



Consolidated Financial Statements

Year ended
December 31, 2021



Contents

Performance Highlights	3
Corporate Social Responsibility	5
Economic Overview	7
Management Discussion	8
Shareholdings	12

PERFORMANCE HIGHLIGHTS



NPAT:
\$564.14M
(up 30.11%)



RETURN ON EQUITY:
13.38%
(up from 9.96%)



Revenue:
\$2.02B (up
7.89%)



EFFICIENCY RATIO: 59.20%
(IMPROVED BY 10.51%)



DIVIDENDS PAID: \$232.50M
(\$0.155 PER SHARE VS \$0.03 IN 2020)



**PERFORMANCE
HIGHLIGHTS**

**HUMAN RESOURCE
ENGAGEMENT
INDEX:**

77

(vs 66 globally)

**NET PROMOTER
SCORE (NPS):**

36

(up 57%)

Capital Raised:

\$2.9B

**OFF-BALANCE SHEET
ASSETS UNDER
MANAGEMENT:**

\$47.4B

ACQUISITION:

**Agreement to acquire
Republic Funds Barbados Inc.**

VMIL CSR ACTIVITIES: Q4 2021

VMIL's Corporate Social Responsibility Pillars



Health & Family



Leadership & Nation Building



Youth Empowerment



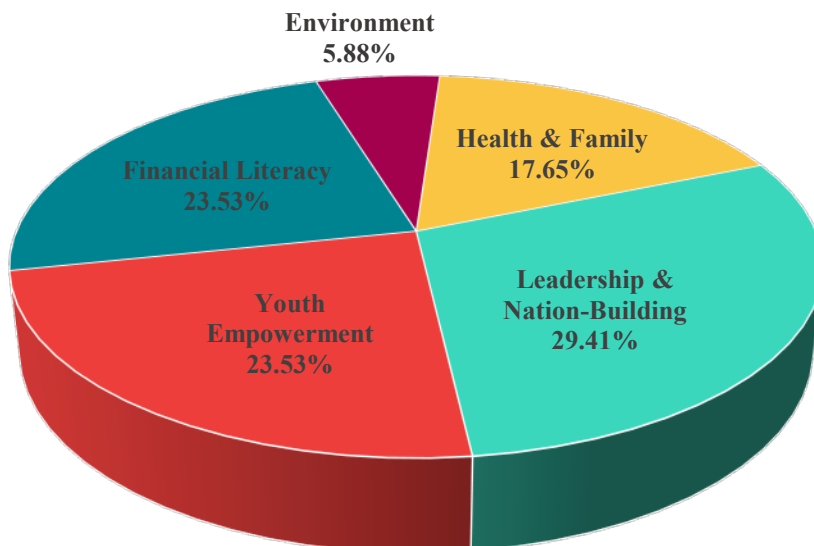
Financial Education



The Environment

In 2021 most of our CSR activities were done in Leadership and Nation Building.

Engaging our Community - 2021 Activities by Major Category



VMIL CSR ACTIVITIES: Q4 2021



Leadership & Nation Building

Our first VMIL Maurice C. Robinson Business Management and Economics Scholarship recipient is Sammarieo Brown a second year University of the West Indies student, pursuing a double major in Computer Science and Statistics.

Youth Empowerment

In December, team members visited with the children at the Garland Hall Children's Home in Anchovy, Montego Bay. In addition to donating food and clothing items, our team members spent the day interacting and playing with the young residents of the home and developed new relationships. Ms. Lorna, manager of the orphanage expressed her deepest gratitude.

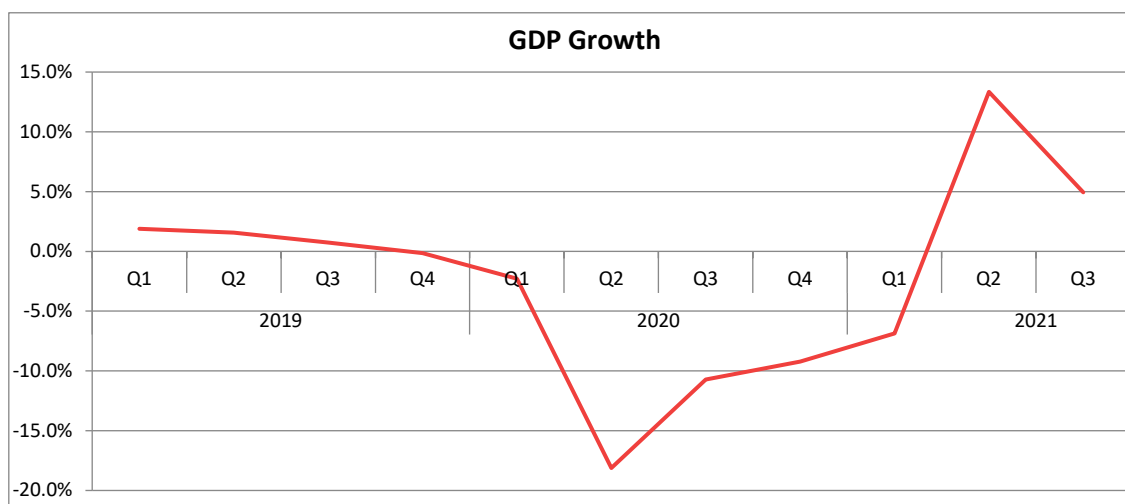


Economic Overview

The shocks from the COVID-19 pandemic struck a few months after Jamaica's precautionary Stand-By Arrangement with the IMF was successfully concluded. The fiscal buffers and improved fiscal space allowed the government to respond quickly via expansionary fiscal policies. This increased expenditure by the government has increased the country's debt-to-GDP ratio and placed pressure on the fiscal accounts. In the fiscal year 2020/2021 the debt-to-GDP ratio increased from 94.80% to 110.10%. According to Moody's Investors Service (Moody's), the easing of restrictions is expected to contribute to an increase in the primary surplus to 6.10% of GDP in fiscal 2021/22, which should aid in reducing Jamaica's debt burden. Jamaica's strong commitment to fiscal consolidation is also expected to support the lowering of the government's debt metrics. Against that background, the rating agency maintained a stable outlook.

The impact of the Corona Virus Pandemic has dampened economic activities locally and internationally. However, as the year ended there was less uncertainty due to adjustments to the 'new normal' and increased vaccination take ups. The Jamaican economy began experiencing its economic rebound in Q2 of 2021, following five consecutive quarters of contractions. The 14.20% year-over-year growth in Q2 was the economy's largest growth rate reported from the Statistical Institute of Jamaica (STATIN) in over 20 years.

New variants of the virus emerged during the year, which limited domestic mobility and business activities. Notwithstanding this, growth reports from STATIN indicated that these restrictions did not derail growth in Q3. The economy grew 5.80% compared to Q3 2020 and 0.60% compared to Q2 2021. The tourism sector has been recovering as a result of the increase in international travel. The sector recorded the largest growth rate of 114.60% in Q3. The country welcomed the resumption of cruise shipping in August. The number of passengers was insignificant compared to previous arrivals, but it was an encouraging sign of recovery for the sector.



MANAGEMENT DISCUSSION

Overseas

In 2021, large stimulus packages were given in some countries to boost the economies, some in the form of direct handouts or one-time payments, particularly to those who were facing unemployment as a result of the pandemic. Central banks maintained an accommodative monetary stance, with constant interest rates or minute changes in a bid to further improve the access to credit. However, in the second quarter, momentum slowed due to rising infection rates in several territories, as well as major supply chain disruptions. While advanced economies continued to provide substantial fiscal support, many developing market economies began cutting fiscal support as their fiscal spaces tightened due to the persistence of the pandemic.

Recovery efforts aided the estimated 5.50% growth in the global economy in 2021, which was broadly in line with the IMF's October 2021 outlook. The international economy is currently experiencing rising energy and food prices, particularly for oil, metals, and agricultural items. The impact of the uptick in demand and global shortages, driven in part by delays at ports and disruptions in global supply chains, is reflected in elevated price levels. As international price levels continue to soar and more contagious COVID-19 variants emerge, the IMF may reduce its 2022 growth outlook from the current 4.90%.

In light of the unfolding aggressions being meted out by Russia on its Ukrainian neighbour, we are keeping a close watch so as to be able to anticipate the impact on the markets that this instability may cause and how these may impact investor portfolios.

Report Results for the 12 Months Ended December 31, 2021

Performance Highlights

	Year Ended		
	December 31, 2021	December 31, 2020	% Change
Consolidated Revenue	2,023,525	1,875,589	7.89%
Net Profit	564,137	433,590	30.11%
Return on Average Equity	13.38%	9.96%	34.54%
Efficiency Ratio	59.20%	66.15%	10.51%
Basic Earnings per Share (\$)	\$0.38	\$0.29	30.11%

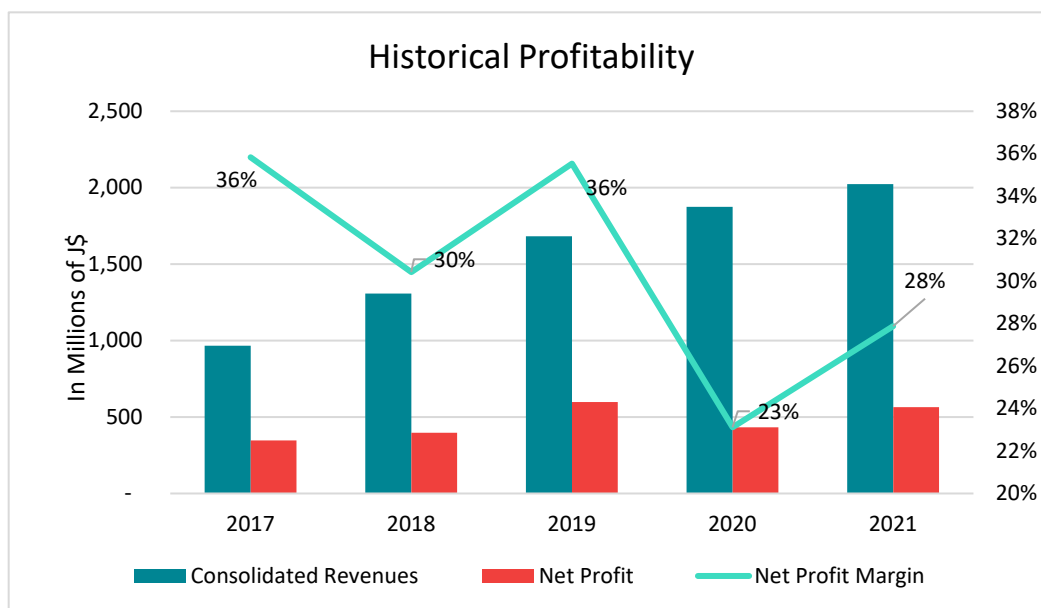
MANAGEMENT DISCUSSION

CONSOLIDATED FINANCIAL PERFORMANCE

During 2021, we accelerated the execution of our strategy and our business achieved the following milestones:

- Launched VM Wealth IPO platform which is an online self-service portal that allows users to add their existing Jamaica Central Securities Depository (JCSD) account information and conveniently participate in IPO/APO's.
- Executed on regional expansion with the confirmed agreement to acquire Republic Funds Barbados Incorporation, the owner and operator of the Republic Bank Barbados family of Mutual Funds, comprising Republic Property Fund, Republic Income Fund and Republic Capital Growth Fund.
- Launched new and upgraded systems in the areas of reporting, client management and information security.
- Unit Trust Portfolios, Classic Property and Goal Maximizer, both ended the year in the top two of their asset classes.
- Achieved significant improvement in our Net Promoter Score (NPS), attributable to our efforts at improving customer experience.
- The VM Group has achieved its strategic goal of Employer of Choice by securing the Great Place to Work™ certification.
- Raised capital of \$2.9B for VMIL
- Reported good performances in our Key Performance Indicators (KPIs)

Despite the continued economic and social fallout from the COVID-19 pandemic, VMIL made significant advances in 2021, posting positive growth results for profit before and after tax, profit margin, as well as revenue. Increased innovation, as well as, customer and employee focus and engagement, contributed to the Group's financial improvement.

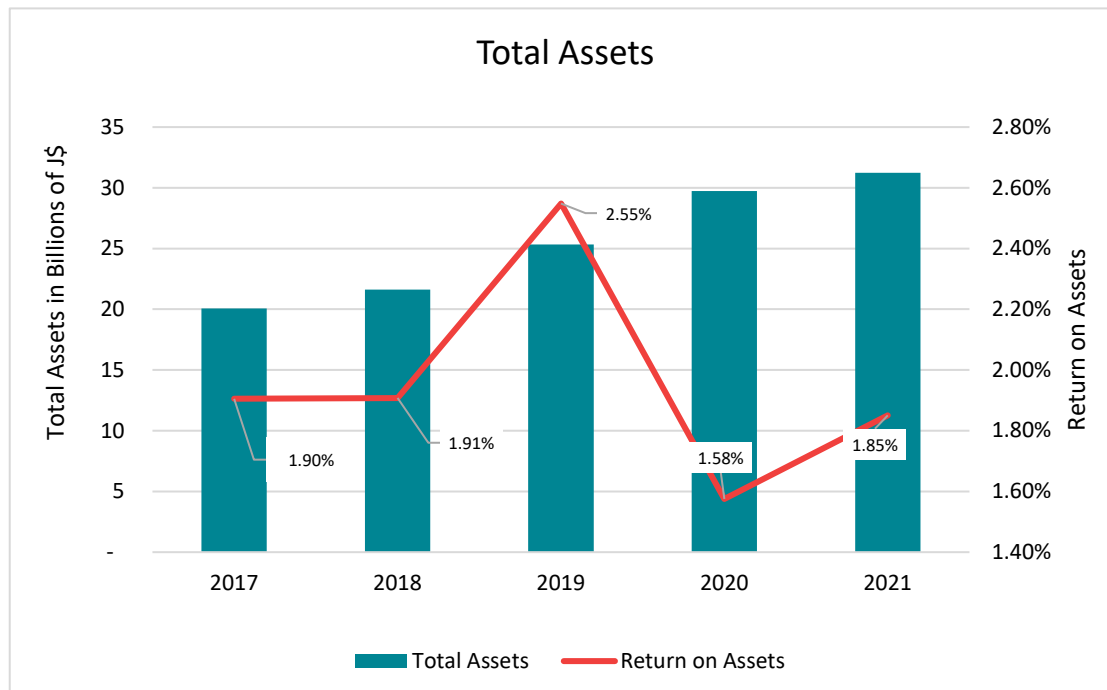


MANAGEMENT DISCUSSION

VMIL generated Group profit before tax of \$792.36 million in 2021, a 32.31% or \$193.49 million improvement compared to 2020. Our Net profit after tax increased by 30.11%, or \$130.55 million to \$564.14 million. Earnings per share of \$0.38 compared favourably to \$0.29 reported in 2020. Notably, the Group reversed the 27.50% decline in net profit experienced in 2020, when we were negatively impacted by the onset of the pandemic.

Assets

Total assets of \$31.24 billion as at December 31, 2021 represented an increase of 5.11% or \$1.52 billion over 2020. The increase was driven primarily by growth in our investment securities portfolio which climbed by 25.1% or \$4.14 billion year-over-year. Other areas of asset growth came from an increase in our Property, plant and equipment (+\$719 million), as well as an increase in our loan portfolio (+\$1.69 billion). The growth in loans receivable was attributable to forward momentum of our Margin loans outstanding, which increased by 87% over the previous year as a result of various special promotional offerings extended to our clients during the year. Corporate loans outstanding also surged to \$1.58 billion, representing a 98% increase, offset by a decline in Resale Agreements. Investment securities and loans are two leading sources of revenue for financial institutions. Return on average assets also improved to 1.85% in 2021 when compared to 1.58% in 2020.



MANAGEMENT DISCUSSION

LIABILITIES & SHAREHOLDERS' EQUITY

In the 2021 financial year, VMIL's funding base expanded considerably. Specifically, Total Liabilities increased year-over-year by 7.30% or \$1.85 billion, primarily due to additional Borrowing (+\$2.47 billion) accessed through the issuance of bonds by the company. Aggregated Borrowings as at December 31, 2021 comprised three fixed rate unsecured bonds. Higher loan and interest payable as a result of the additional borrowing had also contributed to growth in total liabilities. Shareholders' equity declined year-over-year by 7.8% or \$330.27 million ending at \$4.05 billion as at December 2021. The outturn in shareholder's equity hinged on a \$668.90 million decrease in investment revaluation reserve due primarily to the decline in investment securities held. However, this was partly offset by an improvement in Retained Earnings (+\$330.27 million) on the heels of strong Net Earnings. Dividends of \$232.50 million were paid to shareholders during the year.

OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT HIGHLIGHTS

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under management agreements. As at December 31, 2021, these funds amounted to \$34.71 billion (2020: \$32.82 billion). Additionally, at December 31, 2021, there were custodial arrangements for assets totalling \$12.74 billion (2020: \$13.96 billion).

Growth in our off-balance sheet business is a core strategic objective of the Group which will have focused attention in the coming financial year. We will continue to seek innovative channels and products geared towards creating value for our clients.

ACKNOWLEDGEMENT

Special commendations to our valued team members for this strong financial performance, considering the negative impact of the pandemic. Our valued clients remain our primary focus as we strive for continuous improvements in our service delivery, financial advice and product offering.

On behalf of the Board of Directors:



Michael McMorris
Chairman,
Victoria Mutual Investments Limited



Rezworth Burchenson
Chief Executive Officer,
Victoria Mutual Investments Limited,
Victoria Mutual Wealth Management Limited

VICTORIA MUTUAL INVESTMENTS LIMITED

Shareholdings for Top Ten Largest Shareholders for the Victoria Mutual Investments Ltd as at December 31, 2021

Rank	NAME	TOTAL SHARES HELD AS AT December 31, 2021	% Ownership
1.	The Victoria Mutual Building Society	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	0.43%
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	5,685,039	0.38%
6.	Michael McMorris & Christine McMorris	5,555,667	0.37%
7.	VM Wealth Equity Fund	4,791,347	0.32%
8.	Rickardo Ebanks & Alda Ebanks	4,537,221	0.30%
9.	Geoffrey Forde	4,500,000	0.30%
10.	PAM – Pooled Equity Fund	3,673,648	0.24%

VICTORIA MUTUAL INVESTMENTS LIMITED

Shareholdings for VMIL Senior Managers / Connected Parties as at December 31, 2021

NAMES	SHAREHOLDINGS AS AT September 30, 2021
Valerie Burchenson / Rezworth Burchenson	249,952
Rachelle Burchenson / Rezworth Burchenson	75,000
Rezworth Burchenson / Valerie Burchenson	6,400,330
Oswald Burchenson / Rezworth Burchenson	212,147
Combined Holdings: 6,937,429	
Nicole Adamson / Johann Adamson	379,000
Denise Marshall-Miller / Ajani Miller	25,000
Denise Marshall-Miller / Wayne Miller	800,000
Denise Marshall-Miller / Azania Miller	25,000
Denise Marshall Miller / Akil Parchment	25,000
Combined Holdings: 875,000	
Evette M. Bryan / Shulette Cox	212,000
Tamara Waul-Douglas	0
Davie Stanley Martin / Kimberley Anne Elizabeth Martin	62,000
Jason Bailey	0
Gwelodine Ricketts/Jean Ricketts/Audrea Ricketts	21,300
Gwelodine Ricketts/Jean Ricketts	8,572
Combined Holdings: 29,872	
Dwight Jackson	0

VICTORIA MUTUAL INVESTMENTS LIMITED
Shareholdings for VMIL Directors / Connected Parties
as at December 31, 2021

NAMES	SHAREHOLDINGS AS AT December 31, 2021
Michael McMorris / Christine McMorris / Easton McMorris	5,555,667
Courtney Campbell / Pauline Campbell / Dominic Campbell/Adrian Campbell	1,832,826
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	1,045,475
Rezworth Burchenson / Valerie Burchenson / Rachelle Burchenson / Oswald Burchenson	6,937,429
Matthew Gray Wright	677,252
Vikram Dhiman	0
Bridget Lewis	0

Your VMIL Team has Been Busy!

Scan the code to learn
more about some exciting
opportunities!



VM Investments
Limited

Transform Your Everyday.

Invest in the Best!

VM Wealth Classic Property Portfolio

10.79%*

12-Month Growth Rate as
of December 31, 2021.

*Past performance is not a
guarantee of future results