks are adequately managed. To safeguard and protect VMIL's reputation, the Board and management ensure that there is a well-established decision process, direct reporting lines with clarity of roles and responsibilities, defined codes of ethics and conduct, periodic monitoring of stakeholder and media analysis, industry and market benchmarking, transparent disclosures, and communications. Risk assessments are conducted monthly and are designed to identify events that have the potential to cause strategic objectives and initiatives to deviate from what is expected.

12.4 GOVERNANCE AND CULTURE

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

12.5 STRATEGY AND OBJECTIVE-SETTING

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

12.6 PERFORMANCE

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

SECTION 12 CONTINUED

Enterprise Risk Management

12.7 REVIEW AND REVISION

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

12.8 INFORMATION, COMMUNICATION AND REPORTING

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

12.9 RISK CULTURE

Risks are inherent in everyday activities, therefore VMIL establishes and communicates its risk appetite and its risk tolerance limits for appropriate risk taking to occur so that VMIL can make informed risk decisions, innovate and be competitive. In pursuit of its strategic objectives and initiatives, VMIL uses systems and the expertise of subject matter experts to determine an appropriate balance between expected return and potential associated risks. The Board has created an environment for team members where integrity, teamwork, innovation, excellence, accountability, and client interests are at the core of VMIL's values and practices. This strong risk culture drives how team members approach their work and also guides decision making.

First Line

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

Second line

- Interprets regulations and communicates to SBU
- Monitors compliance with regulation and policies
- Advises on regulatory issues
- Designs and deploys the overall risk management framework
- Risk Reporting and escalation
- Maintains risk policies

Third line

- Provides independent testing and verification
- Validates the overall risk framework
- Provides assurance that the risk management process is functioning as designed

12.10 RISK APPETITE

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

i. We will maintain the highest ethical and professional standards when dealing with all stakeholders
ii. We will consider the needs of our members and seek to serve the communities in which we operate
iii. We will protect our capital base and will not introduce any new strategies, products or services that place our long-term value at risk
iv. We will maintain a robust enterprise risk management system to effectively identify, assess and manage existing and emerging risks.

12.11 KEY RISKS

12.11.1 Financial Risk

Is an umbrella term for multiple types of risks including credit risk, market risk, and liquidity risk. Financial Risks arise from to a lack of robust credit management practices; inadequate assessment of financial strategies; or lack of effectivecash flows and cost management needed to: (a) maximise cash availability, (b) reduce uncertainty of currency, interest rate, credit, and other financial risks, or (c) move cash funds quickly and without loss of value to wherever they are needed most.

12.11.2 Market Risks

The risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer or factors affecting securities in the market. These arise from changes in interest rates, foreign exchange rates and equity prices and will affect the value of the holding in the financial instrument.

SECTION 12 CONTINUED

Enterprise Risk Management

12.11.3 Liquidity Risk

The risk of failing to meet demands and commitments to provide funds to customers and other third parties. Wholesale and retail funding are monitored with the aim of mitigating funding concentration risk g, which enhances VMIL's ability to refinance maturing liabilities. VMIL's management of liquidity and funding risk aims to always ensure that there are sufficient liquid resources to adequately cover its cash flow needs and meet its financial obligations as they fall due even during stressful environments.

12.11.4 Credit Risk

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

12.11.5 Strategic Risk

The risk of loss arising from VMIL adopting the wrong business strategy, failure to properly execute business strategy, or respond to industry, economy, or technological changes. VMIL aims to mitigate strategic risk through an integrated business strategy, risk appetite and capital planning process; tracking of strategic initiatives and deliverables; investment in processes, systems, and people to support new business development and through the regular review of strategic objectives and initiatives by management and the Board.

12.11.6 Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events which are neither market related nor credit related. VMIL ensures that effective controls exist at the three levels of defence. The earlier the controls are established in the risk journey, the more effective the risk detection and mitigation mechanism will be. Periodic assessments of all facets of VMIL's operational risks bring more relief to its organisational management. It is crucial to remain risk-ready by gauging regulatory obligations, investing in technology infrastructure, skills, competencies, processes, and business decisions. VMIL aims to mitigate people-risk through a rigorous onboarding process, combined with talent management systems. Development of customer interface and services is very importance, however, VMIL is also aware of external threats, in particular cybercrime attacks designed to deny access to systems and to compromise or misuse the data and assets held on VMIL's systems.

12.11.7 Compliance Risk

The risk of exposure to legal penalties, financial forfeiture, and material loss an organisation faces when it fails to act in accordance with accepted corporate governance standards, the law and regulations, internal policies or prescribed best practices. VMIL's regulatory risk framework outlines the governing processes, which aims to ensure that it delivers fair customer outcomes and meets prudential requirements. VMIL's risk and compliance function is responsible for identifying regulatory developments and assisting team members in understanding the required regulatory changes, within requisite time scales.

SECTION 13

Financial Information

13.1 7-YEAR STATISTICAL REVIEW

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

SECTION 13 CONTINUED

Financial Information

13.1 7-YEAR STATISTICAL REVIEW (continued)

	2017	2018	2019	2020	2021	2022	2023
PROFITABILITY RATIOS/METRICS							
Net Interest Margin	1.44%	1.30%	1.18%	1.12%	1.32%	0.91%	0.18%
Net Profit Margin	35.83%	30.43%	35.54%	23.71%	23.71%	30.66%	10.56%
Return on Equity	16.49%	14.85%	16.85%	10.25%	12.24%	25.85%	6.08%
Return on Assets	1.90%	1.91%	2.55%	1.58%	1.46%	2.47%	0.68%
Cost/Income Ratio	51.59%	58.75%	52.37%	66.15%	64.54%	59.94%	99.53%
Effective Tax Rate	25.98%	26.24%	23.93%	27.60%	33.15%	23.46%	-14.74%
STOCK INFORMATION							
Earnings Per Share	$0.23	$0.27	$0.40	$0.29	$0.29	$0.48	$0.13
Closing Share Price as at December 31	$ 3.24	$3.82	$ 8.97	$5.90	$6.13	$4.02	$2.75
Price to Earnings Ratio	14.03	14.41	22.50	20.41	20.90	8.42	20.75
Book Value Per Share	$1.72	$1.85	$2.88	$2.76	$2.04	$1.66	$2.70
Price to Book Ratio	1.88	2.07	3.11	2.14	3.01	2.42	1.02
Dividends Per Share	$0.25	$0.14	$0.19	$0.03	$0.16	$0.00	$0.00
Dividends Paid	$380,867.00	$210,004.00	$285,005.00	$45,001.00	$232,504.00	$0.00	$0.00
Dividends Payout Ratio	109.98%	52.82%	47.66%	10.38%	52.84%	0.00%	0.00%
Capital Gains	32.24%	17.90%	134.82%	-34.23%	3.90%	-34.42%	-31.59%
BALANCE SHEET RATIOS							
Investments Securities as a % of Total Assets	58.22%	61.27%	66.01%	55.49%	65.97%	60.67%	61.94%
Repurchase Agreements as a % of Total Liabilities	75.30%	82.04%	80.95%	80.10%	70.51%	58.93%	56.39%
Capital to Assets Ratio	12.88%	12.83%	17.08%	14.02%	9.88%	8.60%	13.73%

SECTION 13 CONTINUED

Financial Information

13.2 UNAUDITED FINANCIAL STATEMENTS – JUNE 30, 2024

VM INVESTMENTS LIMITED
Consolidated Statement of Financial Position (Unaudited)
as at June 30, 2024

	June 30, 2024 $'000	June 30, 2023 $'000	Audited December 31, 2023 $'000
ASSETS			
Cash and cash equivalents	561,435	1,074,139	877,655
Resale agreements	488,334	1,427,558	1,570,685
Investment securities	19,058,016	18,627,668	18,276,764
Interest in associates	1,747,252	1,669,192	1,719,260
Net investments in finance leases	74,081	110,584	92,727
Loans receivable	4,805,391	4,913,303	4,651,668
Accounts receivable:			
- Customers	154,517	336,641	46,336
- Other	554,835	692,921	437,810
Income tax recoverable	238,745	101,730	267,112
Deferred tax asset	1,213,428	1,045,643	1,220,314
Property, plant and equipment	97,194	122,975	109,594
Intangible assets	250,754	264,797	236,869
TOTAL ASSETS	**29,243,982**	**30,387,151**	**29,506,794**
LIABILITIES AND EQUITY			
Liabilities:			
Borrowings	7,842,891	8,971,829	8,657,029
Accounts payable:			
- Customers	1,292,392	1,090,776	1,183,303
- Brokers	6,686	28,800	176,930
- Other	1,044,426	1,014,708	881,051
Due to ultimate parent company	3,010	-	124,362
Due to parent company	183,608	139,226	-
Due to related parties	74,503	67,116	-
Repurchase agreements	14,304,964	15,926,542	14,356,049
Lease liabilities	48,830	60,795	54,961
Employee benefit obligations	22,900	19,300	22,900
TOTAL LIABILITIES	**24,824,210**	**27,319,092**	**25,456,585**
Equity:			
Share capital	707,887	707,887	707,887
Non-controlling interest	1,550,000	50,000	1,550,000
Share premium	24,000	24,000	24,000
Investment revaluation reserve	(1,096,615)	(859,236)	(980,570)
Other reserve	58,372	21,800	58,372
Retained earnings	3,176,128	3,123,608	2,690,520
TOTAL EQUITY	**4,419,772**	**3,068,059**	**4,050,209**
TOTAL LIABILITIES AND EQUITY	**29,243,982**	**30,387,151**	**29,506,794**

Approved for issue by the Board of Directors on July 25, 2024 and signed on its behalf by:

Michael McMorris, Chairman

Rezworth Burchenson, Chief Executive Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Unaudited for the three months ended June 30, 2024

	Quarter ended June 30, 2024 $'000	Quarter ended June 30, 2023 $'000	Year to date June 30, 2024 $'000	Year to date June 30, 2023 $'000
Interest income	439,863	474,648	871,997	852,657
Interest expense	(392,655)	(502,391)	(793,391)	(788,768)
Net interest income	**47,208**	**(27,743)**	**78,606**	**63,889**
Gains from investment activities	228,492	233,931	915,266	335,668
Dividend Income	13,972	33,143	19,473	34,828
Net fees and commissions	197,997	157,701	379,532	391,686
Other income	9,458	(17,310)	16,185	(6,832)
Other operating revenue	**449,919**	**407,465**	**1,330,456**	**755,350**
Net interest income and other operating revenue	**497,127**	**379,722**	**1,409,062**	**819,239**
Staff costs	(316,497)	(244,697)	(559,857)	(479,026)
Impairment on financial assets	63,725	22,584	42,694	17,465
Other operating costs	(220,343)	(196,689)	(426,339)	(402,006)
	(473,115)	**(418,802)**	**(943,502)**	**(863,567)**
Operating profit	**24,012**	**(39,080)**	**465,560**	**(44,328)**
Share of profit in associates	36,288	13,634	50,975	42,755
Profit/(Loss) before income tax	**60,300**	**(25,446)**	**516,535**	**(1,573)**
Income tax credit/(charge)	(36,898)	39,547	17,074	35,590
Profit for the period	**23,402**	**14,101**	**533,609**	**34,017**
Other Comprehensive Income:				
Items that will never be reclassified to profit or loss:				
Net gains/(losses) on equity investments designated at fair value through other comprehensive income (FVOCI)	62,220	(102,000)	86,700	(196,349)
	62,220	**(102,000)**	**86,700**	**(196,349)**
Items that may be reclassified to profit or loss:				
Change in fair value of investment securities, net of taxes	(135,699)	102,098	(202,745)	143,904
	(67,046)	**102,098**	**(202,745)**	**143,904**
Other comprehensive (loss) / income net of tax	**(73,479)**	**98**	**(116,045)**	**(52,445)**
Total comprehensive (loss) / income for the period	**(50,077)**	**14,199**	**417,564**	**(18,428)**
Basic earnings per share (expressed in $ per share)	0.02	0.01	0.36	0.02

SECTION 13 CONTINUED

Financial Information

13.2 UNAUDITED FINANCIAL STATEMENTS – JUNE 30, 2024

VM INVESTMENTS LIMITED
Consolidated Statement of Changes in Equity
Unaudited for the six months ended June 30, 2024

	Share capital $'000	Share premium $'000	Investment revaluation reserve $'000	Other reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balances as at January 1, 2023	**707,887**	**24,000**	**(806,791)**	**21,800**	**3,089,591**	**3,036,487**	**50,000**	**3,086,487**
Profit for the period	-	-	-	-	34,017	34,017	-	34,017
Other comprehensive income:								
Change in fair value of investment securities, net of deferred tax	-	-	143,904	-	-	143,904	-	143,904
Net gain on equity instruments designated at fair value	-	-	(196,349)	-	-	(196,349)	-	(196,349)
Total other comprehensive loss for the period	-	-	(52,445)	-	-	(52,445)	-	(52,445)
Total comprehensive (loss) / income for the period	-	-	(52,445)	-	34,017	(18,428)	-	(18,428)
Transactions with owners recorded directly in equity								
Dividends declared but not yet paid to equity holders					-	-		-
Balances as at June 30, 2023	**707,887**	**24,000**	**(859,236)**	**21,800**	**3,123,608**	**3,018,059**	**50,000**	**3,068,059**
Balances as at January 1, 2024	**707,887**	**24,000**	**(980,570)**	**58,372**	**2,690,520**	**2,500,209**	**1,550,000**	**4,050,209**
Profit for the period	-	-	-	-	533,609	533,609	-	533,609
Other comprehensive loss:								
Change in fair value of investment securities, net of deferred tax	-	-	(202,745)	-	-	(202,745)	-	(202,745)
Net gain on equity instruments designated at fair value	-	-	86,700	-	-	86,700	-	86,700
Total other comprehensive loss for the period	-	-	(116,045)	-	-	(116,045)	-	(116,045)
Total comprehensive (loss)/income for the period	-	-	(116,045)	-	533,609	417,564	-	417,564
Transactions with owners recorded directly in equity								
Dividends declared but not yet paid to equity holders					(48,001)	(48,001)		(48,001)
Balances as at June 30, 2024	**707,887**	**24,000**	**(1,096,615)**	**58,372**	**3,176,128**	**2,869,772**	**1,550,000**	**4,419,772**

Consolidated Statement of Cash Flows
Unaudited for the six months ended June 30, 2024

	June 30, 2024 $'000	June 30, 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	533,609	34,017
Adjustments for items not involving cash:		
Depreciation of property, plant & equipment	12,400	13,886
Amortisation of intangible assets	32,049	37,090
Impairment credit on financial assets	(63,725)	(17,465)
Amortisation of transaction costs	24,496	47,983
Interest income	(871,997)	(852,657)
Dividend income	(19,473)	(34,828)
Interest expense	793,391	788,768
Income tax credit	(17,074)	(35,590)
Gains from interest in associates	(50,975)	(42,755)
Gains from investment activities	(915,266)	(335,668)
Unrealised exchange gains	16,865	9,239
	(525,700)	(387,980)
Changes in operating assets and liabilities:		
Resale agreements	1,080,346	(1,040,755)
Receivable from customers	(114,618)	2,970
Accounts receivable – other	(66,115)	63,523
Loans and advances	(118,677)	585,147
Due to ultimate parent company	(121,352)	-
Due to parent company	145,207	-
Due to related party	74,503	-
Repurchase agreements	18,058	471,561
Payable to customers	114,649	(21,080)
Payable to brokers	(170,244)	(39,921)
Accounts payable – other	132,255	(464,756)
	448,312	(831,291)
Interest and dividends received	918,740	958,667
Interest paid	(772,241)	(830,123)
Income tax paid	-	(212,353)
Net cash provided by (used in) operating activities	594,811	(915,100)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	-	(776)
Acquisition of intangible assets	(45,934)	(1,410)
Investment securities, net movement	(36,979)	(663,645)
Net cash provided by/(used in) investing activities	(82,913)	(665,831)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments)/proceeds from loans	(838,634)	1,451,213
Net proceeds from finance lease payments	18,646	-
Lease liabilities	(6,131)	(5,550)
Net cash (used in)/provided by financing activities	(826,119)	1,445,663
Decrease cash and cash equivalents	(314,221)	(135,268)
Net cash and cash equivalents at beginning of the year	877,655	1,192,249
Effect of exchange rate changes on cash and cash equivalents	(1,999)	17,158
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**561,435**	**1,074,139**

SECTION 13 CONTINUED

Financial Information

13.2 UNAUDITED FINANCIAL STATEMENTS – JUNE 30, 2024

VM INVESTMENTS LIMITED
Notes to the Unaudited Consolidated Financial Statements
As at June 30, 2024

1. Identification

VM Investments Limited ("the Company") is incorporated and domiciled in Jamaica. The Company's registered office is located at 8-10 Duke Street, Kingston, Jamaica. The Company is now an 80% owned subsidiary of The VM Financial Group Limited. This became effective February 1, 2023 with the completion of the VM Group reorganization. By special resolution and with the approval of the Registrar of Companies, Victoria Mutual Investments Limited formally changed its name to VM Investments Limited on February 16, 2023.

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

The Company has a wholly owned subsidiary, VM Wealth Management Limited ("the Subsidiary Company"), which is incorporated and domiciled in Jamaica. The principal activities of the Subsidiary Company are investment broking, the provision of asset management, financial and investment advisory services and money market dealing. The Company's activities are administered by its Subsidiary Company. By special resolution and with the approval of the Registrar of Companies, Victoria Mutual Wealth Management Limited formerly changed its name to VM Wealth Management Limited on April 3, 2023.

The Company and its subsidiary are collectively referred to as "the Group".

In 2019, the company acquired a 30% shareholding in Carilend Caribbean Holdings Limited (Carilend), a company incorporated in Barbados that facilitates peer-to-peer lending which was accounted for under the equity method as an associated company in the consolidated financial statements. During the period ending March 2024 the company sold this investment and realised significant gains.

In 2022, the company also acquired a 23% interest in Kingston Properties Limited (KPREIT), a company incorporated and domiciled in Jamaica that invests in real estate assets.

2. Basis of preparation

These interim condensed consolidated financial statements ('interim financial statements') have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act. These interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements are presented in Jamaica dollars, which is the Group's functional currency.

VM INVESTMENTS LIMITED
Notes to the Unaudited Consolidated Financial Statements
As at June 30, 2024

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

4. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the chief operating decision maker, the entire operations of the Group are considered as one operating segment.

5. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by a weighted average number of ordinary shares held during the period.

	June 30, 2024	**June 30, 2023**
Number of ordinary shares	1,500,025,000	1,500,025,000
Profit attributable to owners of the Company	533,609,000	23,402,000
Basic earnings per share ($)	0.3557	0.0156

3.3 Audited Finnacial Statements

DECEMBER 31, 2023

VM Investments
Limited

Independent Auditors' Report

To the Members of **VM Investments Limited**

Report on the Audit of the Financial Statements (Continued)

Opinion

We have audited the financial statements of VM Investments Limited ("the company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiary ("the group"), set out on pages 101 to 184, which comprise the group's and company's statements of financial position as at December 31, 2023, the group's and company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2023, and of the group's and company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To the Members of **VM Investments Limited**

Report on the Audit of the Financial Statements (Continued)

1. Fair value of level 3 investments

The key audit matter (see notes 6 and 29)	How the matter was addressed in our audit
A significant portion of the group's and the company's investments are classified as level 3 measurements. These investment securities measured at fair value are instruments for which quoted prices are not available. Valuation of these investments uses unobservable inputs which requires significant estimation uncertainties.	Our procedures in this area included the following: • Assessing the reasonableness of significant assumptions and suitability of the valuation models used by the group and the company. • Involving our valuation specialists to determine or obtain yields or prices of specific securities and comparing these yield or prices to those used by the group. • Assessing the adequacy of the disclosures, including the degree of estimation uncertainty involved in determining fair values.

2. Investment in associate

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

Independent Auditors' Report

To the Members of **VM Investments Limited**

Report on the Audit of the Financial Statements (Continued)

Other Information

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

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

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

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

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

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

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

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

uditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at page 100, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

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

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

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

Chartered Accountants
Kingston, Jamaica
KPMG
May 20, 2024

Independent Auditors' Report

To the Members of **VM Investments Limited**

Appendix to the Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's or group's internal control.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

VM Investments Limited

Consolidated Statement of **Financial Position**

December 31, 2023

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

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

____________________ Director
Courtney Campbell

____________________ Chief Executive Officer
Rezworth Burchenson

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

*See note 35

VM Investments Limited

Company Statement of **Financial Position**

December 31, 2023

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

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

______________ Director
Courtney Campbell

______________ Chief Executive Officer
Rezworth Burchenson

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

VM Investments Limited

Income Statements

Year ended December 31, 2023

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

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

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

*See note 35

VM Investments Limited

Statements of **Comprehensive Income**

Year ended December 31, 2023

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Profit for the year		$198,844	716,588	116,225	253,445
Other comprehensive income (OCI): Items that will never be classified to profit or loss:					
Net losses on investment in equity instruments designated at fair value through OCI	6	(298,350)	(64,770)	-	-
Remeasurement of employee benefit obligation	16(b)(i)	(1,800)	15,800	-	-
Deferred tax on remeasurement of employee benefit obligation	11	600	(5,267)	-	-
		(1,200)	10,533	-	-
		(299,550)	(54,237)	-	-
Item that may be reclassified to profit or loss:					
Currency translation adjustment on investment in associate	7, 20(b)(ii)	37,772	-	37,772	-
Change in fair value of debt securities at fair value through OCI, net of expected credit losses	29(c)	186,855	(1,845,531)	-	-
Deferred tax on change in fair value of investment securities measured at fair value through OCI	11	(62,284)	615,177	-	-
		124,571	(1,230,354)	-	-
Total other comprehensive (loss)/income net of tax		(137,207)	(1,284,591)	37,772	-
Total comprehensive income/(loss) for the year attributable to shareholders of the company		61,637	(568,003)	153,997	253,445

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

*See note 35

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

VM Investments Limited

Consolidated Statement of **Changes in Equity**

Year ended December 31, 2023

Attributions by owners of the company

	Share capital [note (19)] $'000	Share premium $'000	Investment revaluation reserve [note 20(a)] $'000	Other reserve [note 20(b)] $'000	Retained earnings $'000	Total $'000	Non-controlling interest [note (21)] $'000	Total equity $'000
Balances at December 31, 2021, as previously reported	**707,887**	**24,000**	**488,333**	**11,267**	**2,397,736**	**3,629,223**	**50,000**	**3,679,223**
Prior year adjustments (note 35)	-	-	-	-	(622,648)	(622,648)	-	(622,648)
Balances at December 31, 2021, as restated	**707,887**	**24,000**	**488,333**	**11,267**	**1,775,088**	**3,006,575**	**-**	**3,056,575**
Comprehensive income:								
Profit for the year, as previously reported	-	-	-	-	641,616	641,616	-	641,616
Prior year adjustments (note 35)	-	-	-	-	74,972	74,972	-	74,972
Profit for the year, as restated	-	-	-	-	716,588	716,588	-	716,588
Other comprehensive income:								
Change in fair value of investment securities, net of deferred tax	-	-	(1,230,354)	-	-	(1,230,354)	-	1,230,354)
Change in fair value of equities at FVOCI	-	-	(64,770)	-	-	(64,770)	-	(64,770)
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	10,533	-	10,533	-	10,533
Total other comprehensive loss	-	-	(1,295,124)	10,533	-	(1,284,591)	-	(1,284,591)
Total comprehensive loss for the year	-	-	(1,295,124)	10,533	716,588	(568,003)	-	(568,003)
Balances at December 31, 2022, as restated	**707,887**	**24,000**	**(806,791)**	**21,800**	**2,491,676**	**2,438,572**	**50,000**	**2,488,572**
Share issue [note 21(b)]	-	-	-	-	-	-	1,500,000	1,500,000
Comprehensive income:								
Profit for the year	-	-	-	-	198,844	198,844	-	198,844
Other comprehensive income:								
Currency translation adjustment on investment in associate	-	-	-	37,772	-	37,772	-	37,772
Change in fair value of investment securities, net of deferred tax	-	-	124,571	-	-	124,571	-	124,571
Change in fair value of equities at FVOCI	-	-	(298,350)	-	-	(298,350)	-	(298,350)
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	(1,200)	-	(1,200)	-	(1,200)
Total other comprehensive loss	-	-	(173,779)	36,572	-	(137,207)	-	(137,207)
Total comprehensive loss for the year	-	-	(173,779)	36,572	198,844	61,637	-	61,637
Balances at December 31, 2023	**707,887**	**24,000**	**(980,570)**	**58,372**	**2,690,520**	**2,500,209**	**1,550,000**	**4,050,209**

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

VM Investments Limited

Company Statement of **Changes in Equity**

Year ended December 31, 2023

	Share capital [note (19)] $'000	Share premium $'000	Other reserve [note 20(b)] $'000	Retained earnings (accumulated deficit $'000	Total $'000
Balance at December 31, 2021	**707,887**	**24,000**	**-**	**(72,291)**	**659,596**
Comprehensive income:					
Profit for the year, being total comprehensive income for the year	-	-	-	253,445	253,445
Balance at December 31, 2022	**707,887**	**24,000**	**-**	**181,154**	**913,041**
Profit for the year	-	-	-	116,225	116,225
Other comprehensive income:					
Currency translation adjustment on investment in associate	-	-	37,772	-	37,772
Total comprehensive profit for the year	-	-	37,772	116,225	153,997
Balance at December 31, 2023	**707,887**	**24,000**	**37,772**	**297,379**	**1,067,038**

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

VM Investments Limited

Statements of **Cash Flows**

Year ended December 31, 2023

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Cash flows from operating activities:					
Profit for the year		198,844	716,588	116,225	253,445
Adjustments for:					
Depreciation	12	27,331	36,590	-	8,645
Amortisation of intangible asset	13	76,096	52,820	6,286	515
Share of profits in associate	7	(164,411)	-	(164,411)	-
Impairment losses/(gains) on financial assets		150,376	(120,326)	208,248	3,412
Change in employee benefit obligation	16(b)(ii)	1,800	2,400	-	-
Amortisation of transaction costs		77,961	25,766	77,961	25,766
Unrealised exchange gains on foreign currency balances		(46,606)	(13,425)	(5,496)	(1,706)
Gains from investment activities		(951,906)	(711,070)	(266,990)	(92,708)
Gain from property/share swap		-	(235,457)	-	(235,457)
Interest income	22	(1,694,915)	(1,411,625)	(864,847)	(464,981)
Dividend income		(15,561)	(33,045)	(8,928)	(10,860)
Interest expense	22	1,640,972	1,151,386	866,411	422,236
Interest expense on lease liabilities	18(a)	6,122	7,201	-	-
Income tax (credit)/charge	27	(25,546)	219,688	(65,225)	7,023
		(719,443)	(312,509)	(100,766)	(84,670)
Changes in operating assets and liabilities:					
Due to ultimate parent company		(317,360)	-	(193,593)	-
Due to ultimate parent society		-	71,455	-	71,455
Due to subsidiary company		-	-	11,733	(304,787)
Loans receivable		608,251	(2,011,900)	608,251	(2,011,900)
Resale agreements		(809,380)	3,291,174	(215,454)	692,631
Accounts receivable		192,996	(522,077)	34,057	(70,959)
Accounts payable		(522,173)	1,029,773	(444,576)	233,880
Repurchase agreements		(1,413,873)	(3,856,321)	242,848	-
		(2,980,982)	(2,310,405)	57,500	(1,474,350)
Interest received		1,973,940	1,690,089	785,510	485,678
Interest paid		(1,649,666)	(1,136,639)	(885,785)	(422,553)
Income tax paid		(391,428)	(263,251)	(72,855)	(9,752)
Net cash used in operating activities		(3,048,136)	(2,020,206)	(230,630)	(1,420,977)
Cash flows from investing activities:					
Acquisition of property, plant and equipment	12	(840)	(3,553)	-	(2,020)
Acquisition of intangible asset	13	(12,488)	(170,218)	-	(41,875)
Investment in finance leases		-	(20,641)	-	(20,641)
Proceeds from finance lease repayments		41,000	45,782	41,000	45,782
Purchase of investment securities		(41,414,672)	(7,168,629)	(2,087,831)	(1,978,044)
Proceeds from sale of investment securities		41,462,858	7,842,110	1,006,602	2,525,868
Investment in subsidiary	8	-	-	-	(900,000)
Investment in associated company	7	-	(25,229)	-	(25,229)
Dividends received		77,251	33,045	70,617	10,860
Net cash provided by/(used in) investing activities		153,109	532,667	(969,612)	(385,299)
Cash flow from financing activities:					
Proceeds from issue of shares		1,500,000	-	-	-
Proceeds from loans and borrowings	17	6,630,358	2,381,805	6,630,358	2,346,577
Repayment of loans and borrowings	17	(5,411,905)	(426,880)	(5,411,905)	(426,880)
Transaction costs incurred on loans and borrowings	17	(133,503)	(8,537)	(133,503)	(8,537)
Payment of lease liabilities	18(a)	(11,384)	(10,305)	-	-
Net cash provided by financing activities		2,573,566	1,936,083	1,084,950	1,911,160
Net (decrease)/increase in cash and cash equivalents		(321,461)	448,544	(115,292)	104,884
Cash and cash equivalents at beginning of year		1,192,249	763,557	216,608	114,443
Effect of exchange rate fluctuations on cash and cash equivalents held		6,867	(19,852)	16	(2,719)
Cash and cash equivalents at end of year	4	877,655	1,192,249	101,332	216,608

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

*See note 35

VM Investments Limited

Notes to the **Financial Statements**

Year ended December 31, 2023

1. Identification

VM Investments Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 8-10 Duke Street, Kingston, Jamaica. Under an approved Scheme of Arrangement for the restructuring of the Victoria Mutual Building Society (former parent society) and its subsidiaries, a new mutual holding company, VM Group Limited, along with a new financial holding company, VM Financial Group Limited, were incorporated on February 1, 2023. Effectively, this meant that VM Group Limited became the new ultimate parent company and VM Financial Group Limited became the immediate parent company. Both the parent company and the ultimate parent company are domiciled in Jamaica.

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

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

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

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

The company's activities are administered by its subsidiary company. The company's income during the year was mainly interest, gains from investment activities, fees and commission and dividend income.

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

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

Effective December 30, 2022, the company acquired a 23% interest in Kingston Properties Limited (KPREIT), a company incorporated and domiciled in Jamaica that invests in real estate assets.

2. Basis of preparation

(a) Statement of compliance

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

New and amended standards that became effective during the year:

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

The key amendments to IAS 1 include:

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

The amendments are consistent with the refined definition of material:

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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

Developing an accounting estimate includes both:

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

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

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

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

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

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

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

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

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

New and amended standards issued but not yet effective:

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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

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

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

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

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

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

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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

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

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

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

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

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

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

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

The estimates, and the assumptions underlying them, are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Except as otherwise stated below, there are no judgements, estimate and assumptions made by management in the application of IFRS that may have a significant effect on the financial statements and significant estimate with a significant risk of material adjustment in the next financial year.

Key assumptions and other sources of estimation uncertainty:

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

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

(2) Fair value of financial instruments

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

3. Material accounting policies

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

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

(a) Financial instruments – Classification, recognition, derecognition and measurement

- Financial assets comprise cash and cash equivalents, resale agreements, investment securities, loans receivable, net investment in finance leases and accounts receivable.

  Financial liabilities comprise accounts payable, borrowings, amounts due to related parties, lease liabilities and repurchase agreements.

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

(i) Recognition and initial measurement

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

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

(ii) Classification and subsequent remeasurement

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

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

Financial assets

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

(a) Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

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

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

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are measured a fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in 'interest income' calculated using the effective interest method.

- Business model: the business model reflects how the group manages the assets in order to generate cash flows. That is, whether the group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

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

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

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

3. Material accounting policies (continued)

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

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

(a) Debt instruments

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

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

(b) Equity instruments

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

The group subsequently measures all equity investments at fair value through profit or loss, except where the group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income.

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

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

Financial liabilities

(iii) Derecognition

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

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

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

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

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

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

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

(iv) Measurement and gains and losses

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

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

(iv) Measurement and gains and losses (continued)

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

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

Specific financial instruments

(1) Derivatives

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

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

(2) Cash and cash equivalents

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

(3) Resale and repurchase agreements

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

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

(iv) Measurement and gains and losses (continued)

(4) Accounts receivable

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

(5) Share capital

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

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

(6) Accounts payable

Accounts payable are measured at amortised cost.

(v) Offsetting

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

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

(vi) Impairment

The group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:
- financial assets that are debt instruments; and
- lease receivables.

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

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

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

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

(vi) Impairment (continued)

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:
- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn and the cash flows that the company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the group expects to recover.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events of default have an impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the group on terms that the company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

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

(vi) Impairment (continued)

Credit-impaired financial assets (continued)

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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

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

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

(b) Investment in associates

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

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

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

(c) Foreign currencies

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

(d) Property, plant and equipment

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

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

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

3. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

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

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

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

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

(e) Intangible asset – computer software and amortisation

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

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

(f) Employee benefits

(i) General benefits

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

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

(ii) Defined-benefit pensions

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(f) Employee benefits (continued)

(iii) Employee medical benefits

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

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

The discount rate is the yield on long-term government securities that have maturity dates approximating the terms of the group's obligation. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses are recognised immediately in other comprehensive income (OCI). The group determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of the plan are changed or when the plan is curtailed, the portion of the change in benefit relating to past service by employees is recognised as an expense immediately in profit or loss. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

(g) Income tax

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

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

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

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

(h) Impairment of non-financial assets

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

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

Impairment losses are recognised in the income statement.

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

3. Material accounting policies (continued)

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

(i) Leases

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

(a) As a lessee

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

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

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

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

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

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

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(i) Leases (continued)

(a) As a lessee (continued)

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

Short-term leases

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

(b) As a lessor

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

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

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

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

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

(j) Interest

(i) Effective interest rate

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

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

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

(ii) Presentation

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

(k) Gain or loss from trading and holding securities

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

(l) Dividend incomes

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(m) Fee and commission income

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

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

Type	Nature and timing of satisfaction of performance obligation, including significant payment term	Revenue recognition under IFRS 15
Equity trading services	The group provides stockbroking services to customers. A fixed fee is charged for each transaction executed.	Revenue related to transactions is recognised at the point in time when the transaction takes place.
Corporate advisory services	The group provides finance-related services including loan administration services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting. Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.	Revenue related to transactions is recognised at the point in time when the transaction takes place.
Portfolio asset management service	The group provides portfolio/asset management services. Fees for provides portfolio/asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis.	Revenue from portfolio/asset management services is recognised over time as the services are provided.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

4. Cash and cash equivalents

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

5. Resale agreements

The group purchases government and corporate securities and agrees to resell them on a specified date and at a specified price ('resale agreements').

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

	Company	
	2023 $'000	2022 $'000
Denominated in Jamaica dollars	215,454	-
Less allowance for expected credit losses [note 28(b)(iv)(d)]	-	-
	215,454	-

Under collateralised resale agreements, the group obtains securities as collateral on terms which permit it to re-pledge or resell them to others under repurchase agreements as set out in note 14. At December 31, 2023, securities that the group and company held under repurchase arrangements had a fair value of $1,897,407,000 (2022: $1,052,283,000) and $228,928,000 (2022: $nil), respectively.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities (continued)

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

	Group 2023					
	Within 3 month $'000	3 month to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:						
Unquoted equities	-	-	-	-	77,280	77,280
Quoted equities	-	-	-	-	347,044	347,044
Convertible preference shares	-	-	-	-	1,163,244	1,163,244
Unit trusts	-	-	-	-	227,953	227,953
	-	-	-	-	1,815,521	1,815,521
At amortised cost:						
Corporate bonds	-	-	435,000	331,080	-	766,080
Bank of Jamaica securities	-	50,000	-	-	-	50,000
Benchmark investment notes	-	-	63,478	-	-	63,478
	-	50,000	498,478	331,080	-	879,558
At FVOCI:						
Quoted equities	-	-	-	-	510,000	510,000
	-	-	-	-	510,000	510,000
Debt instruments:						
BOJ securities	306,873	-	-	-	-	306,873
Benchmark investment notes	311,207	-	1,288,875	3,846,587	-	5,446,669
US$ bonds	-	-	2,755,763	3,992,452	-	6,748,215
Foreign government securities	-	-	448,585	452,776	-	901,361
Other public sector securities	-	178,180	23,700	-	-	201,880
Corporate bonds	-	-	850,947	630,173	-	1,481,120
	618,080	178,180	5,367,870	8,921,988	-	15,086,118
	618,080	638,827	5,866,348	9,253,068	2,325,521	18,291,197

	Group 2022					
	Within 3 month $'000	3 month to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:						
Unquoted equities	-	-	-	-	81,250	81,250
Quoted equities	-	-	-	-	349,628	349,628
	-	-	-	-	430,878	430,878
At amortised cost:						
Deferred shares	-	410,647	-	-	-	410,647
Corporate bonds	-	-	-	62,466	-	62,466
Benchmark investment notes	-	-	63,478	-	-	63,478
US$ bonds	-	151,008	-	-	-	151,008
	-	561,655	63,478	62,466	-	687,599
At FVOCI:						
Quoted equities	-	-	-	-	808,35	808,350
Debt instruments:						
Benchmark investment notes	400,775	-	1,364,544	3,852,598	-	5,617,917
Treasury bills	2,003		-	-	-	2,003
US$ bonds	-	-	1,160,145	6,128,912	-	7,289,057
Foreign government securities	-	-	372,801	477,616	-	850,417
Other public sector securities	-	-	397,309	-	-	397,309
Corporate bonds	554,298	99,524	255,142	579,122	-	1,488,086
	957,076	99,524	3,549,941	11,038,248	-	15,644,789
	957,076	661,179	3,613,419	11,100,714	1,239,228	17,571,616

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities (continued)

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

	Company 2023				
	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:					
Unquoted equities	-	-	-	77,280	77,280
Quoted equities	-	-	-	346,087	346,087
Convertible preference shares	-	-	-	1,163,244	1,163,244
	-	-	-	1,586,611	1,586,611
At amortised cost:					
Corporate bonds	-	435,000	331,080	-	766,080
Bank of Jamaica securities	50,000	-	-	-	50,000
Benchmark investment notes	-	63,478	-	-	63,478
	50,000	498,478	331,080	-	879,558
	50,000	498,478	331,080	1,586,611	2,466,169

	Company 2022				
	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:					
Unquoted equities	-	-	-	77,182	77,182
Quoted equities	-	-	-	348,931	348,931
	-	-	-	426,113	426,113
At amortised cost:					
Deferred shares	410,647	-	-	-	410,647
Corporate bonds	-	-	62,466	-	62,466
Benchmark investment notes	-	63,478	-	-	63,478
US$ bonds	151,008	-	-	-	151,008
	561,655	63,478	-	-	687,599
	561,655	63,478	62,466	426,173	1,113,712

Certain Bank of Jamaica, Government of Jamaica and foreign government securities are pledged as collateral for repurchase agreements (see note 15).

Government of Jamaica securities having an aggregate face value of $36,000,000 (2022: $32,000,000) have been pledged as collateral against possible overdrafts and uncleared effects at one of the subsidiary company's bankers. The fair value of the securities is $36,000,000 (2022: $32,018,794).

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

6. Investment securities (continued)

Equity investment securities designated at FVOCI

The following table shows investments in equity securities that are designated at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long term.

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

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

Debt instruments designated at FVOCI

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

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

7. Interest in associates

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

7. Interest in associates (continued)

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

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

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

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

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

7. Interest in associates (continued)

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

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

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

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

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

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

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

8. Interest in subsidiary

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

9. Loans receivable

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

While the gross carrying amount of the loans receivable is decreasing, the loss allowance is increasing due to the deterioration in the quality of collateral held (shares) for a portion of the loans. The collateral held represented 63% (2022: 100%) of the loan value. For such loans that were exposed to this deterioration in the collateral held, there was no default in repayments by the customer.

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

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

10. Accounts receivable - others

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

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

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

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

	Group 2023		
	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from related parties [note 30(c)]	634	3,485	4,119

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

10. Accounts receivable - others (continued)

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

Company 2023

	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from subsidiary company [note 30(c)]	200	-	200
Due from related parties [note 30(c)]	-	1,997	1,997

Group 2022

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

11. Deferred tax asset

Group 2023

	2022 $'000 Restated*	Recognised in other comprehensive income $'000	Recognised in income (note 27) $'000	2023 $'000
Property, plant and equipment	32,237	-	17,854	50,091
Right-of-use assets	(18,147)	-	(3,767)	(21,914)
Investment securities	1,060,325	(62,284)	83,822	1,081,863
Accounts receivable	80,546	-	(3,447)	77,099
Interest receivable	(99,045)	-	(4,324)	(103,369)
Dividend receivable	(538)	-	538	-
Interest payable	58,545	-	(4,140)	54,405
Accounts payable	-	-	4,896	4,896
Accrued vacation leave	1,432	-	5,757	7,189
Employee benefit obligation	(1,101)	600	600	99
Finance leases	8,254	-	2,816	11,070
Unused tax losses	-	-	35,404	35,404
Lease liabilities	22,116	-	3,749	25,865
Unrealised foreign exchange losses	(3,915)	-	1,531	(2,384)
	1,140,709	(61,684)	141,289	1,220,314

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

14. Accounts payable (continued)

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

Company 2023

	Included in interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to subsidiary company [note 30(c)]	441	-	441

15. Repurchase agreements

The group sells government and corporate securities, or interests therein, to clients and agrees to repurchase them on a specified date and at a specified price ('repurchase agreements' or 'repos').

Group

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

Company

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

At December 31, 2023, securities obtained under resale agreements and certain investments (see notes 5 and 6) and interest accrued thereon are pledged by the group as collateral for repurchase agreements. These financial instruments have a fair value of 14,411,535,000 (2022: $16,463,321,000) for the group and $496,079,000 (2022: $214,436,000) for the company.

16. Employee benefit obligation

(a) Pensions

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

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

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

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

The most recent funding actuarial valuation of the defined benefit plan, operated by the ultimate parent society (note 3 f (ii)), performed as of December 31, 2019, indicated that it is adequately funded. The group's contribution to the plans for the year amounted to $12,218,000 (2022: $10,712,000) as set out in note 25.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

16. Employee benefit obligation (continued)

(b) Medical obligation

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

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

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

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

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

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

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

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

(v) Sensitivity analysis

A one percentage (2022: a one percentage) point change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the post-employment medical benefit obligations by amounts shown below:

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

17. Borrowings

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

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

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

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

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

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

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

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

(ii) These are comprised of the following:

Three loans from the Development Bank of Jamaica received during 2023 for the total of $560,000,000. The loans are broken down as follows:

- $50,000,000 with a maturity period of 4 years with an interest rate of 10.99%
- $300,000,000 with a maturity period of 1 year with an interest rate of 9%
- $210,000,000 with a maturity period of 1 year with an interest rate of 9%

The last two loans received in 2021 and 2022 are as follows:

- $550,000,000 received in October 2021, with a maturity period of 5 years with monthly interest payments and an initial two -year principal payment moratorium.
- $750,000,000 received in November 2022 with a maturity period of 2 years attracting an interest rate of 7.5% per annum.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

17. Borrowings (continued)

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

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

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

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

	Group 2023		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at December 31, 2022	6,091,171	1,402,947	7,494,118
Proceeds from loans and borrowings	6,070,358	560,000	6,630,358
Repayment of loans and borrowings	(4,958,403)	(453,502)	(5,411,905)
	7,203,126	1,509,445	8,712,571
Other changes:			
Transaction cost incurred	(126.712)	(6,791)	(133,503)
Transaction cost amortised	(77,961)	-	(77,961)
Balance as at December 31, 2023	7,154,375	1,502,654	8,657,029

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

17. Borrowings (continued)

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

	Company 2023		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2023	6,003,234	1,402,947	7,406,181
Proceeds from loans and borrowings	6,091,322	560,000	6,651,322
Repayment of loans and borrowings	(4,958,403)	(453,502)	(5,411,905)
	7,136,153	1,509,445	8,645,598
Other changes:			
Capitalised borrowing costs	(69,715)	(6,791)	(76,506)
Balance as at December 31, 2023	7,066,438	1,502,654	8,569,092

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

18. Leases

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

The office spaces leases were entered into many years ago as combined leases of land and buildings.

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

(a) Leases as lessee

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 11).

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

18. Leases (continued)

(a) Leases as lessee (continued)

(ii) Lease liabilities:

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

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

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

(iv) Amounts recognised in profit or loss

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

(v) Amounts recognised in statement of cash flows

	Group	
	2023 $'000	2022 $'000
Lease interest payments	6,122	7,201
Lease principal payments	11,384	10,305
Total cash outflow for leases	17,506	17,506

(vi) Extension options

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

18. Leases (continued)

(a) Leases as lessor

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

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

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

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

19. Share capital

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

(a) The issued share capital does not include premium of $24,000,000 (2022: $24,000,000) on the shares, in accordance with Section 39(7) of the Companies Act Jamaica. This has been retained in the share premium account.

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

20. Reserves

(a) Investment revaluation reserve

This represents:

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

This amount is increased by the amount of loss allowances on debt securities measured at FVOCI.

(b) Other reserve

This represents:

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

21. Non-controlling interest

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

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

The preference shares are redeemable, redemption being at the option of the subsidiary company and dividends are payable at such time as the subsidiary company may determine. The number of units in this category totals 50,000,000 (2022: 50,000,000).

(b) On October 31, 2023, the subsidiary company issued 1,500,000 non-redeemable, non-cumulative preference shares to the parent company, VM Financial Group Limited. Each preference share was issued at $1,000 per share. Dividends are payable at such time as the subsidiary company may determine.

Preference shareholders are not entitled to a share of profits.

22. Net interest income

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

23. Gains from investment activities

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

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

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

24. Fees and commissions

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

25. Staff costs

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

26. Other operating costs

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

27. Income tax

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

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

* See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

27. Income tax (continued)

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

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

* See note 35

28. Financial instruments-risk management

(a) Introduction and overview

The group's activities are principally related to the use of financial instruments. The group therefore has exposure to the following risks from its use of financial instruments in the ordinary course of business:

- credit risk
- liquidity risk
- market risk

The Board of Directors of the company has overall responsibility for the establishment and oversight of the group's risk management framework. Senior management of the company and the subsidiary company report to the respective Board of Directors on their activities. The group's risk management policies are designed to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The group regularly reviews its risk management policies and systems to reflect changes in market conditions and product and service offerings. The respective Audit, Risk and Conduct Review Committees of the company and the subsidiary company are responsible for monitoring compliance with the group's risk management policies and for reviewing the adequacy of the risk management framework in relation to the risks faced by the group.

The Audit, Risk and Conduct Review Committees are assisted in these functions by the Victoria Mutual Group's Internal Audit Unit and the Group Risk Management Unit, which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit, Risk and Conduct Review Committees.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(a) Introduction and overview (continued)

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

(b) Credit risk

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

(i) Management of credit risk

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

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

This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

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

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

- Cash and cash equivalents

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

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

- Resale agreements
  Collateral is held for all resale agreements.
- Investment securities and loans receivable

Credit risk management includes:

(i) Margin loans – daily monitoring of the collateral package and executing margin calls or asset sales to address any shortfall. Additional scrutinizing of tradeable securities utilized as collateral and removing those negatively impacted by the pandemic.

(ii) Corporate loans - Undertake assessment of loans likely impacted by the current conditions (e.g., Tourism).

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

- Accounts receivable

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

The group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(ii) Collateral and other credit enhancements held against financial assets (continued)
The group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the group since the prior period.

(iii) Concentration of credit risk

There is significant concentration of credit risk in that the subsidiary company, being a securities dealer that is obliged to trade mostly debt securities issued by the Government of Jamaica and Bank of Jamaica, holds substantial amounts of these debt securities. The management of the concentration of credit risk is guided by the group's Investment Policy, whereby exposure per debt security is limited to 20%. Compliance with these limits is reported on and monitored monthly.

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

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

Debt securities at FVOCI:

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

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

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

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

As disclosed in Note 9, the loss allowance increased over the prior reporting period due to the deterioration in the quality of collateral held (shares) for a portion of the loans. Due to an increase in the LGD during the current reporting period, several loans previously in Stage 1 transitioned to Stage 3 classification. The collateral held represented 63% (2022: 100%) of those loan values.

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

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

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

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

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

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

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

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the group.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to below for a description of how the group determines when a significant increase in credit risk has occurred.

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Please see below which includes an explanation of how the group has incorporated this in its ECL models.

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

(a) Significant increase in credit risk

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

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

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

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

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

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

(a) Significant increase in credit risk (continued)

Credit risk grades:

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

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

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

Determining whether credit risk has been increased significantly:

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

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

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

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

(a) Significant increase in credit risk (continued)

In assessing whether a borrower is in default, the group considers indicators that are:
- qualitative: e.g., breaches of covenant; extension to the terms granted; early signs of cashflow/liquidity problems;
- quantitative: e.g., overdue status and non-payment on another obligation of the same issuer to the company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(b) Incorporation of forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the group's Finance team on an annual basis and provide the best and worst estimate view of the economy based on the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and compared historical information with forecast macro-economic data to determine whether the indicator describes a positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

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

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

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

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

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

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

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

Each scenario considers the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

CONTINUED

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

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

(c) Measurement of the expected credit loss (ECL)

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(d) Loss allowance

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

	Group 2023 Stage 1 12-month ECL $'000
Balance as at January 1, 2023	77,875
Adjustment to fair value reserve	
New financial assets originated or purchased	10,491
Financial assets derecognised during the year	(9,966)
Foreign exchange adjustment	961
Changes in models/assumptions used in ECL calculation	(49,161)
Net remeasurement of loss allowance	(47,675)
Balance as at December 31, 2023 (note 6)	30,200

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

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

(d) Loss allowance (continued)

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

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

	Group 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Balance as at January 1, 2023	50,155	6,328	40,047	96,530
New financial assets originated/purchased	4,827	305	-	5,132
Financial assets derecognised during the year	(33,774)	(3,406)	-	(37,180)
Changes to inputs used in ECL calculation	(3,753)	(2,921)	247,051	240,377
Net remeasurement of loss allowance	(32,700)	(6,022)	247,051	208,329
Balance as at December 31, 2023 [notes 6, 9 and 18(b)]	17,455	306	287,098	304,859

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

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(d) Loss allowance (continued)

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

Company 2023

	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Balance as at January 1, 2023	49,725	6,328	40,047	96,100
New financial assets originated/purchased	4,316	305	-	4,621
Financial assets derecognised during the year	(33,344)	(3,406)	-	(36,750)
Changes in inputs used in ECL calculations	(3,753)	(2,921)	247,051	240,377
Net remeasurement of loss allowance	(32,781)	(6,022)	247,051	208,248
Balance as at December 31, 2023 (note 9)	16,944	306	287,098	304,348

Company 2022

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(e) Expected credit loss assessment

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

	Group 2023			
Age buckets	Weighted average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
Current (not past due)	0.73%	43,997	323	No
31-60 days	16.17%	9,334	1,509	No
61-90 days	22.99%	12,194	2,804	No
Over 90 days	100%	226,680	226,680	Yes
		292,205	231,316	

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

(f) Reconciliation of loss allowance for ECL

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

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

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

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Prudent liquidity risk management procedures which the group applies include maintaining sufficient cash and marketable securities, and monitoring future cash flows and liquidity on a daily basis.

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

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

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

The subsidiary company manages liquidity risk by keeping a pre-determined portion of its financial assets in liquid form. The key measure used for monitoring liquidity risk is the ninety-day liquidity gap ratio. In computing the ratio, the numerator is calculated by subtracting the total assets maturing within ninety days from the total liabilities which fall due in ninety days. The denominator is total liabilities. The subsidiary company's ninety-day liquidity gap ratio at the end of the year was 67% (2022: 75.32%).

During the year there was no change to the nature of liquidity risk to which the group is exposed, or to the manner in which it measures and manages the risk.

The following table presents an analysis of the undiscounted cash flows required to settle the group's financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

The group does not expect that all of its customers will demand payment of funds at the earliest date pass due.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

In the normal course of business, 65% - 85% of the subsidiary company's repurchase agreements contractually repayable within 3 months and within one year will be rolled-over into new contracts of similar or extended tenure. Subsequent to the year end, new bonds (borrowings) amounted to $425,000,000 (2022: $5,800,000,000) issued by the company have been used to finance maturing bonds. At the reporting year end, the group had incurred breaches in its covenant clauses for the borrowings (note 17). Subsequent to the reporting year end, the group was able to attain the minimum requirements for the financial covenants. Accordingly, the prepayment is no longer required.

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

Group 2023

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	877,655 -	-	877,655	877,655	
Resale agreements	-	1,574,050	-	1,574,050	1,571,196
Investments	668,080	178,180	16,510,613	17,356,873	17,356,873
Loans receivable and net investment in finance leases	318,350	1,047,094	3,566,162	4,931,606	4,744,395
Accounts receivable	411,956	-	-	-	411,956
Total financial assets	2,276,041	2,799,324	20,076,775	25,152,140	24,962,075
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,567,029
Accounts payable	1,418,347	-	-	1,418,347	1,418,347
Repurchase agreements, including interest	8,956,518	5,562,821	-	14,519,339	14,356,049
Lease liabilities	8,753	8,753	49,671	67,177	54,961
Due to ultimate parent society	124,362	-	-	124,362	124,362
Total financial liabilities	18,443,385	6,601,574	529,115	25,574,074	24,520,748
On statement of financial position gap, being total liquidity gap	(16,167,344)	(3,802,250)	19,547,660	(421,934)	351,327
Cumulative gap	(16,167,344)	(19,969,594)	(421,934)	-	

Group 2022

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

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

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

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

Company 2023

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	101,332	-	-	101,332	101,332
Resale agreements	-	215,653	-	215,653	215,454
Loans receivable and net investment in finance leases	318,350	1,047,094	3,566,162	4,931,606	4,744,395
Accounts receivable	100,695	-	-	100,695	100,695
Investments	50,000	-	1,992,802	2,042,802	2,042,802
Total financial assets	570,377	1,262,747	5,558,964	7,392,088	7,204,678
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,657,029
Accounts payable	58,114	-	-	58,114	58,114
Repurchase agreements, including interest	-	438,069	-	438,069	438,000
Due to subsidiary	122,538	-	-	122,538	122,538
Total financial liabilities	8,116,057	1,468,069	479,444	10,063,570	9,275,681
On statement of financial position gap, being total liquidity gap	(7,545,680)	(205,521)	5,079,520	(2,671,482)	(2,071,003)
Cumulative gap	(7,545,680)	(7,751,000)	(2,671,482)	-	

Company 2022

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	216,608	-	-	216,608	216,608
Investments	561,655	-	125,944	687,599	687,599
Accounts receivable	124,228	-	-	124,228	143,629
Total financial assets	902,491	-	125,944	1,028,435	1,047,836
Financial liabilities					
Due to ultimate parent society	193,593	-	-	193,593	193,593
Due to subsidiary	110,805	-	-	110,805	110,805
Borrowings	3,790,846	1,515,490	2,445,722	7,752,058	7,406,181
Accounts payable	618,941	-	-	618,941	618,941
Repurchase agreements, including interest	195,456	-	-	195,456	195,227
Total financial liabilities	4,909,641	1,515,490	2,445,722	8,870,853	8,524,747
On statement of financial position gap, being total liquidity gap	(4,007,150)	(1,515,490)	(2,319,778)	(7,842,418)	(7,496,312)
Cumulative gap	(4,007,150)	(5,522,640)	(7,842,418)	-	

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

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

(d) Market risk

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk

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

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

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

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

Foreign exchange rates

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

	2023 $	2022 $
United States dollar	154.2681	151.0082

Notes to the **Financial Statements** CONTINUED

CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements:

A 1% strengthening (2022: 1%) and a 4% weakening (2022: 4%) of the Jamaica dollar against the United States dollar at December 31, 2023 would have increased/(decreased) profit by the amounts shown in the table below. The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis as for 2022.

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

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

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The group manages this risk by monitoring interest rates daily. Even though there are no formally predetermined gap limits, where possible and to the extent judged appropriate, the maturity profile of its financial assets is matched by that of its financial liabilities; where gaps are deliberately arranged, management expects that its monitoring will, on a timely basis, identify the need to take appropriate action to close a gap if it becomes necessary.

The following table summarises the carrying amounts of assets, liabilities and equity to arrive at the group's interest rate gap based on the earlier of contractual repricing and maturity dates.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Group 2023

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	242,220	-	-	635,415	877,635
Resale agreements	1,489,694	80,991	-	-	1,570,685
Loans receivable	268,893	1,046,413	3,336,362	-	4,651,668
Investment securities	618,080	230,355	16,266,052	1,162,277	18,276,764
Accounts receivable excluding prepaid expenses	-	-	-	411,956	411,956
Net investment in finance leases	-	-	92,727	-	92,727
Total financial assets	**2,618,887**	**1,357,759**	**19,695,141**	**2,209,648**	**25,881,435**
Lease liabilities	-	-	54,961	54,961	
Repurchase agreements	9,317,203	5,038,846	-	-	14,356,049
Borrowings	7,154,374	1,023,210	479,445	-	8,657,029
Due to ultimate parent company	-	-	-	124,362	124,362
Accounts payable	-	-	-	2,241,726	2,241,726
Total financial liabilities	**16,471,577**	**6,062,056**	**479,445**	**2,421,049**	**25,434,127**
Total interest sensitivity gap**	**(13,852,690)**	**(4,704,297)**	**19,215,696**	**(211,401)**	**477,300**
Cumulative gap	**(13,852,690)**	**(18,556,787)**	**658,709**	**447,308**	**-**

Group 2022 Restated*

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

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Company 2023

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	10,005	-	-	91,327	101,332
Investment securities	-	52,175	1,976,194	423,367	2,451,736
Net investment in finance leases	-	-	92,727	-	92,727
Resale agreements	215,454	-	-	-	215,454
Loans receivable	268,893	1,046,413	3,336,362	-	4,651,668
Other receivables excluding prepaid expense	-	-	-	100,695	100,695
Total financial assets	**494,352**	**1,098,588**	**5,405,283**	**615,389**	**7,613,612**
Borrowings	7,066,437	1,023,210	479,445	-	8,569,092
Repurchase agreements	438,000	-	-	-	438,000
Accounts payable	-	-	-	362,797	362,797
Due to subsidiary company	-	-	-	122,538	122,538
Total financial liabilities	**7,504,437**	**1,023,710**	**479,445**	**485,335**	**9,492,427**
Total interest sensitivity gap**	**(7,010,085)**	**75,378**	**4,925,838**	**130,054**	**(1,878,815)**
Cumulative gap	**(7,010,085)**	**(6,934,707)**	**(2,008,869)**	**(1,878,815)**	**-**

Company 2022

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

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

Group 2023

	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	5.00	-	0.84	2.92
US$ Cash and cash equivalents	0.30	-	0.14	0.22
J$ Resale agreements	8.54	1.42	-	4.98
US$ Resale agreements	5.15	4.25	-	4.70
J$ Investment securities	7.50	9.76	7.42	8.10
US$ Investment securities	-	9.38	7.12	7.17
J$ Margin loans	14.55	4.90	14.34	14.60
J$ Corporate loans	-	-	10.72	10.72
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
Borrowings	-	8.90	9.36	9.13
J$ Repurchase agreements	6.51	7.27	-	6.77
US$ Repurchase agreements	4.00	4.68	-	4.34

Group 2022

	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	5.00	-	-	5.00
US$ Cash and cash equivalents	0.30	-	-	0.30
J$ Resale agreements	7.83	7.27	-	7.26
US$ Resale agreements	4.07	-	-	4.07
J$ Investment securities	6.62	6.00	7.12	6.58
US$ Investment securities	-	3.75	7.25	5.50
J$ Margin loans	10.99	10.58	10.68	10.75
J$ Corporate loans	7.95	6.00	8.74	7.56
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
Borrowings	5.86	6.63	6.20	6.23
J$ Repurchase agreements	6.25	6.11	-	6.23
US$ Repurchase agreements	3.70	4.28	-	3.89

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

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

Company 2023

	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	-	-	0.84	0.84
US$ Cash and cash equivalents	-	-	0.14	0.14
J$ Margin loans	14.55	14.90	14.34	14.60
J$ Resale agreements	-	1.42	-	-
J$ Corporate loans	-	-	10.72	10.72
J$ Investments	-	1.14	7.59	4.37
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
J$ Repurchase agreements	6.50	-	-	6.50
US$ Repurchase agreements	-	-	-	-
Borrowings	-	8.90	9.36	9.13

Company 2022

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity to interest rate movements

The following shows the sensitivity to interest rate movements at the reporting date on the group's profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis as for 2022.

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

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

(iii) Equity price risk

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

The group equity securities that are listed on the Jamaica Stock Exchange total $857,044,000 (2022: $1,157,978,000). An increase of 6% (2022: 10%) in share prices would result in an increase in profit of $20,541,000 (2022: $62,936,000) and an increase in other comprehensive income of $30,600,000 (2022: $48,501,000). A decrease of 3% (2022: 10%) in share prices would result in a decrease in profit of $10,586,000 (2022: $62,936,000) and a decrease in other comprehensive income of $15,300,000 (2022: $48,501,000).

(e) Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns to its shareholders and benefits for other stakeholders, to maintain a strong capital base to support the development of its business and to comply with the capital requirements set by the regulators of the subsidiary company.

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(e) Capital management (continued)

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

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

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

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

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

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

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

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

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

Throughout the year, the subsidiary company met all the requirements of the FSC and JSE relating to capital adequacy.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values

(a) Definition and measurement of fair values

The group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments.

Where a quoted market price is not available, fair value is computed using alternative techniques making use of available input data; the group uses observable data as far as possible. Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable.

Fair value hierarchy: The different levels in the hierarchy have been defined as follows:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

29. Financial instruments - fair values

- Level 3: Input that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

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

Investment security	**Valuation approach**	**Fair value hierarchy level**
Home Choice Enterprise Limited	Income	Level 3
Cold bush	Asset	Level 3
Preference shares	Income	Level 3

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

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

Market Approach:

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

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

Asset Approach:

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

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

Income Approach:

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

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

Type	Valuation techniques	Significant Unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
J$ denominated securities issued or guaranteed by the Government of Jamaica and Bank of Jamaica	• Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids); • Using this yield, determine price using accepted formula; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
US$ denominated Government of Jamaica securities, Foreign government securities, public sector securities, deferred shares and corporate bonds.	• Obtain bid price provided by a recognised brokers/ dealers, namely, Oppenheimer; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
Units in unit trust funds	• Obtain prices quoted by unit trust managers; and • Apply price to estimate fair value.	• Net asset value	• Investment based	• A significant increase in the expected cash flows would result in a high fair value.
Convertible preference shares	• Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 10.36% (2022: 8.85%)	• Risk-adjusted discount rate • Expected net cash flows derived from the entity	• Spread of 7.85% (2022:12.8%) above risk-free interest rate • Investment based	• A significant increase in the spread above the risk-free rate would result in a lower fair value. A significant increase in the expected cash flows would result in a higher fair value.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

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

Level 3 fair values

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values:

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

	Group 2023							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	77,280	-	77,280	-	-	77,280	77,280
Quoted equities	510,000	347,044	-	857,044	857,044	-	-	857,044
Convertible preference shares	-	1,163,244	-	1,163,244	-	-	1,163,244	1,163,244
Bank of Jamaica Securities	306,873	-	-	306,873	-	306,873	-	306,873
Government of Jamaica securities	12,194,884	-	113,478	12,308,362	-	12,306,634	-	12,306,634
Foreign government securities	901,361	-	-	901,361	-	901,361	-	901,361
Other public sector securities	201,880	-	-	201,880	-	201,880	-	201,880
Corporate bonds	1,481,120	-	766,080	2,247,200	-	2,292,322	-	2,292,322
Unit trust	-	227,953	-	227,953	-	227,953	-	227,953
	15,596,118	1,815,521	879,558	18,291,197	857,044	16,237,023	1,240,524	18,334,591

	Group 2023							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value:								
Cash and cash resources	-	-	877,655	877,655	-	877,655	-	877,655
Resale agreements	-	-	1,570,988	1,570,988	-	1,570,988	-	1,570,988
Net investment in finance leases	-	-	92,727	92,727	-	92,727	-	92,727
Loans receivable	-	-	4,651,668	4,651,668	-	4,651,668	-	4,651,668
Accounts receivable-other excluding prepaid expense	-	-	411,956	411,956	-	411,956	-	411,956
	-	-	7,604,994	7,604,994	-	7,604,994	-	7,604,994
Financial liabilities not measured at fair value:								
Due to ultimate parent company	-	-	124.362	124,362	-	124.362	-	124.362
Borrowings	-	-	8,569,092	8,569,092	-	8,569,092	-	8,569,092
Lease liabilities	-	-	54,961	54,961	-	54,961	-	54,961
Repurchase agreements	-	-	14,356,049	14,356,049	-	14,356,049	-	14,356,049
Accounts payable-other	-	-	2,414,844	2,414,844	-	2,414,844	-	2,414,844
	-	-	25,519,308	25,519,308	-	25,519,308	-	25,519,308

	Group 2022							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	81,250	-	81,250	-	-	81,250	81,250
Quoted equities	808,350	349,628	-	1,157,978	1,157,978	-	-	1,157,978
Government of Jamaica securities	12,908,977	-	214,486	13,123,463	-	13,121,029	-	13,121,029
Foreign government securities	850,417	-	-	850,417	-	850,417	-	850,417
Other public sector securities	397,309	-	-	397,309	-	397,309	-	397,309
Deferred shares	-	-	410,647	410,647	-	410,647	-	410,647
Corporate bonds	1,488,086	-	62,466	1,550,552	-	1,550,552	-	1,550,552
	16,453,139	430,878	687,599	17,571,616	1,157,978	16,329,954	81,250	17,569,182

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued)

	Group 2022							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value:								
Cash and cash resources	-	-	1,192,249	1,192,249	-	1,192,249	-	1,192,249
Resale agreements	-	-	752,147	752,147	-	752,147	-	752,147
Net investment in finance leases	-	-	131,462	131,462	-	131,462	-	131,462
Loans receivable	-	-	5,467,380	5,467,380	-	5,467,380	-	5,467,380
Accounts receivable-other excluding prepaid expense	-	-	618,763	618,763	-	618,763	-	618,763
	-	-	8,162,001	8,162,001	-	8,162,001	-	8,162,001
Financial liabilities not measured at fair value:								
Due to ultimate parent society	-	-	441,722	441,722	-	441,722	-	441,722
Borrowings	-	-	7,494,118	7,494,118	-	7,494,118	-	7,494,118
Lease liabilities	-	-	66,345	66,345	-	66,345	-	66,345
Repurchase agreements	-	-	15,589,291	15,589,291	-	15,589,291	-	15,589,291
Accounts payable-other	-	-	2,233,074	2,233,074	-	2,233,074	-	2,233,074
	-	-	25,824,550	25,824,550	-	25,824,550	-	25,824,550

	Company 2023						
	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:							
Unquoted equities	77,280	-	77,280	-	-	77,280	77,280
Quoted equities	346,087	-	346,087	346,087	-	-	346,087
Convertible preference shares	1,163,244	-	1,163,244	-	-	1,163,244	1,163,244
Government of Jamaica securities	-	113,478	113,478	-	111,750	-	111,750
Corporate bonds	-	766,080	766,080	-	811,202	-	811,202
	1,586,611	879,558	2,466,169	346,087	922,952	1,240,524	2,509,563
Financial assets not measured at fair value:							
Resale agreements	-	215,454	215,454	-	215,454	-	215,454
Cash and cash resources	-	101,332	101,332	-	101,332	-	101,332
Net investment in finance leases	-	92,727	92,727	-	92,727	-	92,727
Loans receivable	-	4,651,668	4,651,668	-	4,651,668	-	4,651,668
Accounts receivable-other excluding prepaid expense	-	100,695	100,695	-	100,695	-	100,695
	-	5,161,876	5,161,876	-	5,161,876	-	5,161,876
Financial liabilities not measured at fair value:							
Due to subsidiary	-	122,538	122,538	-	122,538	-	122,538
Borrowings	-	8,569,092	8,569,092	-	8,569,092	-	8,569,092
Repurchase agreements	-	438,000	438,000	-	438,000	-	438,000
Accounts payable-other	-	58,114	58,114	-	58,114	-	58,114
	-	9,187,744	9,187,744	-	9,187,744	-	9,187,744

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued)

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

During the year, the group experienced fair value gains/(2022: losses) related to instruments that are measured at FVOCI amounting to $186,855,000 (2022: $1,845,531,000), net of expected credit losses and recycling gains of $675,720,000 (2022: $618,488,000) [See Note 23] The change is as a result of market conditions such as discount rates, yields and other macro-economic factors that affect the fair values.

30. Related party transactions and balances

(a) Definition of related party

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

(i) A person or a close member of that person's family is related to the group if that person:
   (1) has control or joint control over the group;
   (2) has significant influence over the group; or
   (3) is a member of the key management personnel of the group or of a parent of the group.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

30. Related party transactions and balances (continued)

(a) Definition of related party (continued)

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

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

(i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(vi) The entity is controlled, or jointly controlled, by a person identified in (a)(i) above.

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part providing key management services to the group or to the parent of the group;

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

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

(b) Identity of related parties

The group has a related party relationship with its ultimate parent society, fellow subsidiaries, associate of ultimate parent society, key management personnel, including directors and the pension plan.

(c) Identity of related parties

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

30. Related party transactions and balances (continued)

(c) Accounting classifications and fair values (continued)

(i) Cash and cash equivalents, resale agreements, repurchase agreements and investment securities transactions with related parties have been conducted in the ordinary course of the business at contracted rates. Other balances due to or from related parties are unsecured, interest free, and are expected to be settled within the next 12 months. Impairment loss reversed on related party balances during the reporting period was $1,911,000 (2022: a reversal of $93,118,000).

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

30. Related party transactions and balances (continued)

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

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

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

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

31. Managed funds and custodial arrangements

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

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

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

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

32. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is calculated by dividing the profit for the year attributable to owners of the company of $198,844,000 [2022 restated*: $716,588,000], by a weighted average number of ordinary shares held during the year.

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

(b) Diluted earnings per share

The calculation of diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the company of $198,844,000 (2022 restated*: $716,588,000), by a weighted average number of ordinary shares held during the year, after adjustments for the effects of all dilutive potential ordinary shares.

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

32. Earnings per share (continued)

(b) Diluted earnings per share (continued)

	2023	2022
Number of ordinary shares at December 31	1,500,025,000	1,500,025,000
Effect of potential redemption of convertible preference shares	50,000,000	50,000,000
Weighted average number of ordinary shares held during the year (diluted)	1,550,025,000	1,550,025,000
Diluted earnings per share (cents)	13¢	46¢

33. Contingent liabilities and capital commitment

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

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

During the prior reporting period, the company entered into an agreement with Jasmef Limited, a company domiciled in St. Lucia, to which the company committed to make capital contributions up to a total agreed amount of US$10 million. These contributions are to be made as set forth in drawdown notices to be delivered to the company by Jasmef. As at December 31, 2023, the company had made capital contributions totaling US$622,735 (2022: US$241,660).

34. Changes in material accounting policies

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

34. Changes in material accounting policies (continued)

(b) Material accounting policy information

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

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

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

35. Prior year adjustments

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

a) Statement of financial position.

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

35. Prior year adjustments (continued)

(a) Statement of financial position.

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

(b) Income Statement and Other Comprehensive Income

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

35. Prior year adjustments (continued)

(c) Statement of Cash Flows

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

Notes

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

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

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

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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

36. Subsequent events

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

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

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

RFI and the Mutual Funds have been renamed as follows:

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

SECTION 14

Statutory and General Information

The following statutory and general information are required to be set out in the Prospectus by section 42 of, and the Third Schedule to, the Companies Act, 2004 (as amended). Additional information is also set out in this Section.

1. (a) The Company has no founders or management or deferred shares.

   Sub-paragraphs 1 (b) and (c) do not apply to this Prospectus since the Prospectus is being issued more than two (2) since the Company was entitled to commence and in fact actually commenced business.

   (b) The Articles of Incorporation of the Company fixes no shareholding qualification for its Directors and none has been otherwise fixed by the Company in general meeting or by the Directors themselves. The Articles of Incorporation contain the following provisions with respect to the remuneration of directors:

   1. The remuneration of the Directors shall be such sum or sums as may from time to time be determined by them and approved by the Company in general meeting.
   2. The Directors shall be paid such travelling, hotel and other expenses as may properly be incurred by them in the execution of their duties, including any such expenses incurred in connection with their attendance at meetings of Directors and at general meetings or in connection with the business of the Company.
   3. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interest of the Company or undertaking of a company similar to this.

   (c) The names and addresses of the Directors of the Company are as follows:

Name	Address	Description
Michael McMorris, B.Sc.	2 Dillsbury Avenue Townhouse #7, Kingston 6	Businessman
Matthew Wright, B.A., M.A. M.Phil.	1 Great House Mews, Kingston 6	Private Equity Fund Manager
Vikram Dhima, CPA, MBA, BSc,	1A Upper Melwood Avenue, Kingston 8	Business Executive
Milton J. Samuda LL.B. (Hons.)	43 Paddington Terrace, Townhouse # 10, Kingston 6	Attorney-at-law
Noel Hann EJD, FAIA, MCMI	Rose Hall, Linstead, St Catherine	Business Executive (Retired)
Phillip G. Silvera, FCCA, FCA	7 Topaz Crescent, Red Hills, St Andrew	Business Executive (Retired)
Sandra M. Shirley-Auxilly, MBA, BSc (Hons), PMP	4 Rosa Place, Kingston 6	Business Consultant
Courtney Campbell, MBA (Dist.), ACIB, BSc, JP	28 Charlemont Drive, Kingston 6	Business Executive
Janice McKenley, FCCA, FCA, MBA, B.Sc.	28 York Castle Avenue, Kingston 6	Business Executive
Rezworth Burchenson, BSc (Econ), MBA	2 Montclair Terrace, Kingston 6	Business Executive

2. No minimum amount is required to be raised out of the proceeds of the Unsecured Corporate Bonds to provide for any of the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Act.

SECTION 14 CONTINUED

Statutory and General Information

3.1 (a) The Subscription Lists with respect to the Unsecured Corporate Bonds will open at 9:00 a.m. in Jamaica on December 19, 2024, and will close on December 27, 2024 at 4:30 p.m. The Company reserves the right to: (a) close a Subscription List for Unsecured Corporate Bonds at any time without prior notice if subscriptions have been received prior to the Closing Date for the full amount of the respective Unsecured Corporate Bonds available for subscription. If the Company closes the Subscription Lists prior to the Closing Date, the Company will provide prior notice of such closure via a press release and/or by posting a notice on the website of the JSE at *www.jamstockex.com* and at the Company's website at www.vmwealth.vmbs.com. The Company reserves the right, subject to section 48 of the Act, to extend such Closing Date beyond the above-mentioned date, with notice of such extension being given by posting a notice on the website of the JSE at *www.jamstockex.com* and at the Company's website at *www.vmwealth.vmbs.com* as soon as reasonably practicable upon such extension being granted.

(b) All Applicants will be required to pay in full, on subscription, the Subscription Price per Unsecured Corporate Bond plus the JCSD Processing Fee of J$172.50 (inclusive of GCT). No further sum will be payable on allotment.

3.2 Within the two (2) years preceding this Prospectus, the Company has not invited applications for subscriptions from the public for any of its shares or other securities. In December 2017 the Company issued a prospectus inviting subscription for 300,005,000 ordinary shares at a price of J$2.45 (reduced for employees to J$2.08 and members of the Victoria Mutual Building Society to J$2.33). The IPO was fully subscribed, and the Company raised approximately J$690 million.

4. No person has been given any option to subscribe for any shares or debentures in the Company.

5. (a) As at June 30, 2024 the Company held the following investments:

   (i) **Trade Investments** – J$18,312,689,511.00

   (ii) **Quoted Investments (other than trade investments)** – J$969,845,635.00

   (iii) **Unquoted Investments (other than trade investments)** – J$ 508,985,011.00

   (b) *There is an amount of J$20.60 million goodwill shown in the financial statements of the Company on investment in KPREIT which is an associated company, but no amount for patents or trademarks; and there is no contract for sale and purchase which would involve any goodwill, patent, or trademarks.*

   (c) *Borrowings reflects specific debt obligations as at December 31, 2023. See note 17 of the year end 2023 Audited Financial Statements for details.*

   (d) Apart from such amounts that have already been paid as dividend, there are no amounts that have been recommended for distribution by way of dividend, the last dividend payment of a sum of $48 million was paid in July 2024.

6. No property has been or is proposed to be purchased or acquired by the Company, which is to be paid for wholly or partly out of the proceeds of this Invitation as prescribed by paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Act. Accordingly, paragraphs 6, 7, 8 and 9 of Part 1 of the Third Schedule to the Companies Act do not apply.

7. Not applicable.

8. Not applicable.

9. Not applicable.

10. (a) No amount has been paid within the two (2) years preceding the date of this Prospectus, or is payable, as commission for subscribing or agree¬ing to subscribe, or procuring or agreeing to procure subscriptions, for any shares of the Company

    Between 2022 and YTD 2024 the Company privately placed by way on an exempt distribution (6) bonds, which includes various tranches under the individual bonds for the principal sum of J$6.19 billion. The distribution was arranged by VM Wealth. No commission was paid to any bondholder, placement or otherwise to subscribe for the bonds.

    (b) This sub-paragraph does not apply with respect to preliminary expenses as this Prospectus is being issued more than 2 years after the date on which the Company was entitled to commence, and in fact commenced business. All costs associated with this Invitation are intended to be paid out of the proceeds of the Invitation, including legal and other professional fees, Auditor's fees, initial listing fees and marketing and logistical costs relating to the Invitation. These fees and costs are estimated at J$25,000,000.

SECTION 14 CONTINUED

Statutory and General Information

(c) VMIL may elect to pay commissions to certain persons involved in the selling and marketing of the Bonds. It is proposed that the following commissions be paid:

Independent Agents	Internal Network	Advisors	Client Relations Officer
0.5% of Volume	$5,000 per every Million	100% of budget Achieved - $100,000 incentive	100% of Budget Achieved - $50,000 Incentive
		90% of Budget Achieved - $80,000	90% of Budget Achieved - $50,000 Incentive
		80% of Budget Achieved - $50,000	80% of Budget Achieved - $50,000 Incentive

11. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the last two (2) years immediately preceding the date of issue of this Prospectus and is, or may be, material, namely:

Date	Counterparty	Description
November 25, 2022	JCSD Trustee Services Limited	Trust Deed under which VMIL authorized the issuance of secured and/or unsecured J$ fixed rate Bonds and variable rate Bonds in one or more series/tranches.
January 1, 2021	VM Wealth Management Limited	Management Agreement under which VM Wealth agreed to manage the business on the Company for an annual management fee of 20%.
February 26, 2021	Caribbean Information and Credi Rating Services Limited (CariCRIS)	Rating Agreement outlines the terms and conditions upon which CariCRIS assigns Issue/Corporate credit rating to VMIL.

12. The name and address of the auditors of the Company is KPMG and its address is the VM Building, 6 Duke Street, Kingston, Jamaica.

13. Interest of Directors
Directors will be entitled to be reimbursed for travelling and hotel expenses incurred in attending Board meetings and committee meetings and for other travelling expenses related to the business of the Company. Non-Executive Director will be paid Director's fees approved by the Company.

Except as stated above, no payment or benefit has been made or given to any Director for services rendered by him personally to the Company and, except for Director's fee stated above, the Directors are not aware of any payment or benefit granted to any Director by the Company to induce him to serve as a Director of the Company or to qualify him as a Director of the Company.

Milton J. Samuda is the Managing Partner of the law firm Samuda & Johnson. That firm may from time to time be engaged on a matter-by-matter basis, to provide legal services to the Company or any of its subsidiaries. Any such engagement would be on an arm's length basis.

14. The share capital of the Company is divided into two classes of shares, namely ordinary shares. The ordinary shares all rank pari passu among themselves. On a vote by show of hands or voice a holder of ordinary shares will have one vote regardless of the number of shares held either in his own name or as proxy but, on a poll, a holder of ordinary shares will have one vote for each ordinary share registered in his name or for which he is the duly appointed proxy. The ordinary shares have been converted into stock units.

As at the date of this Prospectus, there are no issued preference shares in the capital of the Company.

15. The Company was incorporated on July 23, 1984, and it has carried on business since then.

16. This Invitation is not underwritten.

17. **Jamaica Taxation**

This summary does not purport to be a complete discussion of all tax consequences relating to making an investment in Jamaica in the Bonds or in particular to the tax implications to holders of the Bonds. It is based on current income tax law including judicial and administrative interpretations in Jamaica. Tax law is

SECTION 14 CONTINUED

Statutory and General Information

17. Jamaica Taxation (continued)

subject to continual change, at times on a retroactive basis. This summary is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects to holders of the Bonds. Prospective purchasers of Bonds should consult with their own tax advisers concerning issues specific to them; any consequences to them arising under the laws of any other taxing jurisdiction; the availability for income tax purposes of a tax credit or deduction for Jamaica taxes; the availability of double taxation relief; the consequences of receipt of interest and sale or redemption of the Bonds.

(a) The Bonds:

Tax on Interest: The Company being a "connected person" within the meaning of the Jamaican Income Tax Act ("JITA") to VM Wealth and also to VM Building Society it is beyond doubt that it is a "prescribed person" as defined in section 31A (5) of the JITA. As such, when it pays or credit interest to a Bondholder resident in Jamaica it must deduct tax at the rate of 25% and pay over such tax to the Tax Administration of Jamaica ("TAJ"). Some taxpayers such as an Approved Retirement Scheme or a Collective Investment Scheme enjoy special exemption from such withholding tax. If the Bondholder is resident in a country with which Jamaican as a double taxation treaty, then by reason of that treaty the withholding rate may be reduced below the standard 25%. For instance, bondholders who are residents in a Caricom country would by virtue of the Caricom Double Taxation Treaty suffer withholding at 15%. Jamaica has double taxation treaties with other countries such as, but not limited to, the following where the withholding rate on outbound interest is as shown in the following table:

Country	Withholding tax rate on Interest
Canada	15.00%
United Kingdom	12.50%
United States of America	12.50%

Under the various treaties where withholding tax is deducted in Jamaica the Bondholder would be entitled to a "dollar for dollar" tax credit against its home country income tax subject to any applicable tax credit limitation which applies in its home country.

Bond washing: If a Bond has a face value of say J$10 million and is ripe with interest of say J$300,000.00 falling due in a short time it would be expected to be sold at a price which takes into account the accruing interest- say for instance J$10,250,000.00. The premium above the face was at common law treated as capital and not eligible to income tax. Note however that under section 31 (5) of the JITA "interest was specially defined to include bond-washing gains of the kind described able and was therefore taxable at the 25% withholding rate.

In terms of overseas Bondholders entitled to double taxation treaty benefits the meaning of interest would be that used in the relevant treaty and not under the JITA. In most double taxation treaties "interest" is defined in the traditional sense as "income on a debt claim" and that would not seem to cover bond washing gains which accrue not on the bonds but on the purchase price premium. However, as far as the Directors are aware no court or private ruling by TAJ has been issued on this matter and so the issue cannot be regarded as positively settled.

Transfer of Bonds: Bonds even though unsecured would possibly fall under the terms "debenture" which is a term capable of covering almost any document which evidence a debt- other than an invoice in respect of a trade debt. A transfer of a debenture and therefore a bond would attract transfer tax of 2% on the transfer price or of market value if the transfer is not at arms' length. The transfer instrument would also attract stamp duty at J$5,000. However, if the transfer takes place by book entry in the JCSD then since stamp duty is a duty on document and not on persons and no document would have been created to affect the conveyance there probably would be no stamp duty. Likewise, under the Transfer Tax Act ("TTA") a transfer of listed securities on the JSE in the course trading is expressly exempt from transfer tax. See section 17.1 (e) of the TTA. So, if the Bonds are duly listed on the Bond Market of the JSE there should be no transfer or stamp duty in the case of transfer effected across the JSE.

SECTION 14 CONTINUED

Statutory and General Information

18. **Ordinary Shares**
The ordinary shares of the Company all rank pari passu among themselves. On a poll, a holder of ordinary shares will have one vote for each ordinary share registered in his name or for which he is the duly appointed proxy. On a vote by a show of hands or voice, a holder of ordinary shares will have one vote regardless of the number of shares held either in his own name or as proxy. The ordinary shares have been converted into stock units.

19. **Material Litigation**
Neither the Company nor any of its subsidiaries or Portfolio Companies is involved in any litigation, arbitration or other legal proceedings in Jamaica or in any other jurisdiction and the Directors of the Company are not aware of any circumstance which would give rise to any such litigation, arbitration or other proceedings.

20. **Industrial Relations**
The Company currently has no other operating business and is an investment holding company. No part of the workforce of any of its subsidiaries or Portfolio Companies is unionized. The Company' subsidiaries have enjoyed stable relations with their staff. The Directors have no reason to believe that the industrial climate which currently prevails will change in the near future.

21. **Working Capital**
The Directors of the Company are of the opinion that taking into account the credit lines available to their subsidiaries and their cash flow, they have sufficient working capital for their present requirements (that is to say, for at least the next 12 months from the publication of this Prospectus).

22. **Audit Report Qualification**
There are no qualifications in the auditor's report of the historical consolidated financial information of the Company.

23. **Significant Change**
There has been no significant change in the financial or trading position of the Company since December 31, 2023 being the latest date as of which the audited financial statements of the Company were prepared.

24. **Other Matters Relating to Directors**
None of the Directors have a written service contract with the Company, other than Rezworth Burchenson who has a written contract with VMIL. The Directors are not aware of any actual or potential conflict of interest between the duties owed by the Directors of the Company the private or business interests of any of the Directors.

25. None of the Directors has, during the last five (5) years:
(i) been convicted in relation to an offence involving fraud;
(ii) been associated with any bankruptcy receivership or liquidation while acting in the capacity of a director or member of the management team of the relevant entity;
(iii) been sanctioned or subject to disciplinary action by a professional body; or
(iv) been disqualified by a court from acting as a director or member of the administration, management or supervisory body of a company or otherwise from acting in the management of the affairs of a company.

26. The Company has not made any loan to, or granted any guarantee for the benefit of, any of the Directors. Directors will, however, be at liberty to apply for Bonds or Shares in the Offer as any ordinary member of the public.

27. The Company's Articles provides that the number of Directors shall not be more than twelve (12). A Director need not hold shares in the Company.

Money Laundering

28. In order to ensure compliance with the Proceeds of Crime Act and applicable money laundering regulations, Applications in the Offer for Sale must be submitted through VM Wealth the arranger and authorised lead selling and collecting agent. VM Wealth and any other selling and collecting agents, being regulated financial institutions, must necessarily maintain and administer Anti-Money Laundering Policies and Procedures approved by their respective regulators (whether Bank of Jamaica or the FSC) and the process will ensure that where necessary, Applicants will be vetted for money laundering purposes.

29. VM Wealth or collecting agent, may, in its absolute discretion, require verification of source of funds from any Applicant. Failure to provide the required information may result in the Application being rejected. VM Wealth and each selling or collecting agent reserves the right, as part of their money laundering and Know-Your-Customer (KYC) procedures, to request credit information in respect of any Applicant from any local credit bureau and, by submitting an Application Form, an Applicant shall be deemed to authorise VM Wealth or such selling or collecting agent to request such credit report and to sign, if requested, any requisite consent form.

SECTION 14 CONTINUED

Statutory and General Information

Money Laundering (continued)

30. By submitting an Application Form, the Applicant shall be deemed to represent and warrant to the Company that no part of the sum offered to purchase any of the Bonds in this IPO constitute proceeds of crime or is otherwise tainted money.

Industry and Market Data

31. Where third party information has been used in this document, the source of such information has been identified. The Company confirms that such information has been accurately reproduced and, so far as it is aware has been able to ascertain, from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

32. Unless otherwise stated, financial information in relation to the Company has been extracted without material adjustment from the audited financial statements.

33. **Announcement of the Results of the Offer**
Within three (3) Business Days after close of the Subscription Lists the Company will make an appropriate public announcement with results of the Offer.

Miscellaneous

34. Persons applying for Bonds under this Prospectus who are allocated such Bonds may only rely on the information contained in this Prospectus and, to the fullest extent permitted by law, any liability for representations, warranties and conditions express or implied and whether statutory or otherwise (including without limitation pre-contractual representations but excluding fraudulent misrepresentations) are expressly excluded in relation to the Bonds and this Invitation.

35. In the event that the Company is required to publish any supplementary prospectus or amendment to this Prospectus, Applicants who have applied for Bonds in the Offer will have the right exercisable within two (2) Business Days after publication of the supplementary prospectus or amendment to withdraw their Application in whole or in part. References to publication of a supplementary prospectus or amendment means publication of the supplementary prospectus or amendment on the website of the JSE and/or of the Company.

36. **Overseas Investors**
No person receiving a copy of the Prospectus and/or an Application in any territory outside Jamaica may treat the Application as constituting an invitation or offer to him nor should he in any event use such Application.

SECTION 15

Directors' Report

The Board hereby confirms that, after due inquiry by us, in its opinion and to the best of its knowledge and belief, in the period between March 31, 2024 to the date of this Prospectus:

1. the business of the Company has been satisfactorily maintained;
2. there have not been any circumstances arising which have adversely affected the trading or the value of the assets of the Company;
3. the current assets of the Company appear in the books at values which are realizable in the ordinary course of business;
4. there are no contingent liabilities, which may arise by reason of guarantees or indemnities given by the Company; and
5. there have been no significant changes affecting the financial position of the Company.

SECTION 16

Consent

In connection with the publication of this Prospectus, KPMG has given and has not withdrawn the following:

(a) its written consent to the inclusion in this Prospectus of the auditor's report required pursuant to Part 11 of the Third Schedule to the Companies Act including the summary of the dividend history; and

(b) the audited financial statements for the year ended December 31, 2023 set out in Section 13,

(c) and the references thereto in the form and context in which they appear. KPMG have also consented to references to their name in the Prospectus in the form and context in which such references appear.

Such consent is included as Appendix 5 hereto

VM Wealth, Patterson Mair Hamilton and JCSD Trustee Services Limited have given and, as at the date of this Prospectus, not withdrawn their written consents to the publication of their names, addresses, and logos and the statements (if any) attributed to it in the context in which they appear in this Prospectus. The Directors of the Company have given and have not withdrawn their written consent to the issue of the Prospectus and the inclusion therein of all material facts relevant to the Company as required by the Act.

The information contained on, or that can be accessed through, any website mentioned in this Prospectus is not a part of, and should not be considered as being incorporated by reference into, this Prospectus.

SECTION 17

Documents Available for Inspection

From the date of publication of the Prospectus up to the Closing Date, the following documents will be available for inspection on Mondays to Fridays (except public holidays during the hours of 9:00 a.m. to 4:00 p.m., at the offices of the Company at 53 Knutsford Boulevard, Kingston 5:

1. this Prospectus;
2. the Company's Certificate of Incorporation and Articles of Incorporation;
3. the Form of the Global Bonds;
4. the written consent of the Auditor;
5. the material contracts referred to under Section 14 above;
6. the unaudited Financial Statements for the Company 9 months ended September 2024;
7. the Audited Financial Statements for the Company for the years ended December 31, 2023, 2022, 2021, 2020 and 2019.

SECTION 18

Directors' Signature

This Prospectus is signed on behalf of VM Investments Limited by its Directors and dated as of the 10th day of December 2024.

NAME OF DIRECTOR	ORIGINAL SIGNED BY
Michael McMorris	
Milton J. Samuda	
Noel Hann	
Phillip Silvera	
Sandra Shirley-Auxilly	
Matthew Wright	
Vikram Dhiman	
Courtney Campbell	
Rezworth Burchenson	
Janice McKenley	

SECTION 19

Appendix 1 -Wealth's IPO Edge Portal Instructions

VM WEALTH IPO EDGE PORTAL APPLICATION GUIDE

Summary of the Invitation

Applications for the offer can also be made on VM Wealth Management Limited's Wealth IPO Edge Portal by logging onto the website https://wealthipo.vmbs.com (See Appendix 6 – Wealth IPO Edge Portal Procedures). Each Application must be accompanied/supported by payment for the full amount payable on purchase and/or subscription.

The Invitation

PAYMENT FOR ALL APPLICANTS

Transfer or direct deposit to VM Wealth Management Limited's account stated below:

VM WEALTH MANAGEMENT LIMITED JMD BANKING DETAILS	
BENEFICIARY BANK:	NATIONAL COMMERCIAL BANK JAMAICA LIMITED
BIC:	JNCBJMKX
BRANCH:	1-7 KNUTSFORD BOULEVARD, KINGSTON 5
CURRENCY:	JAMAICAN DOLLARS
BENEFICIARY ACCOUNT #:	351171960
BENEFICIARY ACCOUNT NAME:	VM WEALTH MANAGEMENT LIMITED
INCLUDE COMMENTS:	VMIL – (PRIMARY APPLICANT'S NAME)

SECTION 20

Appendix 2 - Portal Procedures

VM Wealth Management Limited's Wealth IPO Edge Portal Application Guide

1. **Download Prospectus**
   - Navigate to "Offerings" from the main screen.
   - Navigate to "More Details" of available IPO offering.
   - Click "View Prospectus"

   Note: A pop-up window will appear to download document with the option to choose destination folder.

2. **User Registration**
   - On your device, visit https://wealthipo.vmbs.com.
   - Select "Sign Up"
   - Complete all the required fields and submit.

3. **Activating User Account**
   - After registering as a new user, go to the email used in the sign-up process.
   - Click the link received in the email to confirm your email address.
   - Log into the platform

4. **Account Log In**
   - Navigate to the home page.
   - Select "Log in"
   - Enter email address & password credentials used to sign up.
   - Click Log In button.

   Note: If password is forgotten, use the 'forget password' feature to create a new password.

5. **Register JSCD Account & Add Joint Holder(s)**
   - Log in.
   - Go to the "My Accounts" Tab
   - Navigate to "Add Account"
   - Complete all required fields.
   - Review details and click Submit.

6. **Apply for Offering.**
   - Navigate to "Offerings" from the main screen.
   - Navigate to "More Details" of available IPO Offering.
   - Click "Apply Now" to begin application.
   - Complete required fields to apply for the offering.
   - For joint accounts, upload the signatures of all the members listed on the account.
   - Click submit to complete application process.

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

VM INVESTMENTS LIMITED

DATED AS OF______________, 2024

BOND PURCHASE AGREEMENT

Facilities for the benefit of
VM INVESTMENTS LIMITED
(as the 'Issuer')

VM INVESTMENT LIMITED

Bond Subscription Agreement

Tranche D - 9.75% Unsecured 18 month Fixed Rate Bondsvalued at up to J$1,000,000,000.00 in the aggregate

Tranche E - 10.00% Unsecured 24 month Fixed Rate Bondsvalued at up to J$2,000,000,000.00 in the aggregate

Tranche F - Unsecured 36 month Variable Rate Bondsvalued at up to J$2,433,965,621.00 in the aggregate

December [______], 2024

To:

Ladies and Gentlemen:

We, VM INVESTMENTS LIMITED a company duly incorporated under the laws of Jamaica and having its registered office at 6-10 Duke Street in the parish of Kingston (hereinafter called the "Issuer"), agrees with the party or parties whose names and addresses are set out in Schedule A (the "Purchaser") as follows:

WHEREAS:

A. The Issuer has authorized the issue and sale of the following series of Bonds (referred to collectively as the "Bonds" and each as a "Bond"):

	Tranche D	Tranche E	Tranche F
Amounts	J$1,000,000,000.00	J$2,000,000,000.00	$2,433,965,621.00
Tenure	18 Months	24 Months	36 Months
Coupon	9.75%	10.00%	10.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin of 2.0%
	Initial investments above J$5M will receive a 10.50% coupon.*	Initial investments above J$5M will receive a 11.00% coupon.*	Initial investments above J$5M will receive a 11.50% coupon % per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin.*

(*) Investors who sell down their holdings below the J$5M threshold will continue to receive the higher coupon rate. Conversely, investors who increase their holdings above the J$5M threshold will not be eligible for the higher rate.

If a CariCRIS rating upgrade shall occur during the life of the Tranche F Bonds there shall be a 0.25% reduction in the Fixed Margin in respect of each such upgrade provided that in all cases the fixed margin shall not decrease below zero. There shall be no change to the Fixed Margin in the event of a CariCRIS rating downgrade.

VM INVESTMENT LIMITED CONTINUED

Bond Subscription Agreement

B. Each Tranche of the Bonds will be issued pursuant to a prospectus approved by the Issuer (**"Prospectus"**) and a Trust Deed (**"Trust Deed"**) dated as of 1st day of May, 2024 (as same may be amended or supplemented from time to time) between the Issuer and JCSD Trustee Services Limited (the **"Trustee"**), as trustee for the benefit of holders of the Bonds (**"Bondholders"**).

C. The Bonds will be unsecured.

D. Bonds will be issued in dematerialised form. The Trustee will keep a register of the Bondholders and act as paying agent for the purposes of payments of interest and principal, in accordance with the terms of the Trust Deed.

E. The Purchaser having reviewed the terms as contained in the Term Sheet and having read and understood the Prospectus prepared by the Issuer is desirous of purchasing the Bonds on the terms and conditions set out herein and in the Prospectus; which Bonds will be governed by, and constituted under, the Trust Deed.

1. Authorization of Bonds

1.1 The Issuer has authorized the issue and sale of each Tranche of Bonds which will be issued pursuant to and constituted and governed by the Trust Deed and held by the Purchaser and the Other Purchasers (as hereinafter defined).

1.2 The discharge of the obligations of the Issuer to the Trustee and the Bondholders under this Bond Purchase Agreement, the Trust Deed and the Bonds is/shall be unsecured.

2. Definitions and Interpretation

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Trust Deed.

3. Sale and Purchase of the Bonds

3.1 Subject to the terms and conditions of this Bond Purchase Agreement (the "Agreement"), the Issuer will issue to the Purchaser and the Purchaser will accept from the Issuer, at the Closing provided for in clause 4, Bonds in the principal amount and tranche specified opposite the Purchaser's name in Schedule A (being the amount of Tranche D Bonds or Tranche E or Tranche F Bonds applied for by the Purchaser, or any lesser amount as the Arranger shall determine to be available in the event of excess demand) at the face value (being 100% of the principal amount thereof) (the "Purchase Price").

3.2 Contemporaneous with entering into this Agreement the Issuer may enter into separate Bond Purchase Agreements, whose terms and conditions shall be identical to those of this Agreement, with other purchasers (herein referred to as the "Other Purchasers"), providing for the Sale at Closing to each of the Other Purchasers of additional Bonds (or interest(s) in the Bonds) provided that the principal amount of all Bonds in all Tranches shall not exceed J$5,500,000,000.00. Your obligation hereunder and the obligations of the Other Purchasers under the Other Agreements are several and not joint obligations and you shall have no obligation under any Other Agreement and no liability to any Person for the performance or non-performance by any Other Purchaser thereunder.

3.3 All Bond Payments will be made in Jamaican Dollars.

VM INVESTMENT LIMITED CONTINUED

Bond Subscription Agreement

3.4 The Bonds currently being placed are set out in the table below.

	Tranche D	Tranche E	Tranche F
Amounts	J$1,000,000,000.00	J$2,000,000,000.00	$2,433,965,621
Tenure	18 Months	24 Months	36 Months
Coupon	9.75%	10.00%	10.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin of 2.0%
	Initial investments above J$5M will receive a 10.50% coupon.*	Initial investments above J$5M will receive a 11.00% coupon.*	Initial investments above J$5M will receive a 11.50% coupon % per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin.*

(*) Investors who sell down their holdings below the J$5M threshold will continue to receive the higher coupon rate. Conversely, investors who increase their holdings above the J$5M threshold will not be eligible for the higher rate.

If a CariCRIS rating upgrade shall occur during the life of the Tranche F Bonds there shall be a 0.25% reduction in the Fixed Margin in respect of each such upgrade provided that in all cases the fixed margin shall not decrease below zero. There shall be no change to the Fixed Margin in the event of a CariCRIS rating downgrade.

3.5 At or as soon as possible after the Closing the Trustee will deliver or cause to be delivered to the Purchaser, Allocation Confirmation Letters evidencing the Bonds (or interest(s) in the Bonds) being purchased by the Purchaser dated as of the date of the Closing (as agreed) and registered in the Purchaser's name (or in the name of the Purchaser's nominee) in the Register of Bondholders maintained by the Trustee. If at or within a reasonable period of time following the Closing the Trustee shall fail to tender such Allocation Confirmation Letter to the Purchaser as provided above in this clause 3 , or any of the conditions specified in clause 5 shall not have been fulfilled to the Purchaser's satisfaction, the Purchaser shall, at the Purchaser's election by notice in writing to the Issuer, be relieved of all further obligations under this Agreement, without thereby waiving any rights the Purchaser may have by reason of such failure or such nonfulfillment.

4. Closing

The sale and purchase of the Bonds to be purchased by you shall occur at the closing (the "**Closing**") as provided for in the Prospectus. At the Closing, the Bonds purchased by you will be deposited in the Jamaica Central Securities Depository and you will be provided with a depository receipt evidencing your legal title to the Bonds allocated to you. At Closing, the subscription sum for the Bonds shown in Schedule A which shall be allocated to you will be credited as paid in full. For good measure we will also deliver a **Global Bond** in respect of each Tranche of Bonds to the Trustee. A Global Bond will be in the outstanding principal amount of the Bonds comprised in the relevant Tranche.

The Global Bond will be duly stamped and perfected according to Jamaican law. The Global Bond will be held by the Trustee as trustee, paying agent and enforcement agent for all existing Bondholders to facilitate enforcement in Jamaica if and to the extent that becomes necessary. All payments made under individual Bonds issued to investors (including you) will reduce *pro tanto* our obligation under the Global Bond.

If at the Closing any of the conditions referred to in Section 5 below shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such non-fulfillment.

VM INVESTMENT LIMITED CONTINUED

Bond Subscription Agreement

5. **Conditions Precedent to Closing**
Your obligation to purchase and pay for the Bond(s) to be sold to you at the Closing is subject to the satisfaction or written waiver of the conditions precedent set forth in the Trust Deed (which shall be deemed to be incorporated herein as if the same were set out in full).

6. **Representations and Warranties of the Company**
We hereby make the representations and warranties (set forth in the Trust Deed) to you as if the same were set out in full herein, and such representations and warranties are hereby incorporated herein by reference.

7. **Indemnification and Contribution**

(a) *Indemnification by the Company:* Save for as otherwise disclosed therein, we are solely responsible for the contents of the Prospectus and any supplemental information and all appendices and attachments to such document (collectively called "the Approved Offering Material"). Subject to paragraph (b) below, we agree to indemnify and hold you harmless from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact on which you have relied in investing in the Bonds and which is contained in the Approved Offering Material or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) *Protection of The Trustee & Others:* Our obligation to indemnify you pursuant to paragraph (a) above is conditional upon your acknowledgement and acceptance that the Trustee, and any attorney-at-law, accountant or other professional adviser is not responsible for the contents of the Approved Offering Material and your waiving all claims, complaint, rights of action suit or other proceedings against them for any matter or thing arising out of or in connection with the Approved Offering Material.

(c) *Indemnification of the Company:* You agree to indemnify and hold us and our Affiliates, directors and officers harmless to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with misrepresentation as to your status as a person to whom an offer to purchase the Bonds may be made.

(d) *Notice and Procedures:* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (c) above, such person (the "**Indemnified Person**") shall promptly notify the person against whom such indemnification may be sought (the "**Indemnifying Person**") in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve the Indemnifying Person from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided, further*, that the failure to notify the Indemnifying Person shall not relieve the Indemnifying Person from any liability that it may have to an Indemnified Person otherwise than under this Section 7.

Bond Subscription Agreement

8. **Payment of Expenses**
Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, we agree to pay or cause to be paid all costs and expenses incidental to the performance of our obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Bonds and any stamp duties payable in that connection; (ii) the costs of reproducing and distributing each of the Bonds; (iii) the fees and expenses of any paying agent (including related fees and expenses of any counsel to such parties).

9. **Approved Offering Materials**
By subscribing for Bond (s) you represent and confirm to us that you have read and understood the Approved Offering Materials or, if you have not done so, that you were given reasonable opportunity to do so and that the Approved Offering Materials were made available to you on a timely basis.

10. **Governing Law**
This Agreement shall be governed by, and construed in accordance, with Jamaican law.

11. **Optional Prepayment**
The Issuer shall have the right to prepay, in the Payment Currency pursuant to and in the manner more particularly set out in the Trust Deed.

12. **Effectiveness of Agreement**
This Agreement shall become effective upon execution and delivery of a counterpart hereof by each of the parties hereto and upon satisfaction or waiver of each of the conditions set forth in the Term Sheet and the Trust Deed.

13. **Counterparts**
This Agreement may be executed by facsimile or pdf electronic signatures (with an original to follow by mail) in separate counterparts, in which event the signature pages of this Agreement shall be combined in order to constitute a single original document and shall become effective upon receipt by the parties of original, facsimile or pdf signed counterparts (whichever is received sooner) containing the signatures of each of the parties required to sign.

If you agree with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to us, whereupon the foregoing shall become a binding agreement between you and us.

Very truly yours,

VM INVESTMENTS LIMITED

By: ______________________________

Title:

VM INVESTMENT LIMITED CONTINUED

Bond Subscription Agreement

PURCHASER'S ACCEPTANCE

The foregoing is hereby agreed by me/us as of the date thereof.

Signed: ______________________________

Name:

Title:

Signed: ______________________________

Name:

Title:

VM INVESTMENT LIMITED CONTINUED

Bond Subscription Agreement

SCHEDULE A

Tranche	Tranche D Bonds	Tranche E Bonds	Tranche F Bonds
Principal amount of Bond Purchased.			
Name of Purchaser			
Address of Purchaser			
Name and Address of Joint Purchaser(s)			
TRN of Purchaser			
Contact Number of Purchaser			
Email Address of Purchaser			
JCSD Account Number			
Broker Code			

VM INVESTMENT LIMITED CONTINUED

Coupon Mandate & Security Dematerialization Form

Security: **VM Investments Limited J$5.43B (______%) ______ Months Unsecured Bond (202__)**

Investor Name(s): ______________________________

Investment Amount(s): ______________________________

Address: ______________________________

Contact Number (s): ______________________________ Email Address: ______________________________

Broker Name & Number:

This mandate serves as my authority for you to deposit coupons paid on the above security as follows: (Please choose one)

☐ Deposited to the account as detailed below:

Name of Institution: ______________________________

Address of Institution: ______________________________

Name(s) on Account: ______________________________

Account Number: ______________________________ Account Type: ______________________________

BIC Number/Routing Number (if applicable): ______________________________ Intermediary Bank (if applicable): ______________________________

This serves as my authority for you to deposit the security to my account at the Jamaica Central Securities Depository as follows:

JCSD Account Number: ______________________________ Broker Name and Number: ______________________________

Primary Holder/Company Name: ______________________________ TRN: ______________________________

1st Joint Holder Name: ______________________________ TRN: ______________________________

2nd Joint Holder Name: ______________________________ TRN: ______________________________

3rd Joint Holder Name: ______________________________ TRN: ______________________________

VMWM OPICS CLAC: ______________________________ VMWM OPICS CLAC No.: ______________________________

Signature: ______________________________ Signature: ______________________________ COMPANIES AFFIX SEAL HERE:

Signature: ______________________________ Signature: ______________________________

VM INVESTMENT LIMITED CONTINUED

Section B - Account Holders

PRIMARY HOLDER (Either Company or Individual)

Full Name: ____________________

Address: ____________________

Mailing Address (if different): ____________________

Email Address: ____________________ Phone #(s): ____________________

Nationality ____________________ Date of Birth (DD/MM/YYYY) ____________________

TRN: ____________________ JCSD Account #: ____________________

Broker Name & No. ____________________

SIGNATURES:

Companies ____________________ ____________________

Director Director/Secretary

____

Date Signature Affixed

Individual: ____________________ ____________________

Applicant Date Signature Affixed

COMPANIES AFFIX STAMP/SEAL BELOW:

FIRST JOINT HOLDER:

Full Name: ____________________

TRN: ____________________

Signature: ____________________

SECOND JOINT HOLDER:

Full Name: ____________________

TRN: ____________________

Signature: ____________________

THIRD JOINT HOLDER:

Full Name: ____________________

TRN: ____________________

Signature: ____________________

VM INVESTMENT LIMITED CONTINUED

Section C -Payment Details

APPROVED PAYMENT METHODS

All applicants must attach their payment for the specified number of Unsecured Corporate Bonds they have applied for, in the form of either:

Manager's Cheque	Issued by any commercial bank operating in Jamaica made payable to VM Wealth Management Limited for an amount less than J$1,000,000.00.
Authorization Letter	From the Applicant instructing VM Wealth Management Limited to make payment from cleared funds held in an investment account in the Applicant's Name in the currency in which the Applicant is subscribing.
ACH/RTGS	Bank of Jamaica account # 1015 BIC#JNCBJMKXC Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5 For further credit to VM Wealth Management Limited: A/C # 351171960
Online Transfer	Bank: National Commercial Bank Branch: Knutsford Boulevard Account Name: VM Wealth Management Limited Account Number: 351171960

VM INVESTMENT LIMITED CONTINUED

Payment Verification Information

Please complete the relevant section/section(s) to confirm your payment method(s).

PAYMENT METHOD #1: ☐ **ACH/RTGS** ☐ **ONLINE TRANSFER** ☐ **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C # ______________________________

INSTITUTION ______________________________

CHEQUE/PAYMENT DATE ______________ AMOUNT J$ ______________

SENDER'S (PAYEE'S) NAME ______________________________

SENDER'S (PAYEE'S) ACCOUNT NUMBER ______________________________

PAYMENT METHOD #2: ☐ **ACH/RTGS** ☐ **ONLINE TRANSFER** ☐ **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C # ______________________________

INSTITUTION ______________________________

CHEQUE/PAYMENT DATE ______________ AMOUNT J$ ______________

SENDER'S (PAYEE'S) NAME ______________________________

SENDER'S (PAYEE'S) ACCOUNT NUMBER ______________________________

VM INVESTMENT LIMITED CONTINUED

Section D - For Use By Lead Broker Only

DATE RECEIVED: ______________________ TIME RECEIVED: ______________________ BRANCH RECEIVED: ______________________

PAYMENT METHOD(S): ☐ ACH/RTGS ☐ ONLINE TRANSFER ☐ ONLINEVMWM ACCOUNT

PROOF OF PAYMENT(S) RECEIVED: ☐ YES

DRIVER'S LICENCE/TRN RECEIVED: ☐ YES

REVIEWED BY (NAME):

BROKER STAMP AND SIGNATURE

SECTION 20

Appendix 3 - VM Locations

BRANCH	LOCATION
VM Wealth Management Limited	
Kingston – Head Office	73 Knutsford Boulevard, Kingston 5.
Kingston – Duke Street	8-10 Duke Street, Kingston
St. Catherine – Portmore	Lot 1 Seagrape Close, Portmore, St Catherine
Manchester - Mandeville	Shop#3 Manchester Shopping Centre, Mandeville, Manchester.
St. Ann – Ocho Rios	7 Newlin Street, Ocho Rios.
St. James – Montego Bay	Unit No. 33, Fairview Shopping Complex, Bogue Estate, Montego Bay, St. James.
Westmoreland – Savanna-la-Mar	123 Great George Street, Savanna-la-Mar
St. Andrew - Liguanea	115 Old Hope Road, Kingston 6
St. Andrew - University of Technology	237 Old Hope Road, Kingston 6

VM INVESTMENT LIMITED

Appendix 4 - Forms of Global Bond

Appendix 4.1
Form of Tranche D Global Bond

VM INVESTMENTS LIMITED

Tranche D J$ Unsecured Bonds due 2026

Serial number: ____________________________

AMOUNT: J$ ____________________________________

ISSUE DATE:
MATURITY DATE: June 27, 2026

THIS BOND HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933 OR THE SECURITIES LAW OF ANY COUNTRY OUTSIDE JAMAICA AND THE ISSUER DOES NOT INTEND TO EFFECT ANY SUCH REGISTRATION. ACCORDINGLY, IT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OUTSIDE JAMAICA IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH REGISTRATION IS EXEMPT UNDER APPLICABLE LAW. THIS BOND MAY BE SUBJECT TO TRANSFER RESTRICTIONS.

FOR VALUE RECEIVED, **VM INVESTMENTS LIMITED** (the "Issuer") HEREBY PROMISES TO PAY to the order of J**AMAICA CENTRAL SECURITIES DEPOSITORY LIMITED** or other registered holder hereof (the "**Registered Holder**") the principal sum of ________________________ **JAMAICAN DOLLARS** (J$________________) the "**Principal Amount**" on the 27th day of June 2026 ("the Maturity Date").

The Issuer further promises to pay interest on the unpaid principal amount hereof for each day during each Interest Period until the principal amount of this Global Bond is repaid in full; such interest to be the aggregate interest payable on each Component Tranche D Individual Bond. For the purpose of determining the interest payable on each Interest Payment Date on this Global Note the following principles shall therefore apply:

(a) interest payable on each Component Tranche D Individual Bond shall be determined. Such interest shall be calculated at a rate per annum equal to the Agreed Rate applicable to each Component Tranche D Individual Bond;

(b) interest at the relevant rate on each Component Tranche D Individual Bond shall accrue from day to day (as well after as before any judgment) and shall be prorated on the basis of a 365-day year for the actual number of days in the relevant Interest Period;

(c) withholding tax (where applicable shall be deducted in the customary manner from interest payable on any each Component Tranche D Individual Bond subject to such withholding tax or any other statutory deduction; and

(d) the aggregate of all interest payments on all Component Tranche D Individual Bond shall then be payable on this Global Bond in arrears on each Interest Payment Date.

On the occurrence of an Event of Default the Trustee (hereinafter described) shall be entitled to calculate Interest due on a daily basis, capitalized with monthly rest on any payment made after the due date.

If any principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the immediately preceding Business Day based on the interest which would have accrued up to stated Interest Payment Date. All payments of principal or interest shall be made upon presentment of this Bond at the offices of JCSD Trustee Services Limited at 40 Harbour Street, in the City and Parish of Kingston. All payments due under this Bond shall be made without set-off or counterclaim.

This Global Bond is one of the Bonds referred to in the trust deed dated as of the 1st day of May 2024 (as supplemented and amended by a supplemental trust deed dated the 29th day of November 2024) (together called the "Trust Deed") and is issued subject to, and entitled to the benefit of, the provisions of the Trust Deed.

Appendix 4 - Forms of Global Bond

This Bond is not secured.

This Bond is subject to optional prepayment (as provided for in the Trust Deed). This Bond is also subject to mandatory prepayment (as provided for in the Trust Deed) and accordingly upon the occurrence of one or more of the Events of Default (as defined in the Trust Deed as amended or supplemented by the Supplemental Trust Deed aforesaid) all amounts then remaining unpaid may be declared to be immediately due and payable, all as provided in the Trust Deed.

The Issuer hereby waives notice of dishonour, protest and presentment.

This Bond shall be governed by, and construed in accordance with, the laws of Jamaica.

In this Bond:

"Agreed Rate" means the rate of interest payable on each Component Tranche D Individual Bonds which during the continuance of an Event of Default shall be the aggregate of the Standard Rate and 2% per annum but at all other times shall be the applicable Standard Rate;

"Business Day" means any day in Jamaica other than a Saturday, Sunday or public general holiday on which banks are open for business in the Corporate Area of Kingston and Saint Andrew;

"Component Tranche D Individual Bond" means each individual Bond in Tranche D issued pursuant to the Trust Deed;

"Interest Payment Date" means March 27, 2025 ("the First Interest Payment Date") and thereafter, the following dates in each calendar year namely; (i) March 27; (ii) June 27; (iii) September 27 and (iv) December 27 provided that the last Interest Payment Date shall be the Maturity Date or the date on which the principal sum on the Bond shall become payable pursuant to a Notice of Acceleration or otherwise, and if any Interest Payment Date shall fall on a non-Business Day payment shall be made on the immediately preceding Business Day;

"Interest Period" means, in the first instance, the period commencing on , 2024 and ending on March 27, 2025 and thereafter each quarterly period commencing on an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date provided that the last Interest Period shall end on the day immediately preceding the Maturity Date;

"Standard Rate" means (i) 9.75% per annum on each Component Tranche D Individual Bond issued for a principal sum less than J$5,000,000.00 as a part of the initial public offer and (ii) 10.00% per annum for each Component Tranche D Individual Bond issued for a principal sum of J$5,000,000.00 or more as a part of the initial public offer.

VM INVESTMENTS LIMITED

By: ______________________________ [seal]

Director/Authorised Signatory

By: ______________________________

Director/Authorised Signatory

VM INVESTMENT LIMITED CONTINUED

Appendix 4 - Forms of Global Bond

ENDORSEMENTS

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: ______________________________
[Name of Transferee]

By: ______________________________
Name:
Title

(2) Pay: ______________________________
[Name of Transferee]

By: ______________________________
Name:
Title:

Appendix 4 - Forms of Global Bond

Appendix 4.2
Form of Tranche E Global Bond

VM INVESTMENTS LIMITED

Tranche E J$ Unsecured Bonds due 2026

Serial number: ______________________

AMOUNT: J$____________________________

ISSUE DATE:
MATURITY DATE: December 27, 2026

THIS BOND HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933 OR THE SECURITIES LAW OF ANY COUNTRY OUTSIDE JAMAICA AND THE ISSUER DOES NOT INTEND TO EFFECT ANY SUCH REGISTRATION. ACCORDINGLY, IT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OUTSIDE JAMAICA IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH REGISTRATION IS EXEMPT UNDER APPLICABLE LAW. THIS BOND MAY BE SUBJECT TO TRANSFER RESTRICTIONS.

FOR VALUE RECEIVED, **VM INVESTMENTS LIMITED** (the "Issuer") HEREBY PROMISES TO PAY to the order of J**AMAICA CENTRAL SECURITIES DEPOSITORY LIMITED** or other registered holder hereof (the "**Registered Holde**r") the principal sum of ___________________ **JAMAICAN DOLLARS** (J$____________) the "**Principal Amount**" on the 27^{th} day of December 2027 ("the Maturity Date").

The Issuer further promises to pay interest on the unpaid principal amount hereof for each day during each Interest Period until the principal amount of this Global Bond is repaid in full; such interest to be the aggregate interest payable on each Component Tranche E Individual Bond. For the purpose of determining the interest payable on each Interest Payment Date on this Global Note the following principles shall therefore apply:

(a) interest payable on each Component Tranche E Individual Bond shall be determined. Such interest shall be calculated at a rate per annum equal to the Agreed Rate applicable to each Component Tranche E Individual Bond;

(b) interest at the relevant rate on each Component Tranche E Individual Bond shall accrue from day to day (as well after as before any judgment) and shall be prorated on the basis of a 365-day year for the actual number of days in the relevant Interest Period;

(c) withholding tax (where applicable shall be deducted in the customary manner from interest payable on any each Component Tranche E Individual Bond subject to such withholding tax or any other statutory deduction; and

(d) the aggregate of all interest payments on all Component Tranche E Individual Bond shall then be payable on this Global Bond in arrears on each Interest Payment Date.

On the occurrence of an Event of Default the Trustee (hereinafter described) shall be entitled to calculate Interest due on a daily basis, capitalized with monthly rest on any payment made after the due date.

If any principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the immediately preceding Business Day based on the interest which would have accrued up to stated Interest Payment Date. All payments of principal or interest shall be made upon presentment of this Bond at the offices of JCSD Trustee Services Limited at 40 Harbour Street, in the City and Parish of Kingston. All payments due under this Bond shall be made without set-off or counterclaim.

This Global Bond is one of the Bonds referred to in the trust deed dated as of the 1st day of May 2024 (as supplemented and amended by a supplemental trust deed dated the 29^{th} day of November 2024) (together called the "Trust Deed") and is issued subject to, and entitled to the benefit of, the provisions of the Trust Deed.

VM INVESTMENT LIMITED CONTINUED

Appendix 4 - Forms of Global Bond

This Bond is not secured.

This Bond is subject to optional prepayment (as provided for in the Trust Deed). This Bond is also subject to mandatory prepayment (as provided for in the Trust Deed) and accordingly upon the occurrence of one or more of the Events of Default (as defined in the Trust Deed as amended or supplemented by the Supplemental Trust Deed aforesaid) all amounts then remaining unpaid may be declared to be immediately due and payable, all as provided in the Trust Deed.

The Issuer hereby waives notice of dishonour, protest and presentment.

This Bond shall be governed by, and construed in accordance with, the laws of Jamaica.

In this Bond:

"Agreed Rate" means the rate of interest payable on each Component Tranche E Individual Bonds which during the continuance of an Event of Default shall be the aggregate of the Standard Rate and 2% per annum but at all other times shall be the applicable Standard Rate;

"Business Day" means any day in Jamaica other than a Saturday, Sunday or public general holiday on which banks are open for business in the Corporate Area of Kingston and Saint Andrew;

"Component Tranche E Individual Bond" means each individual Bond in Tranche E issued pursuant to the Trust Deed;

"Interest Payment Date" means March 27, 2025 ("the First Interest Payment Date") and thereafter, the following dates in each calendar year namely; (i) March 27; (ii) June 27; (iii) September 27 and (iv) December 27 provided that the last Interest Payment Date shall be the Maturity Date or the date on which the principal sum on the Bond shall become payable pursuant to a Notice of Acceleration or otherwise, and if any Interest Payment Date shall fall on a non-Business Day payment shall be made on the immediately preceding Business Day;

"Interest Period" means, in the first instance, the period commencing on , 2024 and ending on March 27, 2025 and thereafter each quarterly period commencing on an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date provided that the last Interest Period shall end on the day immediately preceding the Maturity Date;

"Standard Rate" means (i) 10.00% per annum on each Component Tranche E Individual Bond issued for a principal sum less than J$5,000,000.00 as a part of the initial public offer; and (ii) 11.00% per annum for each Component Tranche E Individual Bond issued for a principal sum of J$5,000,000.00 or more as a part of the initial public offer.

VM INVESTMENTS LIMITED

By: ______________________________ [seal]

Director/Authorised Signatory

By: ______________________________

Director/Authorised Signatory

Appendix 4 - Forms of Global Bond

ENDORSEMENTS

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: ________________________
[Name of Transferee]

By: ________________________
Name:
Title

(2) Pay: ________________________
[Name of Transferee]

By: ________________________
Name:
Title:

VM INVESTMENT LIMITED CONTINUED

Appendix 4 - Forms of Global Bond

Appendix 4.2
Form of Tranche F Global Bond

VM INVESTMENTS LIMITED

Tranche F J$ Unsecured Bonds due 2027

Serial number: ___________________________

AMOUNT: J$ ___________________________________

ISSUE DATE:
MATURITY DATE: December 27, 2027

THIS BOND HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933 OR THE SECURITIES LAW OF ANY COUNTRY OUTSIDE JAMAICA AND THE ISSUER DOES NOT INTEND TO EFFECT ANY SUCH REGISTRATION. ACCORDINGLY, IT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OUTSIDE JAMAICA IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH REGISTRATION IS EXEMPT UNDER APPLICABLE LAW. THIS BOND MAY BE SUBJECT TO TRANSFER RESTRICTIONS.

FOR VALUE RECEIVED, **VM INVESTMENTS LIMITED** (the "Issuer") HEREBY PROMISES TO PAY to the order of J**AMAICA CENTRAL SECURITIES DEPOSITORY LIMITED** or other registered holder hereof (the "**Registered Holder**") the principal sum of _______________________ **JAMAICAN DOLLARS** (J$ _______________) the "**Principal Amount**" on the 27th day of December 2026 ("the Maturity Date").

The Issuer further promises to pay interest on the unpaid principal amount hereof for each day during each Interest Period until the principal amount of this Global Bond is repaid in full; such interest to be the aggregate interest payable on each Component Tranche F Individual Bond. For the purpose of determining the interest payable on each Interest Payment Date on this Global Note the following principles shall therefore apply:

(a) interest payable on each Component Tranche F Individual Bond shall be determined. Such interest shall be calculated at a rate per annum equal to the Agreed Rate applicable to each Component Tranche F Individual Bond;

(b) interest at the relevant rate on each Component Tranche F Individual Bond shall accrue from day to day (as well after as before any judgment) and shall be prorated on the basis of a 365-day year for the actual number of days in the relevant Interest Period;

(c) withholding tax (where applicable shall be deducted in the customary manner from interest payable on any each Component Tranche F Individual Bond subject to such withholding tax or any other statutory deduction; and

(d) the aggregate of all interest payments on all Component Tranche F Individual Bond shall then be payable on this Global Bond in arrears on each Interest Payment Date.

On the occurrence of an Event of Default the Trustee (hereinafter described) shall be entitled to calculate Interest due on a daily basis, capitalized with monthly rest on any payment made after the due date.

If any principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the immediately preceding Business Day based on the interest which would have accrued up to stated Interest Payment Date. All payments of principal or interest shall be made upon presentment of this Bond at the offices of JCSD Trustee Services Limited at 40 Harbour Street, in the City and Parish of Kingston. All payments due under this Bond shall be made without set-off or counterclaim.

This Global Bond is one of the Bonds referred to in the trust deed dated as of the 1st day of May 2024 (as supplemented and amended by a supplemental trust deed dated the 29th day of November 2024) (together called the "Trust Deed") and is issued subject to, and entitled to the benefit of, the provisions of the Trust Deed.

Appendix 4 - Forms of Global Bond

This Bond is not secured.

This Bond is subject to optional prepayment (as provided for in the Trust Deed). This Bond is also subject to mandatory prepayment (as provided for in the Trust Deed) and accordingly upon the occurrence of one or more of the Events of Default (as defined in the Trust Deed as amended or supplemented by the Supplemental Trust Deed aforesaid) all amounts then remaining unpaid may be declared to be immediately due and payable, all as provided in the Trust Deed.

The Issuer hereby waives notice of dishonour, protest and presentment.

This Bond shall be governed by, and construed in accordance with, the laws of Jamaica.

In this Bond:

"Agreed Rate" means the rate of interest payable on each Component Tranche F Individual Bonds which during the continuance of an Event of Default shall be the aggregate of the Standard Rate and 2% per annum but at all other times shall be the applicable Standard Rate;

"Business Day" means any day in Jamaica other than a Saturday, Sunday or public general holiday on which banks are open for business in the Corporate Area of Kingston and Saint Andrew;

"Component Tranche F Individual Bond" means each individual Bond in Tranche F issued pursuant to the Trust Deed;

"Interest Payment Date" means March 27, 2025 ("the First Interest Payment Date") and thereafter, the following dates in each calendar year namely; (i) March 27; (ii) June 27; (iii) September 27 and (iv) December 27 provided that the last Interest Payment Date shall be the Maturity Date or the date on which the principal sum on the Bond shall become payable pursuant to a Notice of Acceleration or otherwise, and if any Interest Payment Date shall fall on a non-Business Day payment shall be made on the immediately preceding Business Day;

"Interest Period" means, in the first instance, the period commencing on   , 2024 and ending on March 27, 2025 and thereafter each quarterly period commencing on an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date provided that the last Interest Period shall end on the day immediately preceding the Maturity Date;

"Standard Rate" means

(i) with respect to each Interest Period from the Issue Date till the second anniversary of the Issue Date (a) 10.50% per annum on each Component Tranche F Individual Bond issued for a principal sum less than J$5,000,000.00 as a part of the initial public offer; and (b) 11.50% per annum for each Component Tranche F Individual Bond issued for a principal sum of J$5,000,000.00 or more as a part of the initial public offer; and

(ii) with respect to each Interest Period from the second anniversary of the Issue Date till the Maturity Date, the rate payable on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a 2.00% Fixed Margin subject to the Fixed Margin being adjusted in light of any CariCRIS rating upgrade as provided for in the Trust Deed.

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VM INVESTMENTS LIMITED

By: ______________________________ [seal]
Director/Authorised Signatory

By: ______________________________
Director/Authorised Signatory

VM INVESTMENT LIMITED CONTINUED

Appendix 4 - Forms of Global Bond

ENDORSEMENTS

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: ______________________	(2) Pay: ______________________
[Name of Transferee]	[Name of Transferee]
By: ______________________	By: ______________________
Name:	Name:
Title	Title:

VM INVESTMENT LIMITED

Appendix 5 - Auditor's Consent

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

November 4, 2024

The Board of Directors
VM Investments Limited
73-75 Half-Way-Tree Road
Kingston 10

Ladies and Gentlemen:

Prospectus for Unsecured Corporate Bonds public offer by VM Investments Limited for J$5,500,000,000.

With respect to the prospectus for the offer of Unsecured Corporate Bonds by VM Investments Limited, we hereby consent to the inclusion in the prospectus of:

- our audit report dated May 20, 2024, on the separate financial statements of VM Investments Limited ("the Company") and the consolidated financial statements of Company's and its subsidiary ("the Group"), which comprise the Group and the 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; and

- references to our name in the form and context in which it is included in the prospectus.

We confirm that we have not withdrawn such consent before delivery of a copy of the prospectus to the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned reports or representing that we performmed any procedures subsequent to the date of such reports.

Yours faithfully,
For and on behalf of KPMG

Damion D Reid
Partner
DDR: PP-jgt

VM Investments
Limited

vmil.myvmgroup.com