VICTORIA MUTUAL INVESTMENTS LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2022

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Victoria Mutual 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 10 to 117 which comprise the group's and company's statements of financial position as at December 31, 2022, 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 significant 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, 2022, and of the group's and company's financial performance and cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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.

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (Continued)

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.

1. Fair value of investments

See notes 6 and 29 to the financial statements.

The key audit matter	How the matter was addressed in our audit
The valuation of the group's investment securities requires significant estimation, which is impacted by uncertainty of market factors. These market or economic conditions either has a direct impact on the fair value measurement if fair value is determined based on market prices, or indirectly if a valuation technique is based on input that are derived from market.	Our procedures in this area included the following: • Assessing and testing the design and operating effectiveness of the group's controls over the determination and computation of fair values. • Challenging the reasonableness of yields or prices by comparing to independent pricing sources. • Assessing the reasonableness of significant assumptions used by management. • Involving our own valuation specialists to determine or obtain yields or prices of specific securities and comparing them to those used by management. • Evaluating the adequacy of the disclosures, including disclosure of the degree of estimation uncertainty involved in determining fair values.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

2. Expected credit loss on financial assets

See note 28 (b) of the financial statements

The key audit matter	How the matter was addressed in our audit
The group and company are required to recognize expected credit losses ('ECL') on financial assets, the determination of which involves high estimation uncertainty and requires management to make significant judgements and estimates about the elements considered in calculating the ECL. The key areas requiring greater management judgment include the identification of significant increase in credit risk (SICR), the determination of probability of default, lost given default, exposure at default, management overlay and application of forward looking information.	Our procedures in this area included the following: • Assessing and testing the design and implementation of the group's and company's control over the determination of expected credit losses. • Updating our understanding of the models used by the group and company for the calculation of expected credit losses, including governance over the determination of key judgements. • Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

2. Expected credit loss on financial assets (continued)

The key audit matter (continued)	How the matter was addressed in our audit (continued)
Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement. Therefore, impairment of financial assets has a high degree of estimation uncertainty.	Our procedures in this area included the following (continued): • Involving our financial risk management specialists to evaluate the appropriateness of the group's and company's methodology for determining the economic scenarios used and the probability weightings applied to them in determining the forward looking indicators. • Evaluating the adequacy of the financial statement disclosures, including disclosures of the key assumptions and judgements, for compliance with IFRS 9.

3. Investment in associate

See note 7 of the financial statements

The key audit matter	How the matter was addressed in our audit
The group acquired shareholdings in an equity accounted entity as detailed in Notes of the financial statements.	Our procedures in this area included the following: • Examined the terms of the sale agreement for the property exchanged in the transaction

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

3. Investment in associate (continued)

The key audit matter (continued)	How the matter was addressed in our audit (continued)
The classification and measurement of this investment involves significant judgement, having regards to the group's ability to control or significantly influence the relevant activities of the investee entity through Board representation. The acquisition is a significant unusual transaction with a related party because the shareholdings were acquired from related party in exchange for a property owned by the group. The sale price of the property exchanged is consideration for the acquisition of shares. The group is required to determine the fair value of the transaction which involve placing a value on the properties exchanged and the determination of the transaction price for the shares exchanged.	Our procedures in this area included the following (continued): • Involved our own valuation specialist in the review of the valuation of property by the third-party valuator engaged by the management, including challenging valuation methodologies and assumptions used in the said valuation and the reasonableness of the transaction price. • Assessed the extent of the group's influence through considering its voting rights with respect to the equity accounted investee and obtained an understanding of the group's representation on the investee's Board of Directors. • Tested the mathematical accuracy of the calculation including the cost of the investment in associate using the bid price of shares already owned by the group and the transaction price for the number of shares acquired from the related party and the gain on exchange of the property owned by the group.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
VICTORIA MUTUAL 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 of financial statements that give a true and fair view in accordance with IFRS 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 group and 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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 pages 8-9, 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 W. Gihan C. de Mel.

KPMG

Chartered Accountants
Kingston, Jamaica

May 3, 2023

To the Members of
VICTORIA MUTUAL 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.

To the Members of
VICTORIA MUTUAL INVESTMENTS LIMITED

Appendix to the Independent Auditors' report (Continued)

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.

VICTORIA MUTUAL INVESTMENTS LIMITED

Consolidated Statement of Financial Position
December 31, 2022

	Notes	2022 $'000	2021 $'000 Restated*	2020 $'000 Restated*
ASSETS				
Cash and cash equivalents	4	1,192,249	684,077	1,571,567
Resale agreements	5	752,147	4,051,332	7,380,680
Investment securities	6	17,560,235	20,399,811	16,366,621
Net investment in finance leases	18(b)	131,462	155,836	110,832
Loans receivable	9	5,467,380	3,482,266	1,789,651
Accounts receivable:				
Customers		325,809	227,080	716,005
Brokers		-	-	5,217
Others	10	600,678	493,574	1,092,364
Deferred tax asset	11	1,060,163	333,359	44,083
Property, plant and equipment	12	136,085	908,198	189,187
Intangible asset – computer software	13	300,477	183,079	226,932
Interest in associates	7	1,626,437	-	-
TOTAL ASSETS		29,153,122	30,918,612	29,493,139
LIABILITIES AND EQUITY				
Liabilities:				
Due to ultimate parent society	30(c)	441,722	216,040	197,988
Borrowings	17	7,494,118	5,521,964	3,042,641
Accounts payable:				
Customers		1,081,129	719,915	1,149,953
Brokers		68,724	20,414	-
Others	14	1,217,225	963,220	493,273
Lease liabilities	18(a)	66,345	76,650	85,978
Repurchase agreements	15	15,589,291	19,649,270	20,312,831
Income tax payable		88,781	39,216	37,679
Employee benefit obligation	16(b)(i)	19,300	32,700	39,200
TOTAL LIABILITIES		26,066,635	27,239,389	25,359,543
Equity:				
Share capital	19	707,887	707,887	707,887
Share premium		24,000	24,000	24,000
Investment revaluation reserve	20(a)	(806,791)	488,333	1,157,234
Other reserve	20(b)	21,800	11,267	4,267
Retained earnings		3,089,591	2,397,736	2,190,208
Equity attributable to owners of the company		3,036,487	3,629,223	4,083,596
Non-controlling interest	21	50,000	50,000	50,000
TOTAL EQUITY		3,086,487	3,679,223	4,133,596
TOTAL EQUITY AND LIABILITIES		29,153,122	30,918,612	29,493,139

The financial statements on pages 10 to 117 were approved for issue by the Board of Directors on May 3, 2023

Chairman

Michael McMorris

Chief Executive Officer

Rezworth Burchenson

*See note 35

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Company Statement of Financial Position
December 31, 2022

	Notes	2022 $'000	2021 $'000 Restated*	2020 $'000 Restated*
ASSETS				
Cash and cash equivalents	4	216,608	114,443	80,343
Resale agreements	5	-	692,631	79,997
Investment securities	6	1,102,331	2,116,330	900,905
Net investment in finance leases	18(b)	131,462	155,836	110,832
Loans receivable	9	5,467,380	3,482,266	1,789,651
Accounts receivable:				
Others	10	143,629	97,815	812,425
Deferred tax asset	11	16,573	-	13,345
Property, plant and equipment	12	-	745,701	-
Intangible asset – computer software	13	41,360	-	-
Interest in subsidiary	8	1,009,500	109,500	109,500
Interest in associates	7	1,626,437	-	-
TOTAL ASSETS		9,755,280	7,514,522	3,896,998
LIABILITIES AND EQUITY				
Liabilities:				
Due to ultimate parent society	30(c)	193,593	122,137	130,579
Due to subsidiary company	30(c)	110,805	415,592	13,551
Borrowings	17	7,406,181	5,469,255	3,035,836
Accounts payable:				
Others	14	826,347	604,106	105,634
Repurchase agreements	15	195,152	197,758	-
Income tax payable		59,922	26,760	32,707
Deferred tax liability	11	-	19,318	-
TOTAL LIABILITIES		8,792,000	6,854,926	3,318,307
Equity:				
Share capital	19	707,887	707,887	707,887
Share premium		24,000	24,000	24,000
Retained earnings/(accumulated deficit)		231,393	(72,291)	(153,196)
TOTAL EQUITY		963,280	659,596	578,691
TOTAL EQUITY AND LIABILITIES		9,755,280	7,514,522	3,896,998

The financial statements on pages 10 to 117 were approved for issue by the Board of Directors on May 3, 2023

Chairman
Michael McMorris

Chief Executive Officer
Rezworth Burchenson

*See note 35

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Income Statements
Year ended December 31, 2022

	Notes	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000 Restated*
Interest income calculated using the effective interest method	22	1,399,914	1,127,569	453,270	310,373
Other interest income:					
Finance leases	22	11,711	9,050	11,711	9,050
Interest expense	22	(1,158,587)	(767,405)	(422,236)	(198,117)
Net interest income		253,038	369,214	42,745	121,306
Fees and commissions income	24	1,019,280	800,807	35,940	27,795
Fee and commission expense	24	(7,520)	(8,851)	-	-
Net fees and commissions		1,011,760	791,956	35,940	27,795
Gains from investment activities	23	996,766	670,156	378,404	103,412
Rent		74,828	-	74,828	-
Dividend income		33,045	20,874	10,860	257,962
Other income		17,752	3,947	4,283	824
Other operating revenue		2,134,151	1,486,933	504,315	389,993
Net interest income and other operating revenue		2,387,189	1,856,147	547,060	511,299
Operating expenses					
Staff costs	25	(764,675)	(648,619)	-	-
Impairment gains/(losses) on financial assets	28(b)	20,588	(4,866)	(3,412)	(1,487)
Other operating costs	26	(756,325)	(544,443)	(232,941)	(134,592)
		(1,500,412)	(1,197, 928)	(236,353)	(136,079)
Profit before income tax		886,777	658,219	310,707	375,220
Income tax charge	27	(194,922)	(218,187)	(7,023)	(61,811)
Profit for the year attributable to shareholders of the company		691,855	440,032	303,684	313,409
Earnings per share (expressed as ¢ per share)	33	46¢	29¢		

*See note 35

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Statements of Comprehensive Income
Year ended December 31, 2022

	Notes	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000 Restated*
Profit for the year		691,855	440,032	303,684	313,409
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	(64,770)	(163,200)	-	-
Remeasurement of employee benefit obligation	16(b)(i)	15,800	10,500	-	-
Deferred tax on remeasurement of employee benefit obligation	11	(5,267)	(3,500)	-	-
		10,533	7,000	-	-
		(54,237)	(156,200)	-	-
Item that may be reclassified to profit or loss:					
Change in fair value of debt securities at fair value through OCI, net of expected credit losses	29(c)	(1,845,531)	(758,551)	-	-
Deferred tax on change in fair value of investment securities measured at fair value through OCI	11	615,177	252,850	-	-
		(1,230,354)	(505,701)	-	-
Total other comprehensive loss net of tax		(1,284,591)	(661,901)	-	-
Total comprehensive (loss)/income for the year attributable to shareholders of the company		(592,736)	(221,869)	303,684	313,409

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

Group Statement of Changes in Equity
Year ended December 31, 2022

	Attributable to 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, 2020, as previously reported	**707,887**	**24,000**	**1,157,234**	**4,267**	**2,438,083**	**4,331,471**	**50,000**	**4,381,471**
Prior year adjustments (note 35)	-	-	-	-	(247,875)	(247,875)	-	(247,875)
Balances at December 31, 2020, as restated	**707,887**	**24,000**	**1,157,234**	**4,267**	**2,190,208**	**4,083,596**	**50,000**	**4,133,596**
Transactions with shareholders:								
Dividends (note 31)	-	-	-	-	(232,504)	(232,504)	-	(232,504)
Comprehensive income:								
Profit for the year, as previously reported	-	-	-	-	564,137	564,137	-	564,137
Prior year adjustments (note 35)	-	-	-	-	(124,105)	(124,105)	-	(124,105)
Profit for the year, as restated	-	-	-	-	440,032	440,032	-	440,032
Other comprehensive income:								
Change in fair value of investment securities, net of deferred tax	-	-	(505,701)	-	-	(505,701)	-	(505,701)
Change in fair value of equities at FVOCI	-	-	(163,200)	-	-	(163,200)	-	(163,200)
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	7,000	-	7,000	-	7,000
Total other comprehensive loss	-	-	(668,901)	7,000	-	(661,901)	-	(661,901)
Total comprehensive loss for the year, as restated	-	-	(668,901)	7,000	440,032	(221,869)	-	(221,869)
Balances at December 31, 2021, as restated	**707,887**	**24,000**	**488,333**	**11,267**	**2,397,736**	**3,629,223**	**50,000**	**3,679,223**
Comprehensive income:								
Profit for the year	-	-	-	-	691,855	691,855	-	691,855
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	691,855	(592,736)	-	(592,736)
Balances at December 31, 2022	**707,887**	**24,000**	**(806,791)**	**21,800**	**3,089,591**	**3,036,487**	**50,000**	**3,086,487**

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Company Statement of Changes in Equity
Year ended December 31, 2022

	Share capital [Note (19)] $'000	Share premium $'000	Retained earnings/ (accumulated deficit) $'000	Total $'000
Balances at December 31, 2020, as previously reported	**707,887**	**24,000**	**94,679**	**826,566**
Prior year adjustments (note 35)	-	-	(247,875)	(247,875)
Balances at December 31, 2020, as restated	**707,887**	**24,000**	**(153,196)**	**578,691**
Transactions with shareholders:				
Dividends (note 31)	-	-	(232,504)	(232,504)
Comprehensive income:				
Profit for the year, being total comprehensive income for the year, as previously reported	-	-	437,514	437,514
Prior year adjustments (note 35)	-	-	(124,105)	(124,105)
Profit for the year, being total comprehensive income for the year, as restated	-	-	80,905	80,905
Balances at December 31, 2021, as restated	**707,887**	**24,000**	**(72,291)**	**659,596**
Transactions with shareholders:				
Dividends (note 31)	-	-	-	-
Comprehensive income:				
Profit for the year, being total comprehensive income for the year	-	-	303,684	303,684
Balances at December 31, 2022	**707,887**	**24,000**	**231,393**	**963,280**

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Statements of Cash Flows
Year ended December 31, 2022

	Notes	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000 Restated*
Cash flows from operating activities:					
Profit for the year		691,855	440,032	303,684	313,409
Adjustments for:					
Depreciation	12	36,590	28,707	8,645	-
Amortisation of intangible asset	13	52,820	50,312	515	-
Deferred income		-	40,136	-	40,136
Impairment (gains)/losses on financial assets	28(b)	(20,588)	4,866	3,412	1,487
Change in employee benefit obligation	16(b)(ii)	2,400	4,200	-	-
Amortisation of transaction costs		25,766	21,291	25,766	21,291
Unrealised exchange (gains)/losses on foreign currency balances		(13,425)	(17,664)	(1,706)	14,272
Gains from investment activities		(711,070)	(670,156)	(92,708)	(103,412)
Gain from property/share swap		(285,696)	-	(285,696)	-
Interest income	22	(1,411,625)	(1,136,619)	(464,981)	(319,423)
Dividend income		(33,045)	(20,874)	(10,860)	(257,962)
Interest expense	22	1,151,386	759,227	422,236	198,117
Interest expense on lease liabilities	18(a)	7,201	8,178	-	-
Income tax charge	27	194,922	218,187	7,023	61,811
		(312,509)	(234,849)	(84,670)	(30,274)
Changes in operating assets and liabilities:					
Due to ultimate parent society		71,455	18,052	71,455	(8,442)
Due to subsidiary company		-	-	(304,787)	402,041
Loans receivable		(2,011,900)	(1,674,754)	(2,011,900)	(1,674,754)
Resale agreements		3,291,174	3,042,649	692,631	(612,640)
Accounts receivable		(256,683)	1,192,314	(70,959)	760,744
Accounts payable		843,859	(44,159)	223,880	415,059
Repurchase agreements		(3,856,321)	(690,469)	-	186,830
		(2,230,925)	1,608,784	(1,474,350)	(561,436)
Interest received		1,690,089	1,330,763	485,678	290,789
Interest paid		(1,136,639)	(723,327)	(422,553)	(159,481)
Income tax paid		(262,251)	(281,736)	(9,752)	(60,254)
Net cash (used in)/provided by operating activities		(1,940,726)	1,934,484	(1,420,977)	(490,382)
Cash flows from investing activities:					
Acquisition of property, plant and equipment	12	(3,553)	(747,718)	(2,020)	(745,701)
Acquisition of intangible asset	13	(170,218)	(6,459)	(41,875)	-
Investment in finance leases		(20,641)	(72,660)	(20,641)	(72,660)*
Proceeds from finance lease repayments		45,782	26,714	45,782	26,714*
Investment in cumulative preference shares		-	(117,633)	-	(117,633)
Purchase of investment securities		(7,168,629)	(17,166,476)*	(1,978,044)	(1,939,762)*
Proceeds from sale of investment securities		7,842,110	13,020,553*	2,525,868	930,397*
Investment in subsidiary	8	-	-	(900,000)	-
Investment in associated company	7	(25,229)	-	(25,229)	-
Dividends received		33,045	5,882	10,860	257,962
Net cash provided by/(used in) investing activities		532,667	(5,057,797)	(385,299)	(1,660,683)
Cash flow from financing activities:					
Proceeds from loans and borrowings	17	2,373,268	3,956,624*	2,338,040	3,910,720*
Repayment of loans and borrowings	17	(426,880)	(1,497,471)*	(426,880)	(1,497,471)*
Payment of lease liabilities	18(a)	(10,305)	(9,328)	-	-
Dividends paid	31	-	(232,504)	-	(232,504)
Net cash provided by financing activities		1,936,083	2,217,321	1,911,160	2,180,745

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

VICTORIA MUTUAL INVESTMENTS LIMITED

Statements of Cash Flows (Continued)
Year ended December 31, 2022

	Notes	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000 Restated*
Net increase/(decrease) in cash and cash equivalents		528,024	(905,992)	104,884	29,680
Cash and cash equivalents at beginning of year		684,077	1,571,567	114,443	80,343
Effect of exchange rate fluctuations on cash and cash equivalents		(19,852)	18,502	(2,719)	4,420
Cash and cash equivalents at end of year	4	1,192,249	684,077	216,608	114,443

*See note 35

1. Identification

Victoria Mutual Investments Limited ("the company") is incorporated and domiciled in Jamaica. The company is an 80% subsidiary of The Victoria Mutual Building Society ("ultimate parent society" or "VMBS"). The ultimate parent society is incorporated in Jamaica under the Building Societies Act. The company's registered office is located at 8-10 Duke Street, Kingston, Jamaica.

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, Victoria Mutual Wealth Management Limited ("the subsidiary company"), which is incorporated and domiciled in Jamaica. The principal activities of the subsidiary company are stock and investment brokering, 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 International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, and comply with the Jamaican Companies Act ("the Act").

New and amended standards and interpretations that became effective during the year:

- Amendments to IAS 37 *Provision*, C*ontingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

  The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that became effective during the year (continued):

- Amendments to IAS 37 *Provision*, C*ontingent Liabilities and Contingent Assets (continued)*

  This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The group does not expect the amendments to have a significant impact on its financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to certain standards and are effective for annual periods beginning on or after January 1, 2022. Those that affect the group's operations are IFRS 9 *Financial Instruments* and IFRS 16 *Leases*.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The group does not expect the amendments to have a significant impact on its financial statements.

- Amendments to IFRS 16 *Leases* are effective for annual periods beginning on or after April 1, 2021, with early adoption permitted. The amendments extend the practical expedient by 12 months – i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

  The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* do not apply on initial application.

  The group is assessing the impact that the amendment will have on its financial statements.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations 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*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

  A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date. With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current.

  It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The group does not expect the amendment to have a significant impact on its financial statements.

- 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.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- Amendments to IAS 12 *Income Taxes* (continued)

  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

  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.

  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 is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. 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 is assessing the impact that the amendment will have on its financial statements.

- 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.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- Amendments to IAS 8 *Accounting Policies(continued)*

  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.

  The group is assessing the impact that the amendment will have on its 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.

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.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

(i) Critical accounting judgements in applying the group's accounting policies

For the purpose of these financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS.

(1) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

(ii) Key assumptions and other sources of estimation uncertainty

(1) Employee benefit obligation (note 16)

The amounts recognised in the statement of financial position, income statement and statement of profit or loss and other comprehensive income for employee benefits are determined actuarially using several assumptions. The primary assumption used in determining the amounts recognised is the discount rate used to determine the present value of post-employment medical benefits obligation.

The discount rate is determined based on the estimated yield on long-term government securities that have maturity dates approximating the terms of the group's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate of discount by extrapolating from the longest-tenure security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors.

Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(ii) Key assumptions and other sources of estimation uncertainty (continued)

(2) Allowance for impairment losses on financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3(a) and 28(b), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

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

Detailed information about the judgements and estimates made by the group in the above areas is set out in notes 3(a) and 28(b).

(3) Fair value of financial instruments

There are no quoted market prices for a significant portion of the company's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. That yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach which is categorised as a Level 2 fair value. Some other fair values are estimated based on quotes published by a broker/dealer, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be different from the actual price of the instrument in an actual arm's length transaction as set out in notes 6 and 29(b).

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

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

3. Significant accounting policies

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

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

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

- 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.

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.

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is between the fair value and the purchase/transaction price of the asset/liability.

In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

3. Significant accounting policies (continued)

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

(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

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

Classification and subsequent measurement of debt instruments depend on:

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

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

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

- *Fair value through profit or loss:* Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within the period in which it arises. Interest income from these financial assets is included in 'Other interest income'.

3. Significant accounting policies (continued)

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

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

(a) Debt instruments (continued)

Business model: the business model reflects how the group manages the assets in order to generate cash flows. That is, whether the group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

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

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.

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.

3. Significant accounting policies (continued)

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

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

(a) Debt instruments (continued)

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.

Financial liabilities

Financial liabilities are classified as and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading book) and other financial liabilities designated as such at initial recognition.
- Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss.
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the group recognises any expense incurred on the financial liability.

3. Significant accounting policies (continued)

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

(iii) Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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.

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

The exchange between the group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

3. Significant accounting policies (continued)

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

(iii) Derecognition (continued)

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.

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.

3. Significant accounting policies (continued)

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

(iv) Measurement and gains and losses (continued)

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.

3. Significant accounting policies (continued)

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

(iv) Measurement and gains and losses (continued)

Specific financial instruments (continued)

(3) Resale and repurchase agreements (continued)

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.

(4) Accounts receivable

Accounts receivable are measured at amortised cost less impairment losses.

(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.

3. Significant accounting policies (continued)

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

(vi) Impairment (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:

- 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'.

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.

3. Significant accounting policies (continued)

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

(vi) Impairment (continued)

Restructured financial assets

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

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

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

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 that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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.

3. Significant accounting policies (continued)

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

(vi) Impairment (continued)

Credit-impaired financial assets (continued)

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.

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.

3. Significant accounting policies (continued)

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

(vi) Impairment (continued)

Write-off (continued)

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.

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

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.

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.

3. Significant accounting policies (continued)

(f) Employee benefits (continued)

(i) General benefits (continued)

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 the ultimate parent society [see note 16(a)]. Additionally, all residual interest in the scheme belongs to the ultimate parent society. The plan is, therefore, accounted for as a defined-contribution plan in the financial statements of the individual participating subsidiaries, that is, pension contributions, as recommended by the actuary, are expensed as they become due.

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

(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.

3. Significant accounting policies (continued)

(f) Employee benefits (continued)

(iii) Employee medical benefits (continued)

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.

3. Significant accounting policies (continued)

(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.

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

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

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.

(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.

3. Significant accounting policies (continued)

(i) Leases (continued)

(a) As a lessee (continued)

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.

3. Significant accounting policies (continued)

(i) Leases (continued)

(a) As a lessee (continued)

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.

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. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets; or the amortised cost of the financial liability.

3. Significant accounting policies (continued)

(j) Interest (continued)

(i) Effective interest rate (continued)

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) Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(iii) Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit- impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3. Significant accounting policies (continued)

(j) Interest (continued)

(iv) 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 income

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

(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 stockbrokering 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.

3. Significant accounting policies (continued)

(m) Fee and commission income (continued)

Type	**Nature and timing of satisfaction of performance obligation, including significant payment term**	**Revenue recognition under IFRS 15**
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.

4. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Bank accounts	1,176,733	667,673	216,608	114,443
Accounts with brokers	15,516	16,404	-	-
	1,192,249	684,077	216,608	114,443

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	
	2022	2021
	$'000	$'000
Denominated in Jamaica dollars	329,000	580,000
Denominated in United States dollars [US$2,804,993 (2021: US$22,556,560)]	423,577	3,471,908
	752,577	4,051,908
Less allowance for expected credit losses [note 28(b)(iv)(d)]	(430)	(576)
	752,147	4,051,332

	Company	
	2022	2021
	$'000	$'000
Denominated in Jamaica dollars	-	-
Denominated in United States dollars [US$ nil (2021: US$4,500,000)]	-	692,640
Less allowance for expected credit losses [note 28(b)(iv)(d)]	-	(9)
	-	692,631

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, 2022, securities that the group and company held under repurchase arrangements had a fair value of $1,052,283,000 (2021: $7,569,772,000) and $ nil (2021: $2,444,971,000), respectively.

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

6. Investment securities

	Group		Company	
	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000 Restated*
Investment securities at fair value through profit or loss:				
Unquoted equities	81,250	12,748	77,182	4,617
Quoted equities	349,628	574,655	348,931	573,090
Convertible preference shares [see note 35(b)]	-	-	-	-
	430,878	587,403	426,113	577,707
Amortised cost:				
Deferred shares	410,647	410,647	410,647	410,647
Corporate bonds	62,466	942,525	62,466	942,525
Government of Jamaica securities:				
Benchmark investment notes	63,478	63,457	63,478	63,457
US$ bonds [US$ 1,000,000 (2021: US$1,000,000]	151,008	153,920	151,008	153,920
	687,599	1,570,549	687,599	1,570,549
At fair value through other comprehensive income				
Quoted equities	808,350	873,120	-	-
Government of Jamaica securities:				
Treasury bills	2,003	-	-	-
Benchmark investment notes	5,617,917	6,775,020	-	-
US$ bonds [US$48,269,281 (2021: US$47,366,084)]	7,289,057	7,290,587	-	-
	12,908,977	14,065,607	-	-
Bank of Jamaica securities:				
J$ Certificates of deposit	-	455,983	-	-
Foreign government securities:				
US$ bonds [US$5,631,596 (2021: US$4,498,253)]	850,417	692,373	-	-
Other public sector securities [US$2,631,043 (2021: US$2,942,369)]	397,309	452,889	-	-
Corporate bonds [US$3,835,031 (2021: US$ $4,200,269)]	908,965	646,505	-	-
J$ Corporate bond	579,121	1,087,308	-	-
	1,488,086	1,733,813	-	-
	16,453,139	18,273,786	-	-
	17,571,616	20,431,737	1,113,712	2,148,256
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(11,381)	(31,926)	(11,381)	(31,926)
	17,560,235	20,399,811	1,102,331	2,116,330
Allowance for impairment on investments at FVOCI [note 28(b)(v)(d)]	77,832	101,729	-	-

* See note 35

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

6. Investment securities (continued)

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

	Group 2022					
	Within 3 months	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**No maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'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	-	-	-	-	808,350	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

	Group 2021 Restated*					
	Within 3 months	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**No maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment securities at fair value through profit or loss:						
Unquoted equities	-	-	-	-	12,748	12,748
Quoted equities	-	-	-	-	574,655	574,655
	-	-	-	-	587,403	587,403
At amortised cost:						
Deferred shares	-	-	410,647	-	-	410,647
Corporate bonds	-	-	882,138	60,387	-	942,525
Benchmark investment notes	-	-	63,457	-	-	63,457
US$ bonds	-	-	153,920	-	-	153,920
	-	-	1,510,162	60,387	-	1,570,549
At FVOCI:						
Quoted equities	-	-	-	-	873,120	873,120
Debt instruments:						
J$ Certificates of deposit	209,867	-	246,116		-	455,983
Benchmark investment notes	-	-	3,030,128	3,744,892	-	6,775,020
US$ bonds	866,091	-	772,120	5,652,376	-	7,290,587
Foreign government securities	-	-	157,768	534,605	-	692,373
Other public sector securities	-	-	414,222	38,667	-	452,889
Corporate bonds	-	204,931	882,399	646,483	-	1,733,813
	1,075,958	204,931	5,502,753	10,617,023	-	17,400,665
	1,075,958	204,931	7,012,915	10,677,410	1,460,523	20,431,737

* See note 35

6. Investment securities (continued)

Investment securities mature, in relation to the reporting date, as follows (continued):

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 $32,000,000 (2021: $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 $32,018,794 (2021: $32,002,997).

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

	Company			
	2021 Restated*			
	1 to 5 years	More than 5 years	No maturity	Total
	$'000	$'000	$'000	$'000
Investment securities at fair value through profit or loss:				
Unquoted equities	-	-	4,617	4,617
Quoted equities	-	-	573,090	573,090
	-	-	577,707	577,707
At amortised cost:			-	
Deferred shares	410,647	-	-	410,647
Corporate bonds	882,138	60,387		942,525
Benchmark investment notes	63,457	-	-	63,457
US$ bonds	153,920	-	-	153,920
	1,510,162	60,387	-	1,570,549
	1,510,162	60,387	577,707	2,148,256

* See note 35

6. Investment securities (continued)

Investment securities mature, in relation to the reporting date, as follows (continued):

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 $32,000,000 (2021: $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 $32,018,794 (2021: $32,002,997).

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Jamaica Stock Exchange	808,350	873,120	22,185	13,923

None of these investments were disposed of during the year ended December 31, 2022 (2021: Nil), and there were no transfers of any cumulative gains or losses within equity relating to these investments (2021: Nil). The change in fair value on these investments was $64,770,000 for the year ended December 31, 2022 (2021: $163,200,000).

Debt instruments designated at FVOCI

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

	Group	
	2022 $'000	2021 $'000
Balance at 1 January	17,400,665	14,165,392
New debt instruments originated or purchased	5,190,585	15,226,714
Debt instruments derecognised	(4,702,606)	(11,317,406)
Purchased (premiums)/discounts amortised	(256,370)	(233,860)
Fair value losses recognised during the year	(1,845,531)	(758,551)
Expected credit loss allowance	23,896	(3,305)
Effect of changes in foreign exchange rates	(165,850)	321,681
Balance at 31 December	15,644,789	17,400,665

7. Interest in associates

	Group and Company 2022 $'000	Group and Company 2021 $'000 Restated*
Carrying amount of interest in associates:		
Carilend Caribbean Holdings Ltd.	-	-
Kingston Properties Limited	1,626,437	-
	1,626,437	-

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, 2022 adjusted for fair value adjustments. The financial statements of Carilend are denominated in United States dollars.

	Group and Company 2022 $'000	Group and Company 2021 $'000 Restated*
Percentage ownership interest in Carilend	30%	30%
Non-current assets	1,034,215	94,136
Current assets	132,118	747,271
Total assets	1,166,333	841,407
Non-current liabilities	(1,573,032)	(1,224,568)
Current liabilities	(196,493)	(140,368)
Total liabilities	(1,769,525)	(1,364,936)
Net liabilities (100%)	(603,192)	(523,529)
Carrying amount of interest in Carilend	-	-
Revenue	255,837	148,008
Loss from continuing operations	91,998	110,796
Share of 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%.

7. Interest in associates (continued)

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. Further assessment revealed that the prior year's impairment assessment was not correctly performed in accordance with IAS 36 Impairment of Assets, and as such, the prior year's balance was also determined to be impaired. The impact of the impairment has been applied retrospectively by adjusting the opening balances of each affected financial statement line item, including interest income, for the earliest period presented [see note 35(d)].

The total of the unrecognised share of losses of the associate since the entity became an associate in August 2019 is $112,801,894 (2021:$105,979,588).

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Percentage ownership interest in Kingston Properties Limited	23%	-

	Group and Company
	2022
	$'000
Non-current assets	7,546,587
Current assets	1,278,626
Total assets	8,825,213
Non-current liabilities	(1,545,566)
Current liabilities	(208,183)
Total liabilities	(1,753,749)
Net Assets (100%)	7,071,464
Carrying amount of interest in KPREIT	1,626,437

Effective December 30, 2022, the company acquired 23% shareholding in Kingston Properties Limited (KPREIT). Accordingly, no share of profits has been recorded by the company in the current year.

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 company sold its two commercial properties valued at $1,050,000,000 to the VM Wealth Unit Trust Property Fund in exchange for 135,483,871 shares in KPREIT. The company had also acquired 67,895,963 shares in KPREIT during the current year. The fair value of the interest in KPREIT indicated by its quoted price on the Jamaica Stock Exchange as at 31 December 2022 is $1,726,694,790.

The balances are provisional as fair value of assets and liabilities for the purposes of this disclosure are yet to be established and are accordingly presented on a provisional basis.

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

8. Interest in subsidiary

	Company	
	2022 $'000	2021 $'000
Shares in subsidiary – Victoria Mutual Wealth Management Limited	1,009,500	109,500
	1,009,500	109,500

During the year, the company acquired an additional 112,500,000 ordinary shares in the wholly-owned subsidiary company at $8.00 per unit as issued and fully paid up for the amount of $900,000,000.

9. Loans receivable

	Group and Company	
	2022 $'000	2021 $'000
Margin loans	3,208,930	1,929,003
Corporate loans	2,337,600	1,580,877
Insurance premium financing	2,758	29,562
	5,549,288	3,539,442
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(81,908)	(57,176)
	5,467,380	3,482,266

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

	Group and Company	
	2022 $'000	2021 $'000
Balance at 1 January	3,539,442	1,858,855
New loans granted	3,075,023	3,411,034
Loan repayments	(1,063,123)	(1,736,280)
Effect of changes in foreign exchange rates	(2,054)	5,833
Balance at 31 December	5,549,288	3,539,442

10. Accounts receivable - others

	Group		Company	
	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000 Restated*
Interest receivable	281,010	294,511	7,552	20,656
Withholding tax and GCT recoverable, net	182,518	130,902	85,869	74,940
Dividends receivable	3,853	-	3,853	-
Other receivables and prepaid expenses	133,297	68,161	46,355	2,219
	600,678	493,574	143,629	97,815

*See note 35

11. Deferred tax asset/(liability)

	Group 2022			
	Balance at beginning of year $'000	Recognised in other comprehensive income $'000	Recognised in income (note 27) $'000	Balance at end of year $'000
Property, plant and equipment	23,617	-	8,620	32,237
Investment securities	336,878	615,177	108,270	1,060,325
Interest receivable	(93,586)	-	(5,459)	(99,045)
Dividend receivable	(538)	-	-	(538)
Interest payable	52,555	-	5,990	58,545
Accrued vacation leave	827	-	605	1,432
Employee benefit obligation	8,166	(5,267)	(4,000)	(1,101)
Finance leases	(1,173)	-	9,427	8,254
Lease liabilities	3,635	-	334	3,969
Unrealised foreign exchange losses	2,978	-	(6,893)	(3,915)
	333,359	609,910	116,894	1,060,163

	Group 2021			
	Balance at beginning of year $'000	Recognised in other comprehensive income $'000	Recognised in income (note 27) $'000	Balance at end of year $'000
Property, plant and equipment	29,817	-	(6,200)	23,617
Investment securities	58,782	252,850	31,575	343,207
Interest receivable	(82,882)	-	(16,942)	(99,824)
Dividend receivable	(185)	-	(353)	(538)
Interest payable	41,082	-	11,473	52,555
Accrued vacation leave	1,174	-	(347)	827
Employee benefit obligation	13,833	(3,500)	(2,167)	8,166
Finance leases	(2,044)	-	871	(1,173)
Lease liabilities	2,977	-	658	3,635
Unrealised foreign exchange losses	(18,471)	-	21,358	2,887
	44,083	249,350	39,926	333,359

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

11. Deferred tax asset/(liability) (continued)

	Company				
	Balance at December 31, 2020	Recognised in income (note 28)	Balance at December 31, 2021	Recognised in income (note 27)	Balance at December 31, 2022
	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	-	-	-	(619)	(619)
Interest receivable	(3,379)	(6,688)	(10,067)	1,770	(8,297)
Investment securities	17,255	(32,736)	(15,481)	22,976	7,495
Finance leases	(2,044)	871	(1,173)	9,427	8,254
Interest payable	1,513	9,659	11,172	(1,432)	9,740
Tax losses	-	(3,769)	(3,769)	3,769	-
	13,345	(32,663)	(19,318)	35,891	16,573

12. Property, plant and equipment

	Group				
	Leasehold property	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
December 31, 2020	99,275	36,050	110,462	30,600	276,387
Additions	745,701	769	1,248	-	747,718
December 31, 2021	844,976	36,819	111,710	30,600	1,024,105
Additions	2,020	40	977	516	3,553
Disposals	(747,721)	-	-	-	(747,721)
December 31, 2022	99,275	36,859	112,687	31,116	279,937
Depreciation:					
December 31, 2020	22,229	17,442	23,049	24,480	87,200
Charge for the year	11,303	4,553	10,753	2,098	28,707
December 31, 2021	33,532	21,995	33,802	26,578	115,907
Charge for the year	19,948	4,496	10,433	1,713	36,590
Eliminated on disposal	(8,645)	-	-	-	(8,645)
December 31, 2022	44,835	26,491	44,235	28,291	143,852
Net book values:					
December 31, 2022	54,440	10,368	68,452	2,825	136,085
December 31, 2021	811,444	14,824	77,908	4,022	908,198

Effective December 30, 2022, the company sold two commercial properties valued at $1,050,000,000 to the VM Wealth Unit Trust Property Fund in exchange for 135,483,871 shares in KPREIT (note 7). The disposal was a swap transaction with VM Wealth Unit Trust Property Fund (the Fund Manager being the wholly-owned subsidiary of the company). The net book value for the two properties sold totaled $739,076,000.

12. Property, plant and equipment (continued)

	Company
	Freehold land and building
	$'000
Cost:	
December 31, 2021	745,701
Additions	2,020
Disposals	(747,721)
December 31, 2022	-
Depreciation:	
December 31, 2021	-
Charge for the year	8,645
Eliminated on disposal	(8,645)
December 31, 2022	-
Net book values:	
December 31, 2022	-
December 31, 2021	745,701

13. Intangible asset – computer software

	Group
	$'000
Cost:	
December 31, 2020	400,513
Additions	6,459
December 31, 2021	406,972
Additions	170,218
December 31, 2022	577,190
Amortisation:	
December 31, 2020	173,581
Charge for the year	50,312
December 31, 2021	223,893
Charge for the year	52,820
December 31, 2022	276,713
Netbook values	
December 31, 2022	300,477
December 31, 2021	183,079

13. Intangible asset – computer software (continued)

	Company
	$'000
Cost:	
December 31, 2021	29
Additions	41,875
December 31, 2022	41,904
Amortisation:	
December 31, 2021	29
Charge for the year	515
December 31, 2022	544
Net book values:	
December 31, 2022	41,360
December 31, 2021	-

14. Accounts payable – other

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Payable to unit trust funds	383,697	271,315	383,697	271,315
Interest payable	185,380	168,842	38,961	44,688
Other payables and accrued expenses	648,148	523,063	403,689	288,103
	1,217,225	963,220	826,347	604,106

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	
	2022	**2021**
	$'000	**$'000**
Denominated in Jamaica dollars	5,027,397	6,684,222
Denominated in United States dollars [US$69,942,500 (2021: US$84,232,321)]	10,561,894	12,965,048
	15,589,291	19,649,270

	Company	
	2022	**2021**
	$'000	**$'000**
Denominated in Jamaica dollars	60,000	60,000
Denominated in United States dollars [(US$895,000) (2021: US$895,000)]	135,152	137,758
	195,152	197,758

At December 31, 2022, 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 carrying value of $16,463,321,000 (2021: $21,802,317,000) for the group and $214,486,000 (2021:$ 217,377,000) 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.

16. Employee benefit obligation (continued)

(a) Pensions (continued)

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, 2020, indicated that it is adequately funded. The group's contribution to the plans for the year amounted to $10,712,000 (2021: $7,683,000) as set out in note 25.

(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 as follows:

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

	2022	**2021**
	$'000	**$'000**
Balance at beginning of year	32,700	39,200
Interest cost	2,600	3,600
Current service cost	500	1,000
Benefits paid	(700)	(600)
Experience adjustments and actuarial gains	(15,800)	(10,500)
Net credit in profit or loss and OCI	(13,400)	(6,500)
Balance at end of year	19,300	32,700

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

	2022	**2021**
	$'000	**$'000**
Current service cost	500	1,000
Interest on obligation	2,600	3,800
Benefits paid	(700)	(600)
	2,400	4,200

16. Employee benefit obligation (continued)

(b) Medical obligation (continued)

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

	2022	2021
	%	%
Discount rate	13.00	8.00
Medical premiums growth	7.50	7.00

(iv) As at December 31, 2022, the weighted average duration of the employee benefit obligation was 16 years (2021: 21 years).

(v) Sensitivity analysis

A one percentage (2021: a half 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:

	2022		2021	
	1.0% increase	1.0% decrease	0.5% increase	0.5% decrease
	$'000	$'000	$'000	$'000
Discount rate	(17,200)	22,000	(29,900)	35,800
Assumed medical cost trend rate	22,000	(17,200)	35,800	(29,200)

17. Borrowings

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Fixed and variable unsecured bonds (i)	4,680,524	3,227,490	4,592,587	3,174,781
Fixed rate credit linked note (ii)	410,647	410,647	410,647	410,647
Variable rate unsecured bond (iii)	1,000,000	1,000,000	1,000,000	1,000,000
Other loans (iv)	1,402,947	883,827	1,402,947	883,827
	7,494,118	5,521,964	7,406,181	5,469,255

(i) These are comprised of seven fixed rate unsecured bonds and one variable rate unsecured bond issued by the company. Two bonds issued in 2021 are as follows, less their transactional costs:

$2,292,609,376 fixed rate 5.5% with a maturity date of January 16, 2023
$727,412,255 fixed rate 5.5% with a maturity date of April 30, 2023

17. Borrowings (continued)

(i) (Continued)

Four bonds were issued by the company in 2022 from a J$2.5 billion bond issue; balances below are shown less their transaction costs:

- Tranche A -$197,702,682 fixed rate 6.5% with a maturity date of September 30, 2023
- Tranche B - $164,270,840 fixed rate 6.75% with a maturity date of March 31, 2024
- Tranche C - $624,991,008 variable rate (2.5% plus 6 months WATBY) with a maturity date of March 31, 2024
- Tranche D - $319,399,798 fixed rate 8.75% with a maturity date of October 23, 2029

Funds of $266,201,180, net of transaction costs, were received in December 2022 from a J$5.8 billion bond raise.

(ii) The note attracts interest at 6.5% per annum paid quarterly. The principal is repayable in 2023 and is secured by deferred shares issued by the ultimate parent society.

(iii) The bond attracts interest at 7.75% per annum for the first two years and thereafter at a variable rate of 2.5 percentage points above the weighted average yield rate applicable to the six-month treasury bill rate. The bond matures on March 9, 2023 and is unsecured.

(iv) These are comprised of the following:

Two loans from the Development Bank of Jamaica received in October of 2021 for the total of $652,946,800 and attracting an interest rate of 5.75%. The loans are broken down as follows:

- $550,000,000 with a maturity period of 5 years with monthly interest payments and an initial two-year principal payment moratorium.

- $102,946,800 with a maturity period of 2 years requiring interest only monthly payments and principal payment due upon maturity.

A third loan of $750,000,000 from the Development Bank of Jamaica, received in November 2022 and attracting an interest rate of 7.5% per annum for 2 years.

17. Borrowings (continued)

	Group			
	2022		2021	
	Face Value	Carrying Amount	Face Value	Carrying
	$'000	$'000	$'000	$'000
Fixed and variable unsecured bonds (i)	4,622,350	4,680,524	3,221,772	3,227,490
Fixed rate credit linked note (ii)	410,647	410,647	410,647	410,647
Variable rate unsecured bond (iii)	1,000,000	1,000,000	1,000,000	1,000,000
Other loans (iv)	1,402,947	1,402,947	883,827	883,827
	7,435,944	7,494,118	5,516,246	5,521,964

	Company			
	2022		2021	
	Face Value $'000	Carrying Amount $'000	Face Value $'000	Carrying $'000
Fixed and variable unsecured bonds (i)	4,622,350	4,592,587	3,221,772	3,174,781
Fixed rate credit linked note (ii)	410,647	410,647	410,647	410,647
Variable rate unsecured bond (iii)	1,000,000	1,000,000	1,000,000	1,000,000
Other loans (iv)	1,402,947	1,402,947	883,827	883,827
	7,435,944	7,406,181	5,516,246	5,469,255

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

	Group		
	2022		
	Borrowings	Other loans	Total borrowings & other loans
	$'000	$'000	$'000
Balance as at 1 January 2022	4,638,137	883,827	5,521,964
Proceeds from loans and borrowings	1,623,268	750,000	2,373,268
Repayment of loans and borrowings	(196,000)	(230,880)	(426,880)
	6,065,405	1,402,947	7,468,352
Other changes:			
Capitalised borrowing costs	25,766	-	25,766
Balance as at 31 December 2022	6,091,171	1,402,947	7,494,118

17. Borrowings (continued)

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

	Group 2021		
	Borrowings	Other loans	Total borrowings & other loans
	$'000	$'000	$'000
Balance at 1 January 2021	3,042,641	-	3,042,641
Proceeds from loans and borrowings	3,071,676	884,948	3,956,624
Repayment of loans and borrowings	(1,497,471)	-	(1,497,471)
	4,616,846	884,948	5,501,794
Effect of changes in foreign exchange	-	(1,121)	(1,121)
Other changes:			
Capitalised borrowing costs	21,291	-	21,291
Balance as at 31 December 2021	4,638,137	883,827	5,521,964

	Company 2022		
	Borrowings	Other loans	Total borrowings & other loans
	$'000	$'000	$'000
Balance as at 1 January 2022	4,585,428	883,827	5,469,255
Proceeds from loans and borrowings	1,588,040	750,000	2,338,040
Repayment of loans and borrowings	(196,000)	(230,880)	(426,880)
	5,977,468	1,402,947	7,380,415
Other changes:			
Capitalised borrowing costs	25,766	-	25,766
Balance as at 31 December 2022	6,003,234	1,402,947	7,406,181

17. Borrowings (continued)

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

	Company		
	2021		
	Borrowings	Other loans	Total borrowings & other loans
	$'000	$'000	$'000
Balance at 1 January 2021	3,035,836	-	3,035,836
Proceeds from loans and borrowings	3,025,772	884,948	3,910,720
Repayment of loans and borrowings	(1,497,471)	-	(1,497,471)
	4,564,137	884,948	5,449,085
Effect of changes in foreign exchange	-	(1,121)	(1,121)
Other changes:			
Capitalised borrowing costs	21,291	-	21,291
Balance as at 31 December 2021	4,585,428	883,827	5,469,255

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	
	2022 $'000	2021 $'000
Balance at January 1,	99,275	99,275
Depreciation at January 1	33,531	22,229
Depreciation charge for the year	11,303	11,303
	44,834	33,532
Balance at December 31	54,441	65,743

18. Leases (continued)

(a) Leases as lessee (continued)

(ii) Lease liabilities:

Undiscounted cashflows of lease liabilities

	Group	
	2022	**2021**
	$'000	**$'000**
Less than one year	17,506	17,506
One to five years	59,418	69,163
More than five years	7,760	15,521
	84,684	102,190
Less future interest charges	(18,339)	(25,540)
Carrying amount of lease liabilities	66,345	76,650
Current	11,384	9,662
Non-current	54,961	66,988
	66,345	76,650

(iii) Amounts recognised in profit or loss

	Group	
	2022	**2021**
	$'000	**$'000**
Leases under IFRS 16:		
Interest on lease liabilities (note 22)	7,201	8,178
Expenses relating to short-term leases	-	-
	7,201	8,178

(iv) Amounts recognised in statement of cash flows

	Group	
	2022	**2021**
	$'000	**$'000**
Lease interest payments	7,201	8,178
Lease principal payments	10,305	9,328
Total cash outflow for leases	17,506	17,506

18. Leases (continued)

(a) Leases as lessee (continued)

(v) 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.

(b) 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 $11,711,000 (2021: $9,050,000); see note 22. The allowance for impairment on finance leases receivable was $2,810,000 (2021: $3,577,000).

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	
	2022	**2021**
	$'000	**$'000**
Gross investment in finance leases, receivable:		
2022	-	37,785
2023	50,856	38,377
2024	46,433	39,179
2025	42,778	37,136
2026	19,735	14,911
2027	1,226	-
	161,028	167,388
Unearned finance income	(29,566)	(11,552)
Net investment in finance leases	131,462	155,836

19. Share capital

	2022	**2021**
	$'000	**$'000**
Authorised:		
5,000,000,000 (2021: 5,000,000,000) ordinary shares at no par value		
Issued and fully paid:		
1,500,025,000 (2021: 1,500,025,000) ordinary shares	713,262	713,262
Less: share issuance costs	(5,375)	(5,375)
	707,887	707,887

19. Share capital (continued)

(a) On November 9, 2017, a resolution was passed increasing the authorised share capital of the company from 24,000,400 ordinary shares to 5,000,000,000 ordinary shares at no par value.

By way of the said resolution, the major shareholder declared that each of the issued ordinary shares of the company be sub-divided into 50 ordinary stocks (50:1).

On December 27, 2017, the company issued 300,005,000 ordinary shares at a total value of $689,262,000 to the public through an initial public offering.

(b) The issued share capital does not include premium of $24,000,000 (2019: $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.

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 accumulated actuarial gains or losses arising from the remeasurement of the post-retirement medical benefit obligation, net of deferred taxes.

21. Non-controlling interest

This represents convertible preference shares in the subsidiary company, issued to the ultimate parent society.

The holders of this category of preference shares have the right to convert each preference share to one ordinary share. 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 (2021: 50,000,000).

22. Net interest income

	Group		Company	
	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000 Restated*
Interest income calculated using the effective interest method:				
Investment securities at FVOCI	847,230	706,772	-	-
Investment securities at amortised cost	48,571	105,396	48,571	105,396
Resale agreements at amortised cost	93,652	110,735	2,365	1,815
Loan receivables at amortised cost	410,461	204,666	402,334	203,162
	1,399,914	1,127,569	453,270	310,373
Interest income on finance leases	11,711	9,050	11,711	9,050
	1,411,625	1,136,619	464,981	319,423
Interest expense:				
Repurchase agreements	(730,658)	(563,004)	(7,715)	(1,894)
Loans and borrowings	(420,728)	(196,223)	(414,521)	(196,223)
	(1,151,386)	(759,227)	(422,236)	(198,117)
Lease liabilities	(7,201)	(8,178)	-	-
	(1,158,587)	(767,405)	(422,236)	(198,117)
Net interest income	253,038	369,214	42,745	121,306

23. Gains from investment activities

	Group		Company	
	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000 Restated*
Fixed income securities at FVOCI	618,488	545,570	-	-
Fixed income securities at amortised cost	(872)	37,287	(872)	37,287
Convertible preference shares at FVTPL	-	(98,617)	-	(98,617)
Property/share swap (note 7)	285,696	-	285,696	-
Equities at FVTPL	93,666	171,492	98,517	167,366
Unit trust funds at FVTPL	-	1,004	-	953
Net foreign exchange translation (losses)/gains	(212)	13,420	(4,937)	(3,577)
	996,766	670,156	378,404	103,412

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

* See note 35

24. Net fees and commissions

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
		Restated*		Restated*
Fee and commission income:				
Brokerage activities	70,941	53,551	-	-
Corporate advisory services	509,710	313,047	-	-
Portfolio management fees - unit trust funds	337,460	334,892	-	-
Portfolio management services - other	65,225	65,169	-	-
Commitment fees on loans	35,940	27,795	35,940	27,795
Other	4	6,353	-	-
	1,019,280	800,807	35,940	27,795
Fee and commission expenses:				
Corporate advisory services	(7,520)	(8,851)	-	-
Net fees and commissions	1,011,760	791,956	35,940	27,795

25. Staff costs

	Group	
	2022	2021
	$'000	$'000
Salaries and wages	656,657	561,620
Statutory payroll contributions	48,078	36,926
Pension plan contributions [note 16(a)]	10,712	7,683
Post-employment medical benefit [note 16(b)(ii)]	2,400	4,200
Allowances and other benefits	46,828	38,190
	764,675	648,619

* See note 35

26. Other operating costs

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Advertising and public relations	75,896	35,862	10,100	2,880
Asset tax	57,477	60,396	-	-
Audit fees – current	33,292	36,054	10,088	11,534
Bank charges	11,737	8,458	282	379
Communication and courier	14,964	13,004	-	-
Depreciation and amortisation	89,410	79,018	9,160	-
Directors' fees	26,226	22,987	15,170	13,023
Financial Services Commission fees	8,240	13,350	-	-
Irrecoverable GCT	9,239	11,882	-	-
JCSD charges	10,216	4,307	10,216	4,307
JSE charges	8,684	-	8,684	-
Legal and other professional fees	115,863	23,033	84,031	38,094
Outsourced services	59,444	56,717	-	-
Postage and telegraph	-	2,750	-	-
Rent, maintenance and utilities	57,447	39,658	-	-
Software maintenance and IT expenses	79,451	68,293	-	-
Stationery and office supplies	-	2,843	-	-
Trustee fees – retail repurchase agreements	6,328	6,684	-	-
Management fees	-	-	60,776	63,694
Other expenses	92,411	59,147	24,434	681
	756,325	544,443	232,941	134,592

27. Income tax

(a) The charge for income tax is computed at statutory tax rate of 33⅓% (2021: 33⅓%) of the profit for the year for the subsidiary company and 25% (2021: 25%) for the company, as adjusted for tax purposes, and is made up as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
		Restated*		**Restated***
(i) Current income tax				
Current year	311,816	258,113	42,914	29,148
(ii) Deferred income tax (note 11)				
Origination and reversal of temporary differences	(116,894)	(39,926)	(35,891)	32,663
Total income tax charge	194,922	218,187	7,023	61,811

* See note 35

27. Income tax (continued)

(b) The effective tax rate for 2022 was 21.98% (2021 restated: 33.15%) for the group and 2.26% (2021 restated: 16.47%) for the company of pre-tax profits. The actual tax charge differs from the theoretical tax charge for the year, as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
		Restated*		**Restated***
Profit before income tax	886,777	658,219	310,707	375,220
Tax calculated at a rate of:				
25%	77,677	93,805	77,677	93,805
33⅓%	203,767	193,661	-	-
Adjusted for the effects of:				
Income not subject to tax	(115,160)	(183,088)	(76,875)	(58,297)
Expenses not deductible for tax purposes	39,810	77,099	17,393	5,366
Other	(11,172)	36,710	(11,172)	20,937
Actual tax charge	194,922	218,187	7,023	61,811

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.

* See note 35

28. Financial instruments-risk management (continued)

(a) Introduction and overview (continued)

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.

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.

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(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 broker/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.

- 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.

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(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, FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Debt securities at FVOCI:

	Group	
	2022	
	Stage 1 12-month ECL	**Total**
	$'000	**$'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 28(b)(v)(d)]	(77,832)	(77,832)

	Group	
	2021	
	Stage 1 12-month ECL	**Total**
	$'000	**$'000**
Credit grade		
Investment Grade	453,872	453,872
Non-investment Grade	16,946,793	16,946,793
	17,400,665	17,400,665
Loss allowance [note 28(b)(v)(d)]	(101,729)	(101,729)

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(iv) Maximum exposure to credit risk and credit quality analysis (continued)

Resale agreements, loans receivable and debt securities at amortised cost:

	Group			
	2022			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**
	$'000	**$'000**	**$'000**	**$'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)
	6,737,013	487,751	1,892	7,226,656

	Group			
	2021			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Credit grade				
Non-Investment grade	8,988,737	286,454	25,208	9,300,399
Loss allowance [note 28(b)(v)(d)]	(58,338)	(9,795)	(25,122)	(93,255)
	8,930,399	276,659	86	9,207,144

	Company			
	2022			
	Stage 1 Lifetime ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Credit grade				
Non-Investment grade	5,837,436	494,079	-	6,331,515
Default	-	-	41,939	41,939
Loss allowance [note 28(b)(v)(d)]	(49,725)	(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)

(iv) Maximum exposure to credit risk and credit quality analysis (continued)

Resale agreements loans receivable and debt securities at amortised cost: (continued)

	Company			
	2021			
	Stage 1 Lifetime ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Credit grade				
Non-Investment grade	5,629,469	286,454	-	5,915,923
Default	-	-	25,208	25,208
Loss allowance [note 28(b)(v)(d)]	(57,771)	(9,795)	(25,122)	(92,688)
	5,571,698	276,659	86	5,848,443

(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.
- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

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:

(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.

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.

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)

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.

Credit risk is deemed to increase significantly where the probability of default on a security or a loan has moved by six (6) basis points.

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.

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.

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(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.

For the economic scenarios used as at December 31, 2022 and 2021, the following key indicators represent scores used to adjust the forward-looking information for Jamaica for the years 2022 and 2023:

	2022	2023
Unemployment rates	6.9%	7.6%
Base	0.6	0.6
Upside	0.3	0.3
Downside	0.6	0.6
Interest rates	7.0%	6.5%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.2	0.2

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(b) Incorporation of forward-looking information (continued)

For the economic scenarios used as at December 31, 2022 and 2021, the following key indicators represent scores used to adjust the forward-looking information for Jamaica for the years 2022 and 2023 (continued):

	2022	2023
GDP growth	2.4%	2.0%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.3	0.3
Inflation rates	8.5%	6.3%
Base	0.1	0.1
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.

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (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.

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(d) Loss allowance (continued)

Debt securities at FVOCI:

	Group
	2022
	Stage 1 12-month ECL
	$'000
Balance as at January 1, 2021	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, 2022	77,875

	Group
	2021
	Stage 1 12-month ECL
	$'000
Balance as at January 1, 2021	97,311
Adjustment to fair value reserve	1,113
New financial assets originated or purchased	46,494
Financial assets derecognised during the year	(16,969)
Foreign exchange adjustment	5,922
Changes in models/assumptions used in ECL calculation	(32,142)
Net remeasurement of loss allowance	3,305
	4,418
Balance as at December 31, 2021	101,729

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:

	Group			
	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Balance as at January 1, 2021	58,338	9,795	25,122	93,255
Transfer from stage 1 to stage 2	(2,735)	2,735	-	-
Transfer from stage 2 to stage 1	-	-	-	-
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

	Group			
	2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Balance as at January 1, 2021	26,682	39,846	25,175	91,703
Transfer from stage 1 to stage 2	(497)	497	-	-
Transfer from stage 2 to stage 1	2,653	(2,653)	-	-
New financial assets originated/purchased	40,236	9,380	-	49,616
Financial assets derecognised during the year	(1,403)	(37,004)	-	(38,407)
Changes to inputs used in ECL calculation	(9,333)	(271)	(53)	(9,657)
Net remeasurement of loss allowance	31,656	(30,051)	(53)	1,552
Balance as at December 31, 2021	58,338	9,795	25,122	93,255

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(d) Loss allowance (continued)

Debt securities at amortised cost:

	Company			
	2022			
	Stage 1 **12-month ECL**	**Stage 2** **Lifetime ECL**	**Stage 3** **Lifetime ECL**	Total
	$'000	$'000	$'000	$'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	-	-
Transfer from stage 2 to stage 1	-	-	-	-
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

	Company			
	2021			
	Stage 1 **12-month ECL**	**Stage 2** **Lifetime ECL**	**Stage 3** **Lifetime ECL**	Total
	$'000	$'000	$'000	$'000
Balance as at January 1, 2021	26,180	39,846	25,175	91,201
Transfer from stage 1 to stage 2	(497)	497		-
Transfer from stage 2 to stage 1	2,653	(2,653)	-	-
New financial assets originated/purchased	39,660	9,380	-	49,040
Financial assets derecognised during the year	(892)	(37,004)	-	(37,896)
Changes in inputs used in ECL calculations	(9,333)	(271)	(53)	(9,657)
Net remeasurement of loss allowance	31,591	(30,051)	(53)	1,487
Balance as at December 31, 2021	57,771	9,795	25,122	92,688

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 75.32% (2021: 63.37%).

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.

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

The following table presents the undiscounted cash flows payable on the group's financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

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 $5,800,000,000 issued by the company have been used to finance maturing bonds. The group is also able to meet unexpected net cash outflows by selling securities and accessing funding from the ultimate parent society and from other financial institutions.

	Group 2022				
	Within 3 months	**3 to 12 months**	**Over 12 months**	**Contractual cash flows**	**Carrying amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
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
	18,080,524	5,910,478	2,512,900	26,503,902	25,958,554

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

	Group 2021 Restated				
	Within 3 months	**3 to 12 months**	**Over 12 months**	**Contractual cash flows**	**Carrying amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings	270,767	245,376	5,481,790	5,997,933	5,521,964
Accounts payable	1,703,549	-	-	1,703,549	1,703,549
Repurchase agreements, including interest	14,984,017	4,793,265	189,052	19,966,334	19,649,270
Lease liabilities	4,377	13,130	84,684	102,191	76,650
Due to ultimate parent society	216,040	-	-	216,040	216,040
	17,178,750	5,051,771	5,755,526	27,986,047	27,167,473

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

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

	Company				
	2022				
	Within 3 months	3 to 12 months	Over 12 months	Contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000
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 and accruals	826,272	-	-	826,272	826,272
Repurchase agreements, including interest	195,456	-	-	195,456	195,227
	5,116,972	1,515,490	2,445,722	9,078,184	8,732,078

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

	Company				
	2021 Restated				
	Within 3 months	3 to 12 months	Over 12 months	Contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000
Due to ultimate parent society	122,137	-	-	122,137	122,137
Due to subsidiary	415,592	-	-	415,592	415,592
Borrowings	270,767	245,377	5,481,790	5,997,934	5,469,255
Accounts payable and accruals	604,106	-	-	604,106	604,106
Repurchase agreements, including interest	199,121	-	-	199,121	198,150
	1,611,723	245,377	5,481,790	7,338,890	6,809,240

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.

28. Financial instruments-risk management (continued)

(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;
- Disposing of securities deemed most volatile based on historical trading patterns, especially those most susceptible to the negative implications of the pandemic; and
- Disposing of select long dated securities to reduce portfolio duration.
- Foreign currency risk

(i) 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.

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

At the reporting date, the group's exposure to foreign currency risk was as follows, in nominal amounts:

	Group		Company	
	2022 US$'000	2021 US$'000 Restated*	2022 US$'000	2021 US$'000 Restated*
Foreign currency assets:				
Cash and cash equivalents	6,818	3,392	934	362
Resale agreements	2,787	24,433	-	-
Investment securities	61,305	59,041	1,031	1,000
Loans receivable	705	-	705	-
Accounts receivable	10,341	6,945	1,528	53
	81,956	93,811	4,198	1,415
Foreign currency liabilities:				
Borrowings	-	1,500	-	1,500
Accounts payable	16,624	2,760	3,889	380
Repurchase agreements	69,943	88,732	895	895
	86,567	92,992	4,784	2,775
Net foreign currency (liabilities)/assets	(4,611)	819	(586)	(1,360)

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:

	2022	2021
United States dollar	151.0082	153.9200

* See note 35

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements:

A 1% strengthening (2021: 2%) and a 4% weakening (2021: 8%) of the Jamaica dollar against the United States dollar at December 31, 2022 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 2021.

	Group			
	2022		2021 Restated	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:				
US$	1% Revaluation	6,963	2% Revaluation	(2,521)
US$	4% Devaluation	(27,852)	8% Devaluation	10,085

	Company			
	2022		2021 Restated	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:				
US$	1% Revaluation	885	2% Revaluation	4,185
US$	4% Devaluation	(3,538)	8% Devaluation	(16,740)

(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.

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Group				
	2022				
	Within 3 months	3 to 12 months	Over 12 months	Non-rate sensitive	Total
	$'000	$'000	$'000	$'000	$'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	-	-	-	926,487	926,487
Net investment in finance leases	3,353	-	128,109	-	131,462
Total financial assets	**2,203,875**	**1,030,673**	**19,447,123**	**3,348,289**	**26,029,960**
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	-	-	-	2,367,078	2,367,078
Total financial liabilities	**15,175,351**	**5,552,595**	**2,355,463**	**2,875,145**	**25,958,554**
Total interest sensitivity gap*	**(12,971,476)**	**(4,521,922)**	**17,091,660**	**473,144**	**71,406**
Cumulative gap	**(12,971,476)**	**(17,493,398)**	**(401,738)**	**71,406**	**-**

	Group				
	2021 Restated				
	Within 3 months	3 to 12 months	Over 12 months	Non-rate sensitive	Total
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	700	-	-	683,377	684,077
Resale agreements	3,697,988	353,344	-	-	4,051,332
Loans receivable	190,689	425,364	2,866,213	-	3,482,266
Investment securities	3,096,188	1,333,047	14,521,031	1,449,545	20,399,811
Accounts receivable	-	-	-	720,654	720,654
Net investment in finance leases	9,755	28,531	117,550	-	155,836
Total financial assets	**6,995,320**	**2,140,286**	**17,504,794**	**2,853,576**	**29,493,976**
Lease liabilities	-	-	-	76,650	76,650
Repurchase agreements	14,921,853	4,727,417	-	-	19,649,270
Borrowings	196,000	-	5,325,964	-	5,521,964
Due to ultimate parent society	-	-	-	216,040	216,040
Accounts payable	-	-	-	1,703,549	1,703,549
Total financial liabilities	**15,117,853**	**4,727,417**	**5,325,964**	**1,996,239**	**27,167,473**
Total interest sensitivity gap*	**(8,122,533)**	**(2,587,131)**	**12,178,830**	**857,337**	**2,326,503**
Cumulative gap	**(8,122,533)**	**(10,709,664)**	**1,469,166**	**2,326,503**	**-**

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Company 2022				
	Within 3 months	3 to 12 months	Over 12 months	Non-rate sensitive	Total
	$'000	$'000	$'000	$'000	$'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	-	-	-	143,629	143,629
Total financial assets	**193,630**	**819,888**	**5,270,519**	**777,373**	**7,061,410**
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**	**(353,372)**	**(1,670,668)**
Cumulative gap	**(3,704,778)**	**(4,232,352)**	**(1,317,296)**	**(1,670,668)**	**(-)**

	Company 2021 Restated				
	Within 3 months	3 to 12 months	Over 12 months	Non-rate sensitive	Total
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	-	-	-	114,443	114,443
Investment securities	-	882,000	667,600	566,730	2,116,330
Net investment in finance leases	9,755	28,531	117,550	-	155,836
Resale agreements	692,631	-	-	-	692,631
Loans receivable	190,689	425,364	2,866,213	-	3,482,266
Other receivables	-	-	-	97,815	97,815
Total financial assets	**893,075**	**1,335,895**	**3,651,363**	**778,988**	**6,659,321**
Borrowings	196,000	-	5,273,255	-	5,469,255
Accounts payable	-	-	-	604,106	604,106
Repurchase agreements	197,758	-	-	-	197,758
Due to ultimate parent society	-	-	-	122,137	122,137
Due to subsidiary company	-	-	-	415,592	415,592
Total financial liabilities	**393,758**	**-**	**5,273,255**	**1,141,835**	**6,808,848**
Total interest sensitivity gap*	**499,317**	**1,335,895**	**(1,621,892)**	**(362,847)**	**(149,527)**
Cumulative gap	**499,317**	**1,835,212**	**213,320**	**(149,527)**	**(-)**

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

* The total gap relates to financial instruments recognised in the statement of financial position as there are no unrecognised financial instruments.

Average effective yields by the earlier of contractual re-pricing and maturity dates are as follows:

	Group			
	Within 3 months	**3 to 12 months**	**Over 12 months**	**Overall average**
December 31, 2022:	%	%	%	%
Assets				
J$ Cash and cash equivalents	0.05	-	-	0.05
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

	Group			
	Within 3 months	**3 to 12 months**	**Over 12 months**	**Overall average**
December 31, 2021:	%	%	%	%
Assets				
J$ Cash and cash equivalents	0.05	-	-	0.05
US$ Cash and cash equivalents	0.30	-	-	0.30
J$ Resale agreements	2.48	-	-	2.48
US$ Resale agreements	2.37	-	-	2.37
J$ Investment securities	2.00	3.47	5.59	5.39
US$ Investment securities	11.63	-	7.27	7.29
J$ Margin loans	9.02	9.20	8.61	8.94
US$ Margin loans	-	-	-	-
Net investment in finance leases	7.75	7.75	7.75	7.75
Liabilities				
Borrowings	5.43	5.41	5.41	5.42
J$ Repurchase agreements	3.38	4.31	-	3.57
US$ Repurchase agreements	2.94	4.06	-	3.21

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Average effective yields by the earlier of contractual repricing and maturity dates are as follows (continued):

	Company			
	Within 3 months	3 to 12 months	Over 12 months	Overall average
December 31, 2022:	%	%	%	%
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
December 31, 2021:	%	%	%	%
Assets				
J$ Cash and cash equivalents	0.05	-	-	0.05
US$ Cash and cash equivalents	0.30	-	-	0.30
J$ Margin loans	9.02	9.20	8.61	8.94
US$ Margin loans	-	-	-	-
US$ resale agreements	2.18			2.18
J$ Investments	-	7.50	7.20	7.35
US$ Investments	-	-	3.75	3.75
Net investment in finance leases	7.75	7.75	7.75	7.75
Liabilities				
J$ Repurchase agreements	2.20	-	-	2.00
US$ Repurchase agreements	3.00	-	-	3.00
Borrowings	5.43	5.41	5.41	5.42

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 2021.

	2022	2021
J$ interest rates	Increase by 100 bps	Increase by 300 bps
	Decrease by 50 bps	Decrease by 50 bps
US$ interest rates	Increase by 100 bps	Increase by 100 bps
	Decrease by 50 bps	Decrease by 100 bps

2022			2021		
Change in basis points	Effect on profit	Effect on equity	Change in basis points	Effect on profit	Effect on equity
JMD / USD	**$'000**	**$'000**	**JMD / USD**	**$'000**	**$'000**
+100 /+100	(87,772)	(910,060)	+300 /+100	(23,499)	(1,522,797)
-50 /-50	43,861	392,708	-50 /-100	89,751	865,353

(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's equity securities that are listed on the Jamaica Stock Exchange total $1,157,978,000 (2021: $1,397,774,000). An increase or decrease of 6% (2021: 10%) in share prices would result in an increase or an equal decrease, respectively, in profit of $62,936,000 (2021: $56,417,000) and an increase or equal decrease in other comprehensive income of $48,501,000 (2021: $43,656,000).

28. Financial instruments-risk management (continued)

(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.

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

	2022	**2021**
	$'000	**$'000**
Tier 1 Capital	3,148,844	2,632,234
Tier 2 Capital	71,800	61,267
Total regulatory capital	3,220,644	2,693,501
Risk-Weighted Assets:		
On statement of financial position	17,431,713	17,588,349
Foreign exchange exposure	609,088	112,591
	18,040,801	17,700,940
Operational risk-weighted assets	269,695	289,168
	18,310,496	17,990,108

Capital adequacy ratios:

	FSC Benchmark	**2022**	**2021**
Tier 1 Capital/Total regulatory capital	Greater than 50%	97.77%	97.72%
Total regulatory capital/risk-weighted	Minimum 10%	17.59%	14.97%
Actual capital base /total assets	Greater than 6%	15.55%	12.81%

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.

28. Financial instruments-risk management (continued)

(e) Capital management (continued)

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:

	2022	**2021**
	$'000	**$'000**
Net Free Capital	1,403,687	2,072,859
Minimum Capital Requirements	(875,104)	(1,085,418)
Excess of Net Free Capital	528,583	987,441
Total Liabilities	17,492,655	21,657,407

	JSE Benchmark	**2022**	**2021**
Net Free Capital/Total Liabilities	Greater than 5%	8.02%	9.57%

Throughout the year, the subsidiary company met all the requirements of the FSC and JSE relating to capital adequacy.

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.

29. Financial instruments - fair values (continued)

(a) Definition and measurement of fair values (continued)

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
Included in the Level 1 category are financial assets and liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3
Included in the Level 3 category are financial assets and liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The techniques used to estimate fair values, together with the inputs used, are describe below. The use of assumptions and estimates means that the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

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.

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

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. Transactions may include the recent sales price of the same or similar business in an arm's length transaction, or the market price for the license of the same or similar business to an independent third party.

A major attraction of the market based method is its simple application when a truly comparable company or transaction is available. This situation is most commonly found when the acquired business is widely marketed to third parties. Under these circumstances, the market-based method represents the most appropriate approach for determining the fair market value of a business. 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.

While both the asset based going concern method and the liquidation approach focus on the value of assets and liabilities, 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:

An earnings or cash flow based method to determining the going concern value of a business is normally used when the business being valued is earning a fair return on its capital employed and the hypothetical purchaser wishes to acquire the future indicated earnings generated by the business. 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.

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.

The following table shows the valuation techniques used in measuring the fair value of investment securities.

Type	Valuation techniques
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.
US$ denominated Government of Jamaica securities, Foreign government securities, public sector securities, deferred shares and corporate bonds.	• Obtain bid price provided by a recognised broker/dealer, namely, Oppenheimer; and • Apply price to estimate fair value.
Units in unit trust funds	• Obtain prices quoted by unit trust managers; and • Apply price to estimate fair value.
Convertible preference shares	• Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 33.7% (2021: 9.39%, as previously reported)
Unquoted equities	• Obtain growth rate and weighted average cost of capital

Level 3 fair values

In respect of Level 3 instruments, the Group recognised in the profit or loss, total gains of $158,000 (2021: previously reported losses $10,987,000; restated to nil) as a result of the effects of fair value and foreign exchange rate movements.

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).

The following tables shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Group		
	Convertible Preference Shares	Unquoted Equities	Total
	$'000	$'000	$'000
Balance at 1 January 2021, as previously reported	166,814	8,008	174,822
Prior period adjustments (note 35)	(166,814)	-	(166,814)
Balance at 1 January 2021, as restated	-	8,008	8,008
Additions	-	4,069	4,069
Net change in fair value	-	-	-
Effect of changes in foreign exchange rates	-	671	671
Balance at 31 December 2021	-	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	81,250

	Company		
	Convertible Preference Shares	Unquoted Equities	Total
	$'000	$'000	$'000
Balance at 1 January 2021, as previously reported	166,814	4,251	171,065
Prior period adjustments (note 35)	(166,814)	-	(166,814)
Balance at 1 January 2021, as restated	-	4,251	4,251
Additions	-	-	-
Net change in fair value	-	-	-
Effect of changes in foreign exchange rates	-	366	366
Balance at 31 December 2021	-	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

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 2022							
	Carrying amount				Fair value*			
	FVOCI	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets 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	-	13,123,463	-	13,123,463
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	16,332,388	81,250	17,571,616
Financial assets not measured at fair value:1								
Cash and cash resources	-	-	1,192,249	1,192,249				
Resale agreements	-	-	752,147	752,147				
Net investment in finance leases	-	-	131,462	131,462				
Loans receivable	-	-	5,467,380	5,467,380				
Accounts receivable-other	-	-	926,487	926,487				
	-	-	8,469,725	8,469,725				
Financial liabilities not measured at fair value:								
Due to ultimate parent society	-	-	441,722	441,722				
Borrowings	-	-	7,494,118	7,494,118				
Lease liabilities	-	-	66,345	66,345				
Repurchase agreements	-	-	15,589,291	15,589,291				
Accounts payable-other	-	-	2,367,078	2,367,078				
	-	-	25,958,554	25,958,554				

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued):

	Group							
	2021 Restated							
	Carrying amount				Fair value*			
	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	12,748	-	12,748	-	-	12,748	12,748
Quoted equities	873,120	574,655	-	1,447,775	1,447,775	-	-	1,447,775
Government of Jamaica securities	14,065,607	-	-	14,065,607	-	14,065,607	-	14,065,607
Bank of Jamaica securities	455,983	-	-	455,983	-	455,983	-	455,983
Foreign government securities	692,373	-	-	692,373	-	692,373	-	692,373
Other public sector securities	452,889	-	-	452,889	-	452,889	-	452,889
Deferred shares	-	-	410,647	410,647	-	410,647	-	410,647
Corporate bonds	1,733,813	-	1,159,902	2,893,715	-	2,893,715	-	2,893,715
	18,273,785	587,403	1,570,549	20,431,737	1,447,775	18,971,214	12,748	20,431,737
Financial assets not measured at fair value:								
Cash and cash resources	-	-	684,077	684,077				
Resale agreements	-	-	4,051,332	4,051,332				
Net investment in finance leases	-	-	155,836	155,836				
Loans receivable	-	-	3,482,266	3,482,266				
Accounts receivable-other	-	-	720,654	720,654				
	-	-	9,094,165	9,094,165				
Financial liabilities not measured at fair value:								
Due to ultimate parent society	-	-	216,040	216,040				
Borrowings	-	-	5,521,964	5,521,964				
Lease liabilities	-	-	76,650	76,650				
Repurchase agreements	-	-	19,649,270	19,649,270				
Accounts payable-other	-	-	1,703,549	1,703,549				
	-	-	27,167,473	27,167,473				

	Company						
	2022						
	Carrying amount			Fair value*			
	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets 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				
Net investment in finance leases	-	131,462	131,462				
Loans receivable	-	5,467,380	5,467,380				
Accounts receivable-other	-	143,629	143,629				
	-	5,959,079	5,959,079				
Financial liabilities not measured at fair value:							
Due to ultimate parent society	-	193,593	193,593				
Due to subsidiary company	-	117,634	117,634				
Borrowings	-	7,406,181	7,406,181				
Repurchase agreements	-	195,152	195,152				
Accounts payable-other	-	826,347	826,347				
	-	8,738,907	8,738,907				

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued):

	Company 2021 Restated						
	Carrying amount			Fair value*			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:							
Unquoted equities	4,617	-	4,617	-	-	4,617	4,617
Quoted equities	573,090	-	573,090	573,090	-	-	573,090
Government of Jamaica securities	-	217,377	217,377	-	217,377	-	217,377
Deferred shares	-	410,647	410,647	-	410,647	-	410,647
Corporate bonds	-	942,525	942,525	-	942,525	-	942,525
	577,707	1,570,549	2,148,256	573,090	1,570,549	4,617	2,148,256
Financial assets not measured at fair value:							
Cash and cash resources	-	114,443	114,443				
Resale agreements	-	692,631	692,631				
Net investment in finance leases	-	155,836	155,836				
Loans receivable	-	3,482,266	3,482,266				
Accounts receivable-other	-	97,815	97,815				
	-	4,542,991	4,542,991				
Financial liabilities not measured at fair value:							
Due to ultimate parent society	-	122,137	122,137				
Due to subsidiary company	-	415,592	415,592				
Borrowings	-	5,649,255	5,649,255				
Repurchase agreements	-	197,758	197,758				
Accounts payable-other	-	604,106	604,106				
	-	6,988,848	6,988,848				

* The group and company do not disclose the fair values of cash and cash equivalents, net investment in finance leases, resale agreements, loans receivable, accounts receivable, accounts payable, due to ultimate parent society, due to subsidiary company, borrowings and repurchase agreements because the carrying amounts of these financial instruments are a reasonable approximation of fair values.

During the year, the group experienced fair value losses related to instruments that are measured at FVOCI amounting to $1,845,531,000 (2021: $758,551,000), net of expected credit losses and recycling gains of $618,488,000 (2021:545,570,000). See Note 23. The decline 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.

(ii) An entity is related to the group if any of the following conditions applies:

- 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).
- 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).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
- The entity is controlled, or jointly controlled, by a person identified in (a)(i) above.
- 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).
- 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.

30. Related party transactions and balances (continued)

(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) The statement of financial position includes balances, arising in the ordinary course of business, with related parties, as follows:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash and cash equivalents:				
Ultimate parent society	64,722	34,755	7,155	3,106
Resale agreements:				
Subsidiary	-	-	-	692,631
Ultimate parent society	229,000	300,000	-	-
Repurchase agreements:				
Ultimate parent society	679,363	1,011,150	-	-
Subsidiary		-	195,152	197,758
Associate of ultimate parent society	-	152,317	-	-
Key management personnel, excluding directors	8,654	45,899	-	-
Investment securities:				
Ultimate parent society	410,647	410,647	410,647	410,647
Accounts receivable:				
Ultimate parent society	11,249	4,077	-	-
Subsidiary	-	-		39
Fellow subsidiary	2,316	182	-	-
Loans receivable:				
Directors	1,893	6,761	1,893	6,761
Unit trust funds	-	-	-	-
Due to ultimate parent society	441,722	216,040	193,593	122,137
Due to subsidiary company	-	-	110,805	415,592
Accounts payable – other:				
Associate of ultimate parent society	-	695	-	-
Fellow subsidiaries	-	1,542	-	-
Unit trust funds	383,697	271,315	383,697	271,315
Key management personnel, excluding directors	70	141	-	-

30. Related party transactions and balances (continued)

(c) (Continued)

Resale agreements, repurchase agreements, investment securities and loans receivable transactions with related parties have been conducted in the ordinary course of the Group's business at rates and on terms comparable to those with customers that are not related to the Group. Other balances due to or from related parties are unsecured, interest free, and due for settlement within three months after the reporting date.

(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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Interest and dividend income:				
Ultimate parent society	62,058	57,703	26,730	26,744
Subsidiary - interest	-	-	2,365	1,815
- dividend	-	-	-	252,080
Unit trust funds	-	35,367	-	14,612
Associate company	-	21,244	-	21,244
Directors	361	188	361	188
Management fee income:				
Unit trust funds	337,460	334,892	-	-
Fellow subsidiary	7,455	5,681	-	-
Property/share swap gain:				
Unit trust funds	285,696	-	285,696	-
Commission expense:				
Subsidiary	-	-	35,230	14,612
Operating expenses:				
Subsidiary	-	-	60,776	63,694
Ultimate parent society	257,382	222,049	-	5,132
Interest expense:				
Ultimate parent society	27,387	40,835	-	4,961
Subsidiary	-	-	7,715	1,894
Fellow subsidiaries	-	-	-	-
Associate of ultimate parent society	1,190	6,701	-	-
Key management personnel, excluding directors	307	869	-	-
Dividend expense:		-		
Ultimate parent society	-	186,003	-	186,003
Directors' fees (note 26)	26,226	22,987	15,170	13,023
Short-term employee benefits:				
Key management personnel, excluding directors	54,071	46,952	-	-

31. Dividends

On November 12, 2021, the Board of Directors declared an interim dividend of $0.155 per ordinary stock unit of the paid up capital stock of 1,500,025,000 ordinary stock units, paid to the shareholders on record as at November 26, 2021.

32. 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, 2022, these funds amounted to $33,919,646,000 (2021: $34,709,442,000).

Additionally, at December 31, 2022, there were custodial arrangements for assets totalling $12,756,472,000 (2021: $12,743,221,000).

As at December 31, 2022, the associated company, Carilend, had the following balances with VM Wealth Unit Trust Funds that are managed by the subsidiary company:

	Group and Company	
	2022 **$'000**	**2021** **$'000**
Investment securities	966,385	692,916
Accounts payable	8,569	5,319
Borrowings	964,902	307,405

33. 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 $691,855,000 [2021: $440,032,000 (restated)], by a weighted average number of ordinary shares held during the year.

	2022	**2021 Restated**
Number of ordinary shares at December 31	1,500,025,000	1,500,025,000
Basic earnings per share (cents)	46¢	29¢

34. 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. The significant matters relating to the subsidiary company are as follows:

(i) Suit has 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 time of this review, no legal opinion was formed on the probable outcome of the case as the dispute was in the early stages. As such, no provision was made in the financial statements for this claim.

(ii) Suit has been filed by customers against the subsidiary company for breach of contract or statutory duty, fraudulent misrepresentation, negligence and negligent misrepresentation. At the time of this review, no date was provided for the arbitration hearing, and no probable outcome of the case was provided. As such, no provision was made in the financial statements for this claim.

During the year, 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 31 December 2022, the company had made capital contributions totaling US$241,660.

35. Prior period adjustments

The following tables summarize the impact of prior period adjustments in respect of the impairment of the company's investment in the associated company, Carilend, (note 7), the impairment of Carilend's convertible preference shares, and the amortization of commitment fee income on loans.

(a) Statements of Financial Position

	Notes	Group December 31, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Investment securities	35(e)	20,665,880	(266,069)	20,399,811
Accounts receivable: others	35(e)	460,942	(37,072)	493,574
Accounts receivable: others	35(g)	-	69,704	-
Income tax recoverable	35(g)	69,704	(69,704)	-
Interest in associate	35(d)	21,399	(21,399)	-
Others		10,025,227	-	10,025,227
Total assets		31,243,152	(324,540)	30,918,612
Accounts payable: others	35(f)	899,967	63,253	963,220
Income tax payable	35(f)	55,029	(15,813)	39,216
Retained earnings	35(d,e,f)	2,769,716	(371,980)	2,397,736
Others		27,518,440	-	27,518,440
Total liabilities and equity		31,243,152	(324,540)	30,918,612

	Notes	Group January 1, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Investment securities	35(e)	16,526,043	(159,422)	16,366,621
Accounts receivable: others	35(e)	1,061,981	(14,165)	1,092,364
Accounts receivable: others	35(g)	-	44,548	-
Income tax recoverable	35(g)	44,548	(44,548)	-
Interest in associate	35(d)	56,949	(56,949)	-
Others		12,034,154	-	12,034,154
Total assets		29,723,675	(230,536)	29,493,139
Accounts payable: others	35(f)	470,155	23,118	493,273
Income tax payable	35(f)	43,459	(5,780)	37,679
Retained earnings	35(d,e,f)	2,438,083	(247,875)	2,190,208
Others		26,771,979	-	26,771,979
Total liabilities and equity		29,723,676	(230,537)	29,493,139

35. Prior period adjustments (continued)

(a) Statements of Financial Position (continued)

	Notes	Company December 31, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Investment securities	35(e)	2,382,399	(266,069)	2,116,330
Accounts receivable: others	35(e)	65,181	(37,072)	97,815
Accounts receivable: others	35(g)	-	69,706	-
Income tax recoverable	35(g)	69,706	(69,706)	-
Interest in associate	35(d)	21,399	(21,399)	-
Others		5,300,377	-	5,300,377
Total assets		7,839,062	(324,540)	7,514,522
Accounts payable: others	35(f)	540,853	63,253	604,106
Income tax payable	35(f)	42,573	(15,813)	26,760
Retained earnings	35(d,e,f)	299,689	(371,980)	(72,291)
Others		6,955,947	-	6,955,947
Total liabilities and equity		7,839,062	(324,540)	7,514,522

	Notes	Company January 1, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Investment securities	35(e)	1,060,327	(159,422)	900,905
Accounts receivable: others	35(e)	782,042	(14,165)	812,425
Accounts receivable: others	35(g)	-	44,548	-
Income tax recoverable	35(g)	44,548	(44,548)	-
Interest in associate	35(d)	56,949	(56,949)	-
Others		2,183,668	-	2,183,668
Total assets		4,127,534	(230,536)	3,896,998
Accounts payable: others	35(f)	82,516	23,118	105,633
Income tax payable	35(f)	38,487	(5,779)	32,707
Retained earnings	35(d,e,f)	94,679	(247,875)	(153,196)
Others		3,911,852	-	3,911,852
Total liabilities and equity		4,127,534	(230,537)	3,896,998

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

35. Prior period adjustments (continued)

(b) Statements of Profit or Loss and Other Comprehensive Income

	Notes	Group December 31, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Net interest income	35(e)	390,458	(21,244)	369,214
Net fees and commissions	35(f)	832,092	(40,136)	791,956
Gains from investment activities	35(d,e)	776,154	(105,998)	670,156
Other operating revenue		24,821	-	24,821
Operating expenses		(1,197,928)	-	(1,197,928)
Share of loss in associate	35(d)	(33,239)	33,239	-
Income tax charge	35(f)	(228,221)	10,034	(218,187)
Profit for the year		564,137	(124,105)	440,032
Other comprehensive loss, net of tax		(661,901)	-	(661,901)
Total comprehensive loss for the year		(97,764)	(124,105)	(221,869)
Earnings per share (expressed as a ¢ per share)	33	38¢		29¢

	Notes	Company December 31, 2021 As previously reported $'000	Adjustments $'000	As restated $'000
Net interest income	35(e)	142,550	(21,244)	121,306
Net fees and commissions	35(f)	67,931	(40,136)	27,795
Gains from investment activities	35(d,e)	194,619	(105,998)	103,412
Gains from investment activities	35(g)	-	14,791	-
Other income	35(g)	15,615	(14,791)	824
Other operating revenue		257,962	-	258,786
Operating expenses		(136,079)	-	(136,079)
Share of loss in associate	35(d)	(33,239)	33,239	-
Income tax charge	35(f)	(71,845)	10,034	(61,811)
Profit for the year		437,514	(124,105)	314,233
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the yeai		437,514	(124,105)	314,233

VICTORIA MUTUAL INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2022

35. Prior period adjustments (continued)

(c) Statements of Cash Flows

	Notes	Group December 31, 2021 As reported $'000	Adjustments $'000	As restated $'000
Cash flows from operating activities:				
Profit for the year	35(d,e,f)	564,137	(124,105)	440,032
Adjustments for:				
Share of loss in associate	35(d)	33,239	(33,239)	-
Deferred income	35(f)	-	40,136	40,136
Amortisation of transaction costs	35(h)	6,679	14,612	21,291
Unrealised exchange losses on foreign currency balances	35(h)	5,703	11,961	17,664
Gains from investment activities	35(d,e)	(776,154)	105,998	(670,156)
Interest income	35(e)	(1,157,863)	21,244	(1,136,619)
Income tax charge	35(f)	228,221	(10,034)	218,187
Accounts receivable	35(h)	1,191,466	848	1,192,314
Accounts payable	35(h)	(39,518)	(4,641)	(44,159)
Repurchase agreements	35(h)	(679,538)	(10,931)	(690,469)
Others		2,546,260	3	2,546,263
Net cash provided by/(used in) operating activities		1,922,632	11,852	1,934,484
Cash flows from investing activities:				
Net investment in finance leases	35(h)	(45,946)	45,946	-
Investment in finance leases	35(h)	-	(72,660)	(72,660)
Proceeds from finance lease repayments	35(h)	-	26,714	26,714
Investment securities (purchased)/sold, net	35(h)	(4,158,133)	4,158,133	-
Proceeds from sale of investment securities	35(h)	-	13,020,553	13,020,553
Purchase of investment securities	35(h)	-	(17,166,476)	(17,166,476)
Unrealised exchange gain on foreign currency balances	35(h)	-	(12,210)	(12,210)
Others	35	(850,936)	(2,782)	(853,718)
Net cash used in investing activities		(5,055,015)	(2,782)	(5,057,797)
Cash flows from financing activities:				
Proceeds from loan	35(h)	2,472,643	(2,472,643)	-
Proceeds from loans and borrowings	35(h)	-	3,956,624	3,956,624
Repayment of loans and borrowings	35(h)	-	(1,497,471)	(1,497,471)
Unrealised exchange gain on foreign currency balances	35(h)	-	(1,121)	(1,121)
Amortisation of transaction costs	35(h)	-	14,611	14,611
Others	35(h)	(241,832)	(13,490)	(255,322)
Net cash provided by/(used in) financing activities		2,230,811	(13,490)	2,217,321
Net decrease in cash and cash equivalents		(901,572)	(4,420)	(905,992)
Cash and cash equivalents at beginning of year		1,571,567	-	1,571,567
Effect of exchange rate fluctuations on cash and cash equivalents		14,082	4,420	18,502
Cash and cash equivalents at end of year		684,077	-	684,077

35. Prior period adjustments (continued)

(c) Statements of Cash Flows (continued)

		Company		
		December 31, 2021		
	Notes	As previously reported	Adjustments	As restated
		$'000	$'000	$'000
Net Cash flows from operating activities:				
Profit for the year	35(d,e,f)	437,514	(124,105)	313,409
Adjustments for:				
Share of loss in associate	35(d)	33,239	(33,239)	-
Deferred income	35(f)	-	40,136	40,136
Unrealised exchange losses on foreign currency balances	35(h)	2,311	11,961	14,272
Gains from investment activities	35(d,e)	(194,619)	91,207	(103,412)
Interest income	35(e)	(340,667)	21,244	(319,423)
Income tax charge	35(f)	71,845	(10,034)	61,811
Accounts receivable	35(h)	760,097	647	760,744
Accounts payable	35(h)	419,700	(4,641)	415,059
Repurchase agreements	35(h)	197,758	(10,928)	186,830
Others		(1,859,808)	-	(1,859,808)
Net cash used in operating activities		(472,630)	(17,752)	(490,382)
Cash flows from investing activities:				
Net investment in finance leases	35(h)	(45,946)	45,946	-
Investment in finance leases	35(h)	-	(72,660)	(72,660)
Proceeds from finance lease repayments	35(h)	-	26,714	26,714
Investment securities (purchased)/sold, net	35(h)	(1,021,576)	1,021,576	-
Proceeds from sale of investment securities	35(h)	-	930,397	930,397
Purchase of investment securities	35(h)	-	(1,939,762)	(1,939,762)
Others		(605,372)	-	(605,372)
Net cash (used in)/provided by investing activities		(1,672,894)	12,211	(1,660,683)
Cash flows from financing activities:				
Proceeds from loan	35(h)	2,412,128	(2,412,128)	-
Proceeds from loans and borrowings	35(h)	-	3,910,720	3,910,720
Repayment of loans and borrowings	35(h)	-	(1,497,471)	(1,497,471)
Unrealised exchange gain on foreign currency balances	35(h)	-	1,121	1,121
Others	35(h)	(232,504)	-	(232,504)
Net cash used in) financing activities		2,179,624	2,242	2,181,866
Net increase/(decrease) in cash and cash equivalents		34,100	(4,420)	29,680
Cash and cash equivalents at beginning of year		80,343	-	80,343
Effect of exchange rate fluctuations on cash and cash equivalents		-	4,420	4,420
Cash and cash equivalents at end of year		114,433	-	114,433

35. Prior period adjustments (continued)

(d) Impairment of investment in associated company, Carilend

During the year, the valuation of the company's investment in its associated company, Carilend, indicated that the investment purchased on August 20, 2019, had been significantly impaired and was written down to nil. Further assessment revealed that the prior year's impairment assessment was not correctly performed in accordance with IAS 36 Impairment of Assets, and as such, the prior year's balance was also determined to be impaired. and was written down to nil.

The impact of the impairment has been applied retrospectively by adjusting the opening balances of each affected financial statement line item, including the company's share of losses, for the earliest period presented.

(e) Impairment of investment in convertible preference shares

During the year, the valuation of the company's investment in US$1,800,000 cumulative convertible preference shares issued by its associated company, Carilend, was assessed with the results indicating that there was a reduction in fair value of the investment. Further assessment revealed that the prior year's valuation was not correctly performed in accordance with IFRS 13, *Fair Value Measurement* and as such, the prior year's balance was also determined to be devalued to nil.

Consequentially, the interest income and receivable that were previously recorded, were written off.

The impact of the adjustment to fair value has been applied retrospectively by adjusting the opening balances of each affected financial statement line item, including interest income, for the earliest period presented.

(f) Prior period non-compliance with IFRS

During the year, it was discovered that commitment fees earned by the company on margin and corporate loans were not being recognized over time as the servicing of the loans is provided by the company, i.e., over the tenure of the loans. This was not in compliance with the requirements of IFRS 9, *Financial Instruments*. As a consequence, commitment fee income had been overstated, deferred income had been understated and the related income tax expense had been overstated.

The errors have been corrected by restating each of the affected financial statement line items for the earliest period presented.

(g) Reclassifications

For the purpose of presentation, in the statement of financial position and the income statement for the company, certain balances were reclassified from one line item to another for consistency with the presentation of the financial statements of the subsidiary company.

(i) Withholding tax that was incorrectly classified and shown as Income Tax Recoverable instead of Accounts Receivable; and

(ii) Net foreign exchange translation gains that were incorrectly classified as other income instead of as part of gains from investment of activities.

35. Prior period adjustments (continued)

(h) For the purpose of presentation, in the statement of cash flows, the group and the company have reclassified comparative figures for the year ended December 31, 2021 for the following:

(i) Investment in finance leases and proceeds from finance lease repayments, previously combined as “net investment in finance leases”;
(ii) Purchase of investment securities and proceeds from sale of investment securities, previously combined as “investment securities (purchased)/sold, net”; and
(iii) Proceeds from loans and borrowings and repayment of loans and borrowings, previously combined as “proceeds from loans”, and
(iv) Unrealised exchange gains/losses on foreign currency balances had not been previously determined and presented for the company.

The above reclassifications did not result in any change in prior year’s reported profit, equity or statements of financial position.

36. Russia/Ukraine war considerations

The Ukraine was invaded by Russian troops on February 24, 2022, and this has led to notable casualties, interruption of economic and social activities along with infrastructural damages. This war and the accompanying economic sanctions imposed, has triggered turmoil in global financial markets, exacerbated existing inflationary pressures and drastically increased uncertainty about the recovery of the global economy.

This war, if it persists, will continue to impact global commodity prices. The European Union (EU) depends on Russian energy and grains from the Ukraine to fuel many aspects of its economy. As a result, the hike in prices will impact EU markets and by extension their trade partners. As a result of the commodity shortages, the Jamaican economy will likely see continued increases in fuel prices, which will feed into prices of goods and services and by extension the overall cost of living.

The group will continue to closely monitor the impact of the war.

37. Subsequent event

Under an approved Scheme of Arrangement for the restructuring of the 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.
The VM Group Limited is wholly owned by its Members and is the parent to VM Financial Group Limited as well as VM Innovations Limited. VM Foundation is limited by guarantee.

VM Financial Group Limited has applied for a license under the Banking Services Act (2014) as the financial holding company for all the companies in the VM Group that offer financial services, namely:

- VM Building Society (formerly The Victoria Mutual Building Society)
- VM Investments Limited (formerly Victoria Mutual Investments Limited and continues as parent to Victoria Mutual Wealth Management Limited)
- VMBS Money Transfer Services Limited
- Victoria Mutual Pensions Management Limited
- Victoria Mutual Finance Limited
- VM Overseas (UK) Limited

British Caribbean Insurance Company Limited (BCIC) is now an associate of the VM Financial Group Limited. Carilend Caribbean Holdings Limited and Kingston Properties Limited (KPREIT) continue to be associated companies of VM Investments Limited.
VM Innovations Limited, the non-financial holding company, is the parent of the other non-financial entity within the VM Group, VM Property Services Limited.