

KINGSTON, JAMAICA  
DATE: MONDAY, MAY 14, 2018

**VICTORIA MUTUAL INVESTMENTS LIMITED  
REPORTS FIRST QUARTER 2018 RESULTS**

**PERFORMANCE HIGHLIGHTS –**

	<u>Mar-31</u> <u>2018</u>	<u>Mar-31</u> <u>2017</u>
<b>Net Profit</b>	<b>\$78.70M</b>	<b>\$66.83M</b>
<b>Net Interest Margin</b>	<b>1.69%</b>	<b>1.85%</b>
<b>Return on Average Equity</b>	<b>12.34%</b>	<b>16.04%</b>
<b>Capital to Total Assets</b>	<b>13.19%</b>	<b>10.82%</b>
<b>Efficiency Ratio</b>	<b>64.60%</b>	<b>62.06%</b>
<b>Basic Earnings per Share (\$)</b>	<b>\$0.05</b>	<b>\$0.06</b>
<b>Net Book Value per Share (\$)</b>	<b>\$1.68</b>	<b>\$1.43</b>

The Board of Directors of Victoria Mutual Investments Limited (VMIL) is pleased to present the unaudited results of the Group for the three months ended March 31, 2018.

**GROUP FINANCIAL PERFORMANCE**

Group profit before tax was \$100.98 million, up \$11.53 million or 12.88% compared with the quarter ended March 31, 2017. Net profit after tax was \$78.7 million, an increase of \$11.87 million or 17.77% over the corresponding period of 2017. Group revenue for the first quarter of 2018 was \$285.23 million, up \$49.45 million over the \$235.79 million for the first quarter of 2017. This 20.97% growth in revenue was driven by Net Fees and Commissions, which increased by \$77.4 million or 63.28% to \$199.71 million due to the Capital Markets Unit's success in raising over \$6.76 billion for corporate clients in this quarter.

Earnings per share for the period ended March 31, 2018 was \$0.05 (Q1 2017: \$0.06).

New accounting standards, IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, were adopted by VMIL effective January 1, 2018. While the adoption of IFRS 15 will not have a material impact on the timing and recognition of fees and commission income by the Group, the effect of adopting IFRS 9 was a decrease in shareholders' equity of \$61.63 million or 3.84% as at January 1, 2018. However, the impact on the Group's revenues for the first quarter of 2018 is not significant.



**VICTORIA MUTUAL**  
**Investments**  
LIMITED

# PRESS RELEASE

Our efficiency ratio moved from 62.06% for the corresponding prior year quarter to 64.6% for this quarter, due mainly to our investment in human resources as well as systems enhancements to meet the changing needs of our business. In addition, due to the year over year increase in the Group's asset base as at December 31, 2017, assets tax for the current quarter increased by 17.39% over the quarter ended March 31, 2017.

## **GROUP FINANCIAL CONDITION**

### **ASSETS**

Total assets increased year over year by \$3.22 billion or 20.3% to \$19.09 billion as at March 31, 2018. This was partly attributable to an increase of \$1.05 billion in resale agreements, which was in line with the Group's strategy for managing investment portfolios.

### **LIABILITIES**

Total liabilities were \$16.57 billion as at March 31, 2018, an increase of \$2.42 billion or 17.1% from last year, driven mainly by funds raised by VMIL from the issue of bonds in August 2017 and March 2018 that will enable us to execute on our strategies.

### **CAPITAL**

Our capital base continues to be strong with total shareholders' equity standing at \$2.52 billion as at March 31, 2018, up by \$801.09 million or 46.7% from \$1.72 billion at the end of the first quarter of 2017. The growth in total equity is mainly attributable to:

- net proceeds of \$683.89 million raised from the successful Initial Public Offering (IPO) of 300,005,000 ordinary shares in the capital of the Company in December 2017;
- the net increase of \$66.38 million in retained earnings, representing the undistributed portion of our 2017 earnings and after the impact from the adoption of IFRS;
- the year over year increase of \$54.16 million or 57.2% in the investment revaluation reserve, given the moderate increases in the value of Government of Jamaica bonds and local stocks due to improved local economic conditions.

Our wholly-owned subsidiary, Victoria Mutual Wealth Management Limited, a licensed securities dealer, continues to be well capitalised, with a risk weighted capital adequacy ratio of 17.16%, comfortably above the regulatory requirement of 10%. The capital to total assets ratio of 10.57% exceeds the regulatory minimum of 6%.

-More-



**VICTORIA MUTUAL**  
**Investments**  
LIMITED



# PRESS RELEASE

## **OFF-BALANCE SHEET HIGHLIGHTS**

Assets managed on behalf of clients on a non-recourse basis under management agreements grew by \$2.72 billion or 16.75%, from \$16.24 billion as at March 31, 2017 to \$18.96 billion as at the end of the current quarter. The year over year growth was fuelled mainly by net inflows to the Unit Trust portfolios.

## **THANKS**

The Board would like to thank our valued clients for their loyalty, our shareholders for their continued support and show of confidence, as well as express appreciation to the executives, management and team members for their dedication and commendable efforts in achieving this quarter's financial performance.

**-End-**

## **For further information contact:**

**Clover Moore**, Assistant Vice President - Corporate Affairs and Communications

**Victoria Mutual Group**

Email: [Clover.Moore@vmbs.com](mailto:Clover.Moore@vmbs.com) | Mobile: (876) 383-2724