

KINGSTON, JAMAICA
DATE: March 8th, 2019

**STRONG CAPITAL MARKETS AND UNIT TRUST PERFORMANCE AMONG
HIGHLIGHTS OF VICTORIA MUTUAL INVESTMENTS LIMITED'S
RESULTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018**

PERFORMANCE HIGHLIGHTS:

	Year ended	
	December 31, 2018	December 31, 2017
Consolidated Revenue	\$1,306.8M	\$966.5M
Net Profit	\$397.6M	\$346.3M
Return on Average Equity	14.9%	19.7%*
Capital to Total Assets	12.83%	12.88%
Efficiency Ratio	50.7%	51.6%
Basic Earnings per Share (\$)	\$0.27	\$0.29*

** Based on the weighted average shares outstanding in 2017.*

The Board of Directors of Victoria Mutual Investments Limited (VMIL) is pleased to present the audited consolidated results for the twelve months ended December 31, 2018.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated revenue for the twelve-month period was \$1.3 billion, a growth of 35% over the \$966.5 million recorded for 2017. This growth in revenue was attributable to a 65% growth in net fees and commissions to \$826.7 million consistent with your Company's strategic objectives of growing our Capital Markets and Asset Management Units. Our Capital Markets Unit arranged transactions valued at over \$19.3 billion in line with our commitment to provide creative finance solutions to grow businesses.

Total assets under management (on and off book) grew by 15% to \$46.1 billion. The total value of our Unit Trust Fund grew by over \$4.5 billion during 2018 and most notably, two of our Unit Trust Portfolios recorded outstanding performances:

- The VM Wealth Property Portfolio was the number one real estate fund in Jamaica with a return of 7.6%;
- The VM Wealth Equity Portfolio generated a return of 28.7% (2017: 30.2%).

In the Fourth Quarter, based on feedback from our client base, we launched our International Equity and US Dollar Money Market Funds which have been well received by our clients.

Operating expenses, excluding the provision for credit losses on financial assets, totaled \$662.3 million, representing an increase of 33% when compared to the prior year, due mainly to our investment in human resources as well as the implementation of our new Investment Management System (OPICS), which will allow us to seamlessly and efficiently launch various other asset management products. Our efficiency ratio ended the year at 50.7% from 51.6% for the corresponding prior year period.

Consolidated profit before tax was \$539.0 million, representing an increase of 15.2% when compared with the previous year. Net profit was a record high of \$397.6 million, an increase of 15% over the prior year.

As previously reported in our Second and Third Quarter releases, net income was negatively impacted by a \$105.4 million provision for expected credit losses in respect of Government of Barbados global bonds (GoB bonds) held by our wholly-owned subsidiary, Victoria Mutual Wealth Management Limited. If it had not been for the credit loss provision on the GoB bonds, net profit for 2018 would have been \$503 million, being 45% over the comparative 2017 period.

CONSOLIDATED FINANCIAL POSITION

Total assets increased year over year by 7.7% to \$21.6 billion as at December 31, 2018, primarily attributable to an increase in Investment Securities, Resale Agreements and our Loan portfolio.

CAPITAL

Our capital base continues to be strong with total shareholders' equity standing at \$2.77 billion, up from \$2.58 billion, which resulted in a book value per share of \$1.85 (2017: \$1.72).

Victoria Mutual Wealth Management Limited, our licensed securities dealer, continues to be well capitalised, with a risk weighted capital adequacy ratio of 16.86%, above the regulatory requirement of 10%. The capital to total assets ratio of 10.65% exceeds the regulatory minimum of 6%.

OFF-BALANCE SHEET HIGHLIGHTS

Assets managed on behalf of clients on a non-recourse basis under management agreements grew by an impressive 22.3% to \$24.3 billion as at the end of the current period. The year over year growth was fuelled mainly by strong net inflows in our Unit Trust Fund.

FINANCIAL EDUCATION

During the year, your Company executed several investment seminars towards our objective of informing Jamaicans about the investment markets and promoting their journey to financial independence.

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors:



Michael McMorris
Chairman



Rezworth Burchenson
Chief Executive Officer

For further information contact:

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Victoria Mutual Group

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VICTORIA MUTUAL INVESTMENTS LIMITED
Top Ten Largest Shareholders as at December 31, 2018

RANK	NAME	SHAREHOLDINGS
1.	The Victoria Mutual Building Society	1,200,020,000
2.	Geoffrey Forde	9,000,000
3.	PAM – University Hospital Scheme of Pensions	7,560,600
4.	Rezworth Burchenson & Valerie Burchenson	6,577,830
5.	Michael McMorris & Christine McMorris	5,736,124
6.	Devon D. Barrett	5,013,518
7.	VM Wealth Equity Fund	4,791,347
8.	Rickardo Ebanks & Alda Ebanks	4,302,884
9.	Owen Sylvester Crosbie	4,060,140
10.	PAM – Pooled Equity Fund	3,673,648

VICTORIA MUTUAL INVESTMENTS LIMITED
Shareholdings of Senior Managers / Connected Parties
as at December 31, 2018

NAME	SHAREHOLDINGS
Devon D. Barrett	5,013,518
Rezworth Burchenson	6,577,830
Valerie Burchenson / Rezworth Burchenson	249,952
Lloyd C. Bramwell	30,404
Rachelle Burchenson	75,000
Oswald Burchenson	212,147
Karlene Mullings / Clive Mullings	50,000
Winston George Jr McKane / Karlene Mullings	5,000
Kellia McKane / Karlene Mullings	5,000
Colando Hutchinson / Frances Hutchinson	1,240,973
Nicole Adamson	139,000
Denise Marshall-Miller/ Wayne Miller	1,001,660
Denise Marshall-Miller/ Ajani Miller	25,000
Denise Marshall-Miller/ Azania Miller	25,000
Akil Parchment/ Denise Marshall-Miller	25,000
Evette M. Bryan / Shulette Cox	400,000

VICTORIA MUTUAL INVESTMENTS LIMITED

**Shareholdings of Directors / Connected Parties
as at December 31, 2018**

NAME	SHAREHOLDINGS
Michael McMorris / Christine McMorris / Easton McMorris	5,841,759
Courtney Campbell / Pauline Campbell	1,800,000
Milton Samuda	-
Noel Hann	150,000
Phillip Silvera / Faye Silvera	245,816
Sandra Shirley	413,809
Devon Barrett	5,013,518
Janice McKenley / Wilfred McKenley	960,000
Matthew Gray Wright	677,252