



VICTORIA MUTUAL
Investments
LIMITED



2019
AUDITED
FINANCIAL
STATEMENTS

RESULTS FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

KINGSTON, JAMAICA
DATE: February 28, 2020

**VMIL RECORDS STRONG INVESTMENT AND CAPITAL MARKETS
PERFORMANCE FOR 2019**

PERFORMANCE HIGHLIGHTS:

	Year ended	
	December 31, 2019	December 31, 2018
Consolidated Revenue	\$1,682.96M	\$1,306.78M
Net Profit	\$598.05M	\$397.60M
Dividend Paid based on Audited Results	\$285.00M	\$210.00M
Return on Average Equity	16.85%	14.85%
Capital to Total Assets	17.08%	12.83%
Efficiency Ratio	58.08%	50.68%
Basic Earnings per Share (\$)	\$0.40	\$0.27
Net Book Value per Share (\$)	\$2.88	\$1.85

The Board of Directors of Victoria Mutual Investments Limited ('VMIL') is pleased to present the audited consolidated results for the twelve months ended December 31, 2019.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated revenue for the twelve-month period was \$1.68 billion, reflecting an increase of \$376.19 million or 29% over the \$1.31 billion recorded for 2018. This growth in revenue was driven by net fees and commissions and gains from investment activities, which increased by \$94.86 million and \$272.02 million, respectively.

Consolidated profit before tax was \$786.2 million, representing a substantial increase of 45.9% when compared with the previous year. Net profit was a record high of \$598 million, an increase of 50.4% over the prior year.

We celebrated our 25th anniversary in 2019 and recorded the following notable achievements:

- Total assets under management (on and off book) grew by 19.5% to \$54.86 billion.
- The total value of our funds under management grew by over \$5.2 billion to \$29.5 billion, with two of our Unit Trust Portfolios recording outstanding performances:
 - The VM Wealth Property Portfolio was the number one performing real estate fund in Jamaica with a return of 14.3% (2018: 7.6%);
 - The VM Wealth Equity Portfolio generated a return of 30.3% (2018: 28.7%).
- Fee income from our Equity Brokerage Unit increased by 160.8%.
- Our capital markets unit executed on numerous transactions, including the underwriting of a \$2 billion rights issue.

Operating expenses, excluding the provision for credit losses on financial assets, totalled \$977.4 million, representing an increase of 47.6% when compared to the prior year, due mainly to our investment in human resources as well as information technology and process improvements, which will allow us to seamlessly and efficiently launch various other asset management products.

Additionally:

- During the third quarter, VMIL (The Company), acquired a 30% stake in a Barbados-based FinTech company, Carilend Caribbean Holdings Limited (“Carilend”) at a cost of \$106.03 million. The principal activity of Carilend is to operate a regional Peer to Peer lending platform which efficiently matches borrowers with lenders. This acquisition will propel VMIL’s Caribbean footprint as the expansion of Carilend is executed in the medium term.
- In keeping with our commitment to empower our clients with knowledge for their financial well-being, during the year we executed on various educational initiatives, including our **flagship VM Wealth Talks** series, our weekly YouTube series **Money Moves** and two online Investor Briefings.

CONSOLIDATED FINANCIAL POSITION

ASSETS

Total assets increased year over year by 17.5% to \$25.39 billion as at December 31, 2019, primarily attributable to an increase in investment securities, cash balances and our loan portfolios.

LIABILITIES

Total liabilities were \$21.06 billion as at December 31, 2019, an increase of \$2.22 billion or 11.8% from the same period last year, driven mainly by the increase in borrowings and repurchase agreements.

CAPITAL

Our capital base continues to be strong with total shareholders' equity standing at \$4.33 billion, up from \$2.77 billion, which resulted in a book value per share of \$2.88 (2018: \$1.85). The growth in total equity is mainly attributable to:

- the net increase of \$313.04 million in retained earnings, representing the undistributed portion of our 2019 retained earnings.
- the year over year increase of \$1.24 billion in the investment revaluation reserve, representing revaluation gains on investment securities and equity instruments.

Victoria Mutual Wealth Management Limited, our licensed securities dealer, continues to be well capitalised, with a risk weighted capital adequacy ratio of 17.24%, above the regulatory requirement of 10%. The capital to total assets ratio of 16.18% exceeds the regulatory minimum of 6%.

OFF-BALANCE SHEET HIGHLIGHTS

Assets managed on behalf of clients, on a non-recourse basis, grew by a significant \$5.16 billion or 21.2%, from \$24.31 billion as at December 31, 2018 to \$29.48 billion as at the end of the current period. The year over year growth was mainly fuelled by strong net inflows into the Unit Trust portfolios.

DIVIDEND

The Board of Directors today, approved the payment of an interim dividend of \$0.03 per share, payable on March 27, 2020 to shareholders on record as at March 13, 2020. The ex-dividend date is March 12, 2020. This dividend payment brings the total dividend payout based on 2019's performance to \$285.00 million versus \$210.00 million for 2018.



PRESS RELEASE

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ACKNOWLEDGEMENT

The Board thanks our valued clients for their continued loyalty, our shareholders for their support and show of confidence, and expresses appreciation to the committed team members of the VMIL Group for their dedication and commendable efforts in achieving this year's financial performance.

We are confident that with our sound strategy and strong team your Company is well poised for even better performances in the years ahead.

-End-

On behalf of the Board of Directors:

A handwritten signature in black ink that reads "Michael McMorris".

Michael McMorris
Chairman

A handwritten signature in black ink that reads "Rezworth Burchenson".

Rezworth Burchenson
Chief Executive Officer

For further information contact:

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Victoria Mutual Group

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VICTORIA MUTUAL INVESTMENTS LIMITED
Top Ten Largest Shareholders as at December 31, 2019

RANK	NAME	SHAREHOLDINGS
1.	The Victoria Mutual Building Society	1,200,020,000
2.	PAM – University Hospital Scheme of Pensions	7,560,600
3.	Rezworth Burchenson & Valerie Burchenson	6,400,330
4.	Sagicor Select Funds Limited (Class B' Shares) Financial	6,135,970
5.	Michael McMorris & Christine McMorris	5,590,329
6.	JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	5,499,552
7.	Geoffrey Forde	5,489,974
8.	VM Wealth Equity Fund	4,791,347
9.	Rickardo Ebanks & Alda Ebanks	4,302,884
10.	PAM - Cable and Wireless Pension Real Estate Fund	3,331,091

VICTORIA MUTUAL INVESTMENTS LIMITED

**Shareholdings of Senior Managers / Connected Parties
as at December 31, 2019**

NAME	SHAREHOLDINGS
Rezworth Burchenson	6,400,330
Valerie Burchenson / Rezworth Burchenson	249,952
Rachelle Burchenson	75,000
Oswald Burchenson	212,147
Colando Hutchinson / Frances Hutchinson	1,240,973
Nicole Adamson	139,000
Johann Adamson	240,000
Denise Marshall-Miller/ Wayne Miller	1,001,660
Denise Marshall-Miller/ Ajani Miller	25,000
Denise Marshall-Miller/ Azania Miller	25,000
Denise Marshall-Miller/ Akil Parchment	25,000
Evette M. Bryan / Shulette Cox	257,839
Hekima Reece/Tamieka Reece	240,000
Natalie Bennett	91,000
Davie Martin	62,000

VICTORIA MUTUAL INVESTMENTS LIMITED
Shareholdings of Directors / Connected Parties
as at December 31, 2019

NAME	SHAREHOLDINGS
Michael McMorris / Christine McMorris / Easton McMorris	5,695,964
Courtney Campbell / Pauline Campbell	1,800,000
Dominic Campbell	32,826
Adrian Campbell	8000
Milton Samuda	103,646
Noel Hann	150,000
Phillip Silvera / Faye Silvera	372,816
Sandra Shirley	413,809
Devon Barrett	101,169
Janice McKenley / Wilfred McKenley	1,000,000
Rachel Mckenley	27,634
Matthew Gray Wright	677,252
Rezworth Burchenson /Valerie Burchenson	6,400,330
Valerie Burchenson	249,952
Rachelle Burchenson	75,000
Oswald Burchenson	212,147
Vikram Dhiman	0