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# Security Review: Initial Public Offering: Victoria Mutual Investments Limited

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Prepared by:  
JN Fund Managers Ltd.'s Global Investment  
Research Unit

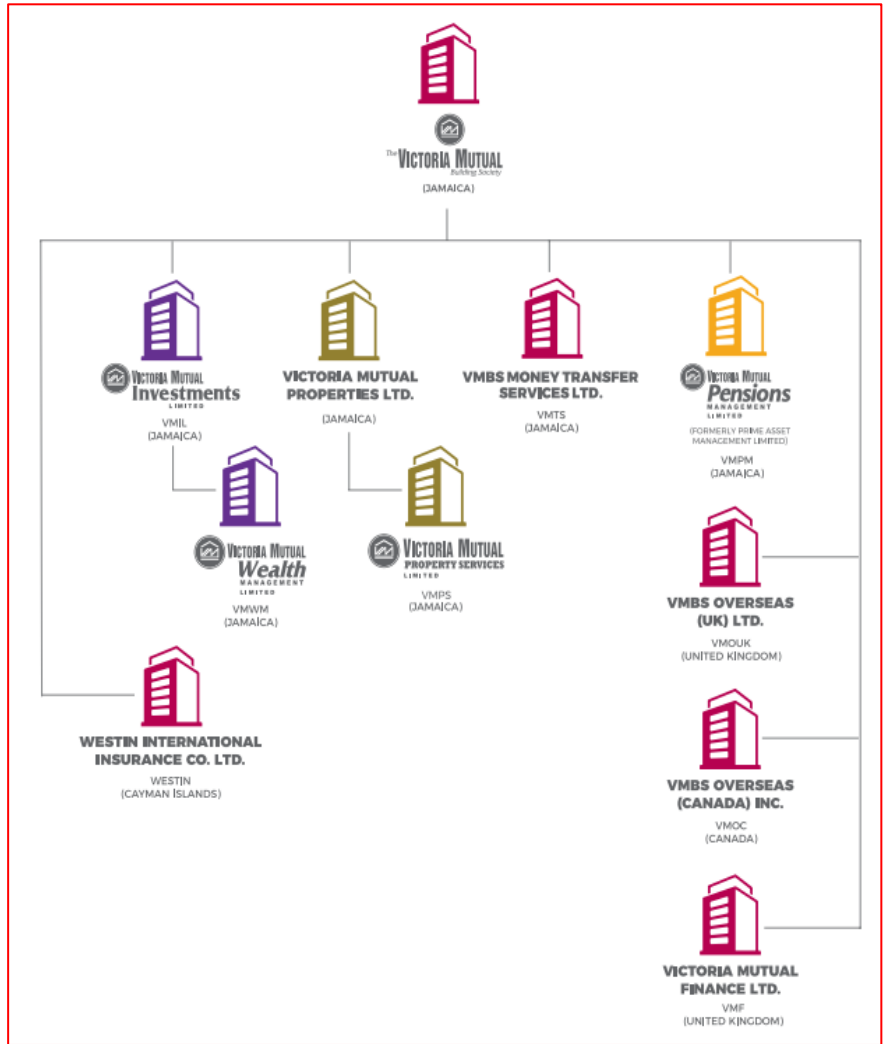
**December 2017**

## Company Description: Victoria Mutual Investments Ltd.



Victoria Mutual Investments Limited (VMIL) was incorporated in 1984 and is domiciled in Jamaica. It is a wholly-owned subsidiary of The Victoria Mutual Building Society (VMBS). VMIL is the holding company for the Victoria Mutual Group's Wealth Management arm, Victoria Mutual Wealth Management Limited (VM Wealth), which was founded in 1984. VM Wealth, is a licensed securities dealer offering investment brokering, investment advisory services and securities dealing services to its clients.

Driven by an objective to provide competitive credit financing solutions for clients, VMIL has recently diversified its operations to include offerings such as margin loans, insurance premium financing, lease financing, underwriting services and secured corporate loans.



	<b>Victoria Mutual Building Society</b>	Savings, Mortgages, Share Loans, Foreign Exchange Trading and Financial Planning
	<b>Victoria Mutual Investments Ltd.</b>	Margin Loan, Lease Financing, Insurance Premium Financing, Corporate Loans, Underwriting Services
	<b>Victoria Mutual Wealth Management Ltd.</b>	Fixed Income Solutions, Stocks, Bonds, Asset Management, Corporate Finance Services and Money Market Securities
	<b>Victoria Mutual Pensions Management Ltd.</b> (Formerly Prime Asset Management Ltd.)	Pension Fund Management, Pension Administration, Pension Education, Retirement Planning and Pension Consultancy
	<b>Victoria Mutual Property Services Ltd.</b>	Real Estate Sales & Rentals, Valuations & Appraisals, Commercial Property Management and Project Management
	<b>VMBS Money Transfer Services Ltd.</b>	Direct Bank Deposits, Free SMS Notifications, VMBS Money Transfer Card, Bill Payments and Online Transfers
	<b>British Caribbean Insurance Company Ltd.</b> (Affiliate)	Property Insurance, Motor Insurance, Accident & Roadside Assistance and Employers' Liability/ Liability Insurance

## Analyst's Opinion: Victoria Mutual Investments Limited

<b>Recommendation</b>	<b>BUY</b>	<b>Implied Price Upside</b>	<b>21.31%</b>
<b>Initial Public Offering Price</b>	<b>J\$2.45</b>	<b>Implied Dividend Yield</b>	<b>8.32%</b>
<b>Estimated Fair Value</b>	<b>J\$2.97</b>	<b>Implied Total Return</b>	<b>29.63%</b>

Victoria Mutual Investments Limited (VMIL) has demonstrated sustained growth in Revenues and Earnings over the last four (4) financial years. This growth has been underpinned by a strategic thrust to diversify the Company's revenues away from reliance on Net Interest Income which has seen the company place greater focus on business lines such as Portfolio Management, Investment Banking and Securities Trading. VMIL has indicated immediate term plans to further its revenue diversification and growth strategy by building a loan portfolio of up to **J\$1B** comprised of loans to small and medium-sized enterprises (SMEs). We believe the Company's continued expansion of existing and new 'Off-Balance Sheet' business lines in the context of supportive local and global macroeconomic environments bode well for earnings going forward.

As a part of the strategy to fund its intended growth initiatives, VM Investments is offering to prospective investors approximately **300M** units of ordinary shares through an Initial Public Offering (IPO) aimed at raising approximately **J\$689M** in new equity. If the offer is successful these shares will be listed on the Main Market of the Jamaica Stock Exchange. The shares that will be allotted to the public (approximately **75M** units) through the IPO are priced at **J\$2.45** per share which represents a **10.44X Price-to-Earnings (P/E)** multiple of our projections for FY 2017's Earnings and a **1.40X Price-to-Book (P/B)** multiple of projected FY 2017's yearend Book Value. We believe that based on our use of the P/B and P/E, valuation methods, VMIL is being listed at a discount. Our estimated fair value is **J\$2.97<sup>1</sup>** based on the Company's projected performance in **FY 2018**. This represents a **21.31%** implied upside from the listing price. Additionally, based on the Company's stated intended dividend policy of a **75%** pay-out ratio, the estimated dividend for FY 2018 is **J\$0.20**. This translates to a potential dividend yield of **8.32%** on the issue price. Consequently, the estimated 1-Year Total return is **29.63%**. **We therefore rate VM Investments Limited as a BUY.**

<sup>1</sup> See Valuation section for details

<sup>2</sup> An extract from the company's financial statements is included in the Appendix

## Invitation Details

VM Investments is seeking to raise an additional **J\$689.26M** in equity capital by issuing up to **300,005,000** new ordinary shares to prospective investors. The company has reserved **25%** of newly issued shares for VM Group Employees, **25%** for the General Public, and in keep with the Mutual ownership structure of the VM Group, **50%** of the shares from the offer will be reserved for VM Group Members. The company stated its intention to use the funds raised from the offer to fund business growth into the SME loan sector.

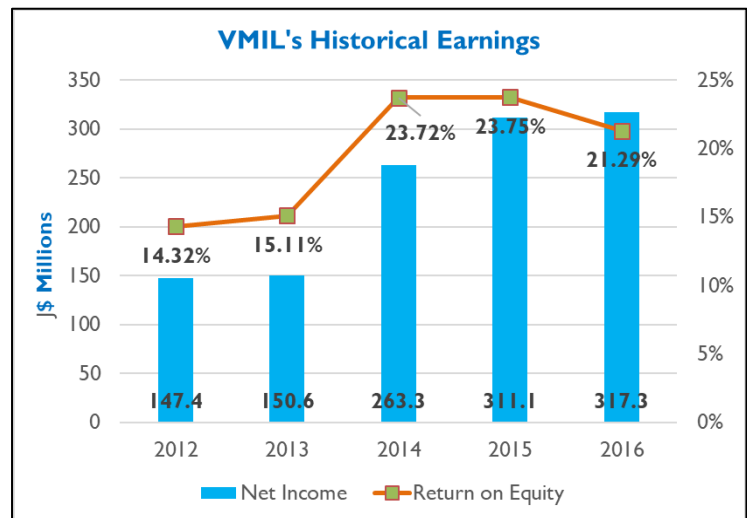
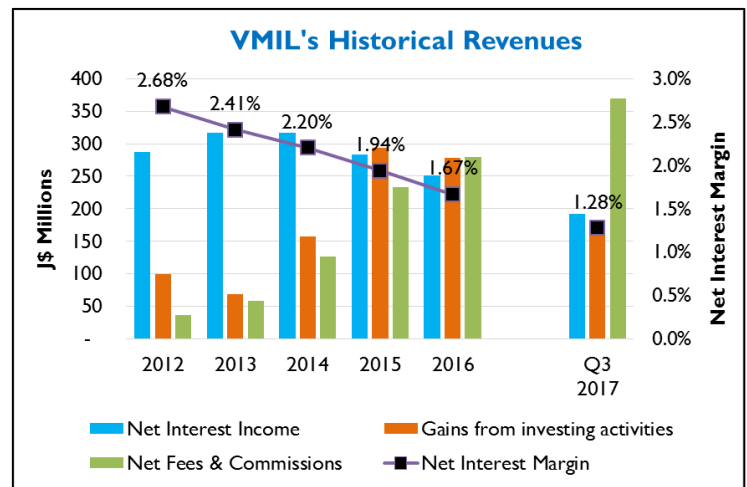
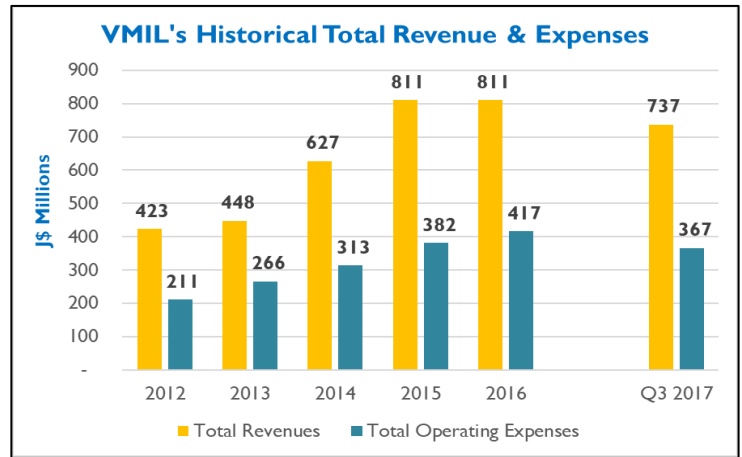
<b>Issuer</b>	<b>Victoria Mutual Investments Limited</b>
<b>Arranger and Lead Broker</b>	<b>Victoria Mutual Wealth Management Limited</b>
<b>Exchange</b>	The Jamaica Stock Exchange's Main Market
<b>Offer Period</b>	Opening Date: December 11, 2017 at 9:00AM Closing Date: December 18, 2017 at 4:00PM Early Applications may be made. Such Applications will be received but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served basis until the Closing Date.
<b>Shares Offered</b>	The Company is seeking to raise approximately <b>J\$689.26M</b> by inviting Applications to subscribe for up to 300,005,000 Shares. Up to <b>225,003,750</b> of these shares will be reserved as follows; <b>75,001,250 (5.00%)</b> Reserved for VM Group Employees at J\$2.08 <b>150,002,500 (10.00%)</b> Reserved for VM Group Members at J\$2.33
<b>Minimum Subscription</b>	Applicants must request a minimum of 5,000 Ordinary Shares. Applications above this amount must be in multiples of 1,000 units.
<b>Pricing</b>	<b>J\$2.45</b> per share to the General Public, <b>J\$2.08</b> for VM Group Employees, and <b>J\$2.33</b> for VM Group Members, (to raise a total of approximately J\$689.26M). Payments <b>MUST</b> be made at the time of Application along with a J\$163.10 processing fee.
<b>Use of Proceeds</b>	The Company seeks to raise J\$689,261,487.50 and intends to use the proceeds of the subscriptions of Ordinary shares for the following: -To capitalise the Company to enable it to carry out its business of providing financing solutions and to take advantage of new business opportunities. -Payment of the expenses of this Offer.
<b>Proposed Dividend Policy</b>	If the Invitation is successful and the Shares are admitted to listing on the Main Market, the Board expects to distribute not less than 75% of its after-tax earnings to shareholders, subject to the availability of Capital and the need for reinvestment in the Company from time to time.
<b>Acceptable Payments Methods</b>	(1) cleared funds held in an investment account in the Applicant's name at Victoria Mutual Wealth Management ("VM Wealth"), supported by an authorisation from the Applicant instructing VM Wealth to make payment from that account; (2) Manager's cheque issued by any commercial bank operating in Jamaica made payable to "Victoria Mutual Wealth Management Limited"; (3) transfer by Real Time Gross Settlement ("RTGS") system to VM Wealth, in the case of payments of J\$1 million or more; or (4) transfer via the Automated Clearing House ("ACH") to VM Wealth.
<b>Returned Applications/Refunds</b>	Returned Applications and Refund Cheques will be available for collection from Victoria Mutual Wealth Management Limited within 10 days after the Closing Date.

# Financial Analysis<sup>2</sup>

## Revenue & Profitability

Between FY 2012 and FY 2016, VM Investments Limited's (VMIL) Total Revenues grew consistently at a Compounded Annual Growth (CAGR) Rate of **17.66%**. The increase in total operating revenues has been due to a consistent improvement in the Company's Net Fees and Commissions. Net Fees and Commissions have increased at a 5-Year CAGR of **67%** from **J\$36M** in FY 2012 to **J\$280M** in FY 2016. Year-to-Date (YTD), this revenue category has already outperformed FY 2016's performance to end September 2017 at **J\$370M**. Our historical analysis of the Company's revenues, thus far shows a clear strategy of moving away from an interest income based structure (On-Balance Sheet) to an Off-Balance Sheet Strategy where revenues are more fee and commission based. This is further evidenced in the continuous YoY reduction in the Company's Net Interest Margin. Net Fees & Commissions as a percentage of Total Operating Revenues has risen from **9%** in FY 2012 to **34%** in FY 2016. Lower Net Interest Margins has also been due to the continuous drop in local rates over the past few years.

VMIL's sustained revenue growth has translated to a growth in earnings between FY 2012 & FY 2016. Between FY 2012 and FY 2016, Net Income rose by a CAGR of **21%** from **J\$147.4M (EPS: J\$0.10)** in FY 2012 to **J\$317M (EPS: J\$0.21)** in FY2016. For the 9-Months ending September 2017, VMIL generated Net Income of **J\$273M (EPS: J\$0.18)**, signifying that



<sup>2</sup> An extract from the company's financial statements is included in the Appendix

the Company is likely to surpass earnings made in FY 2016.

## DuPont Analysis

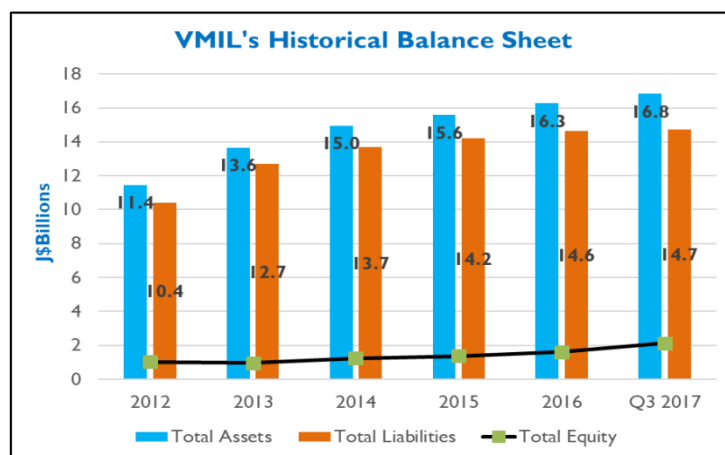
DuPont Analysis						
Financial Year	2012	2013	2014	2015	2016	Q3 2017*
Profit Margin	34.85%	33.61%	41.97%	38.36%	39.13%	37.11%
Asset Turnover Ratio	3.70%	0.03	0.04	0.05	0.05	0.06
Financial Leverage Ratio	11.12	14.14	11.92	11.41	10.07	7.93
<b>Return on Equity</b>	<b>14.32%</b>	<b>15.61%</b>	<b>20.97%</b>	<b>22.80%</b>	<b>19.64%</b>	<b>17.17%</b>

\*Annualized

VMIL's Return on Average Equity (ROE) has seen a consistent increase over the last 5 financial years, except in FY 2016 when ROE fell to **19.64%**. This YoY reduction in ROE in FY 2016 was due primarily to a reduction in the Company's Financial Leverage Ratio from **11.41X** in FY 2015 to **10.07X** in FY 2016. This YoY reduction in Financial Leverage was due to Total Equity increasing by **18%** YoY versus a **4.4%** increase in Total Assets.

## Balance Sheet and Solvency

The Company's asset base exhibited a CAGR of **9.19%** between FY 2012 and FY 2016. YTD, Total Assets has grown by **3.49%** or **J\$567M** to **J\$16.83B** as at September 2017 relative to December 2016. This increase in assets was largely due to a **J\$596M** increase in the Company's cash balance. This increase in cash was largely due to **J\$502M** in loans received, YTD. Total liabilities increased marginally by **0.41%** or **J\$60M** to **J\$14.65B**, Year to Date (YTD), as at the end of the 9-Months ending September 2017.



VMIL's Total Equity has expanded by a 5-Year CAGR of **11.94%** between FY 2012 and FY 2016. The Company's total equity has seen a sustained improvement over the last four financial years. YTD, Total Equity has risen by **31.40%** or **J\$507M** to **J\$2.12B** (Book Value Per Share (BVPS): **J\$1.42**) from **J\$1.62B** (BVPS: **J\$1.08**) as at the end of FY 2016.

Total Debt has grown at a CAGR of **8.27%** over the last 5 financial years. VMIL remains extremely leveraged with a Total Debt to Equity Ratio of **6.46X**. This is not unusual for Investment firms in Jamaica as Barita Investments and PROVEN Investments both have high leverage ratios of **3.64X** and **1.27X**, respectively. This high degree of leverage for Investments firms locally has been due to their traditional Repo holdings on their balance sheet. The inert high levels of leverage that comes with holding Repos is partly why Investment firms locally have been seeking to move

their business away from being largely dependent on Interest income from Repos to Fees and Commissions on Managed Assets and Trading Gains.

## Investment Positives and Negatives

### Positives

- **Supportive Macro Environment** – The local and international macroeconomic environments have both improved steadily since the Global Financial Crisis. These improvements have led to an increase in commerce, lower unemployment, increased income and an overall improvement in investor, business and consumer confidence. All this has combined to result in an increase in Investment activity as well as the demand for capital in the business sector. VM Investments is poised to continue to benefit from a more stable macroeconomic environment through continued increases in Assets Under Management, Gains from Securities Trading and Corporate Finance Fees.
- **Robust Historical Revenue & Earnings Growth** – Between FY 2012-FY 2016, the Company has exhibited a consistent growth in Total Operating Revenues and earnings, having a compound annual growth (CAGR) rate of **17.66%** and **21.10%**, respectively. This implies that VMIL has continued to benefit a consistent growth in demand for the Company's services as well as sustained cost efficiencies.
- **Potential Group Synergy**- VM Investments Limited is a subsidiary of the Victoria Mutual Building Society (VMBS) and a member of the VM Group of companies. VMBS has a robust member base with deposit liabilities of over **J\$83.6B** and an after-tax surplus of **J\$785.7M** for FY 2016. The size of the Group, the diversity of its member companies and the realized and unrealized synergies that exist between Group companies all present advantages to VM Investments.
- **Diversified Revenue Stream**– VM Investments, through VM Wealth Management, has a diversified revenue stream. Net Interest Income, Gains from Investing Activities, and Net Fees & Commissions accounted for **30.93%**, **34.36%**, and **34.48%** of Total Operating Revenues, respectively in FY 2016.
- **Organic Growth Opportunities**- VM Investments has stated its intentions to use capital raised from this IPO coupled with capital raised in Private Placements throughout 2017 to strengthen and expand its business lines and tap into the corporate lending landscape. The Company could also expand its reach to other regional markets as they currently don't have an overseas footprint.

### Negatives

- **Small Free Float** – Of the approximately **1.5B** shares of the group, only approximately **75M**, (5.00% of the total shares offered) will be made available to the general public with a further **225M** shares (15.00% of total shares offered) being made available to Company employees and members. This brings the possible share

float to approximately **300M** shares, or **20%** of the total shares outstanding. The scarcity of shares could inhibit trading activity which could curtail potential upside over the medium to long-term.

- **Competitive Domestic Landscape-** VM Investments operates in a very competitive industry characterized by a number of long established as well as new entrants.

## Valuation Estimate

### Key Valuation Assumptions

We are projecting after-tax profits for FY 2017 to be approximately **J\$352M (EPS: J\$0.23)** which would represent a **10.95%** YoY increase relative to FY 2016. We are also projecting after-tax profits for FY 2018 to be **J\$408M (EPS: J\$0.27)** which would represent a further **15.82%** YoY rise. The projected rise in FY 2018 earnings is underpinned by expectations of a continuation of stability in the local and global macroeconomic environments and an acceleration in revenue growth in excess of recent historical levels driven both by organic expansion as well as the expected deployment of new capital garnered from the IPO.

Based on the book value as at the end of Q3 2017 in September of **J\$2.12B**, the expected inflow of **J\$689M**, and the forecasted retention ratio of **25%** of FY 2017 and 2018's earnings (the Company has indicated an intended dividend policy of **75%** of earnings), we have projected a FY 2018 year end book value of **J\$2.85B (J\$1.82 per share)**.

### Relative Valuation Models

#### Price-to-Earnings (P/E) Ratio Valuation Method

Using VMIL's issue price of **J\$2.45** and their projected FY 2017 Earnings per Share (EPS) of **J\$0.23**, the Company's listing P/E ratio was calculated at **10.44X**. We are projecting Earnings per share of **J\$0.27** (Net Income of **J\$408M**) for FY 2018. We believe that an appropriate P/E multiple for VMIL given their recent and expected growth in profitability, current market conditions and comparables is **12.5X**. When the projected P/E multiple is applied to estimated FY 2018 earnings, the P/E Method implies a fair value of **J\$3.40**, which is **38.67%** above the Company's listing price.

VMIL's RELATIVE MULTIPLES		
NAME	Price/ Earning (x)	Price/Book (x)
VMIL's Multiples at Listing Price	11.14	1.30
Barita Investments	20.79	1.11
Sterling Investments	12.81	0.79
Proven Investments	10.44	1.34
Finance Industry	13.83	1.39
Main Market Average	19.90	1.83
<b>Average</b>	<b>14.82</b>	<b>1.29</b>



## Price-to-Book (P/B) Ratio Valuation Method

Using VMIL's listing price of **J\$2.45** and forecasted book value of **J\$1.75** as at the end of FY 2017 the Company's listing P/B ratio was calculated at **1.40X**. We believe that given the Company's high relative ROE of **17%**, current market conditions and expected growth, and the company's higher relative payout ratio to its comparables, we are assigning a fair value P/B of **1.40X** to the stock. When this multiple is applied to the estimated FY 2018 year-end book value of **J\$1.82** the P/B Method implies a fair value of **J\$2.55**, which is **3.95%** above the Company's listing price.

## Valuation Estimate: Conclusion

The average of both methods produces an estimated fair value of **J\$2.97** which implies a **21.31%** upside from the intended IPO price. We are consequently rating the stock as a **BUY** at the IPO Price. Additionally, based on the Company's stated dividend policy of a **75%** pay-out ratio, the estimated dividend for FY 2018 is **J\$0.20**. This translates to a potential dividend yield of **8.32%** on the issue price. Consequently, the estimated 1-Year Total return is **29.63%**.

P/E Valuation	J\$3.40
P/B Valuation	J\$2.55
<b>Fair Value</b>	<b>J\$2.97</b>

### Risks to Valuation

- Both VMBS and VM Investments are heavily tied to the domestic Real Estate and Financial markets. A downturn in Jamaica's economy may negatively affect earnings.
- The Company may accumulate Assets Under Management (AUM) and broker corporate finance deals at a rate different than we have forecasted.
- The Company could make an acquisition that materially changes its earnings outlook.
- Higher interest rates in the US and local markets could adversely impact the Company's earnings and asset values.
- A general downturn in the broad local equity market; which could negatively impact market multiples.

## Appendix

### Shareholdings Pre-IPO:

Shareholders: Victoria Mutual Investments Ltd.		
Name of Shareholder	Issued Share Capital	Percentage Ownership
The Victoria Mutual Building Society	1,200,020,000	100.00%

### Shareholdings Post-IPO:

Shareholders: Victoria Mutual Investments Ltd.		
Name of Shareholder	Issued Share Capital	Percentage Ownership
The Victoria Mutual Building Society	1,200,020,000	80.00%
Reserved- VM Group Employees	75,001,250	5.00%
Reserved- VM Group Members	150,002,500	10.00%
General Public	75,001,250	5.00%
<b>TOTAL</b>	<b>1,500,025,000</b>	<b>100.00%</b>

INCOME STATEMENT EXTRACT						
J\$ ('000)	Shares: 1,500,025,000					Q3 2017
December Year End	2012	2013	2014	2015	2016	Sep-17
<b>Interest Income</b>	<b>764,694</b>	<b>851,215</b>	<b>984,782</b>	<b>841,521</b>	<b>732,747</b>	<b>557,895</b>
Interest Expense	(476,982)	(534,939)	(667,734)	(558,844)	(481,991)	(366,377)
<b>Net Interest Income</b>	<b>287,712</b>	<b>316,276</b>	<b>317,048</b>	<b>282,677</b>	<b>250,756</b>	<b>191,518</b>
Gains from investing activities	98,885	68,617	156,692	294,088	278,624	171,444
Net Fees & Commissions	36,026	58,433	126,211	232,869	279,578	369,697
Other Income	379	4,697	27,538	1,506	1,845	4,247
Staff Costs	(117,707)	(135,117)	(168,356)	(193,680)	(216,293)	(213,270)
Other Operating Expenses	(93,664)	(130,582)	(145,008)	(188,478)	(200,776)	(153,241)
<b>Profit before Taxation</b>	<b>211,631</b>	<b>182,324</b>	<b>314,125</b>	<b>428,982</b>	<b>393,734</b>	<b>370,395</b>
Taxation	(64,225)	(31,725)	(50,785)	(117,850)	(76,456)	(96,957)
<b>Net Profit</b>	<b>147,406</b>	<b>150,599</b>	<b>263,340</b>	<b>311,132</b>	<b>317,278</b>	<b>273,438</b>
<b>EPS</b>	<b>0.10</b>	<b>0.10</b>	<b>0.18</b>	<b>0.21</b>	<b>0.21</b>	<b>0.18</b>

BALANCE SHEET EXTRACT						
J\$ ('000)						Q3 2017
December Year End	2012	2013	2014	2015	2016	Sep-17
<b>Non-Current Assets</b>						
Investment Securities	8,557,605	11,195,934	11,743,276	13,088,110	13,076,406	11,079,355
Deferred tax assets	23,540	84,690	27,023	41,282	75,081	50,004
Property, Plant & Equipment	19,888	17,204	33,319	30,401	23,486	22,789
Intangible assets	23,676	19,583	13,918	74,396	98,794	96,008
Other	7,900	-	-	-	-	-
	<b>8,632,609</b>	<b>11,317,411</b>	<b>11,817,536</b>	<b>13,234,189</b>	<b>13,273,767</b>	<b>11,248,156</b>
<b>Current Assets</b>						
Cash and Cash Equivalents	402,081	126,898	84,143	450,387	316,976	913,468
Resale Agreements	2,181,933	1,911,126	2,640,474	1,492,183	1,980,935	3,937,900
Due from fellow subsidiary	-	-	-	30,683	27,343	-
Customers	26,168	30,383	30,752	32,008	18,550	106,340
Other	196,168	229,424	386,512	332,100	617,695	620,648
Income Tax Recoverable	2,824	29,064	2,418	2,516	27,276	2,929
	<b>2,809,174</b>	<b>2,326,895</b>	<b>3,144,299</b>	<b>2,339,877</b>	<b>2,988,775</b>	<b>5,581,285</b>
<b>Current Liabilities</b>						
Due to Parent	-	-	-	236,954	218,125	1,608
Customers	-	-	-	342,427	221,558	909,148
Brokers	-	-	-	8,910	6,576	47,554
Due to fellow subsidiary	22,521	22,521	22,521	-	-	-
Others	154,289	158,106	216,329	165,239	209,985	268,701
Repurchase Agreements	10,145,618	12,437,036	13,392,180	13,363,857	13,940,198	13,374,386
Certificate of Participation	32,588	-	-	-	-	-
Income Tax Payable	10,945	-	34,560	47,042	-	54,497
Loan Payable	26,007	26,007	-	-	-	-
	<b>10,391,968</b>	<b>12,643,670</b>	<b>13,665,590</b>	<b>14,164,429</b>	<b>14,596,442</b>	<b>14,655,894</b>
<b>Net Current Assets</b>	<b>(7,582,794)</b>	<b>(10,316,775)</b>	<b>(10,521,291)</b>	<b>(11,824,552)</b>	<b>(11,607,667)</b>	<b>(9,074,609)</b>
<b>Shareholders' Equity</b>						
Share capital	24,000	24,000	24,000	24,000	24,000	24,000
Share Premium	24,000	24,000	24,000	24,000	24,000	24,000
Investment Revaluation Reserve	(37,210)	(143,226)	(5,817)	(54,694)	59,942	293,801
Other Reserve	1,600	(7,333)	(7,066)	(6,133)	(6,600)	(6,600)
Retained Earnings	966,665	1,017,182	1,170,513	1,327,552	1,464,348	1,737,786
	<b>979,055</b>	<b>914,623</b>	<b>1,205,630</b>	<b>1,314,725</b>	<b>1,565,690</b>	<b>2,072,987</b>
Non-Controlling Interest	50,000	50,000	50,000	50,000	50,000	50,000
	<b>1,029,055.00</b>	<b>964,623.00</b>	<b>1,255,630.00</b>	<b>1,364,725.00</b>	<b>1,615,690.00</b>	<b>2,122,987.00</b>
<b>Non-Current Liabilities</b>						
Deferred tax liabilities	17	13	15	12	10	160
Preference Share	12,000	12,000	12,000	12,000	12,000	12,000
Employee Benefit Obligation	8,600	24,000	28,600	32,900	38,400	38,400
	<b>20,617</b>	<b>36,013</b>	<b>40,615</b>	<b>44,912</b>	<b>50,410</b>	<b>50,560</b>
Non-Controlling Interest						50,000
<b>TOTAL ASSETS</b>	<b>11,441,783</b>	<b>13,644,306</b>	<b>14,961,835</b>	<b>15,574,066</b>	<b>16,262,542</b>	<b>16,829,441</b>
<b>TOTAL LIABILITIES</b>	<b>10,412,585</b>	<b>12,679,683</b>	<b>13,706,205</b>	<b>14,209,341</b>	<b>14,646,852</b>	<b>14,706,454</b>
<b>TOTAL DEBT</b>	<b>10,157,635</b>	<b>12,449,049</b>	<b>13,404,195</b>	<b>13,375,869</b>	<b>13,952,208</b>	<b>13,386,546</b>
<b>NET DEBT</b>	<b>10,154,811</b>	<b>12,419,985</b>	<b>13,401,777</b>	<b>13,373,353</b>	<b>13,924,932</b>	<b>13,383,617</b>

## Board of Directors

### **W Michael A. McMorris, BA – Chairman [Non-Executive]**

Mr. McMorris is the Chairman of the Board of Directors of the Company. He is also the Chairman of the Board of Directors of The Victoria Mutual Building Society and has held that office since 2011. He is Principal of the business management firm KRONOS Limited and works with local and international investors in the area of new venture development and strategic management. Mr. McMorris has had a successful career in both the Private and Public sectors. He was previously an Executive Director of Jamaica Promotion Corporation (JAMPRO) and prior to that, held the post of CEO with Trafalgar Commercial Bank (now First Global) and Knutsford Capital Merchant Bank, which he helped found.

Currently, Mr. McMorris also serves as Chairman of Victoria Mutual Wealth Management Limited and VMBS Money Transfer Services Limited, 1st Vice President of the Jamaica Chamber of Commerce and Director of other commercial enterprises. Previously, Mr. McMorris has served President of the Merchant Bankers Association, Chairman of the Finance Committee of the Airports Authority of Jamaica and a member of the Board of the National Exim Bank.



### **Mathew Wright, MPhil, MA, BA [Non-Executive]**

Mr. Mathew Wright is the Principal of IWC Capital Management LLC, a New York based private equity firm specializing in multi-family residential and commercial real estate investments in New York City. Mr. Wright has over 13 years' experience in corporate finance, credit risk management and real estate investment. He is a former Vice-President in the Infrastructure Finance Group of Citibank Global Capital Markets in New York, with responsibility for providing financial advisory and debt arrangement services to major infrastructure projects in North America, Latin America and the Caribbean. Mr. Wright has also served as Assistant Vice-President for Capital Markets in the Emerging Market and Corporate Bank for Citibank Jamaica.

Mr. Wright is a former Cambridge Commonwealth Scholar and holds a Master of Philosophy in Environment and Economic Development from Cambridge University in the United Kingdom, a Master of Arts Degree in International Development Policy from Stanford University, California and Bachelor of Arts Degree in Economics from Williams College, Massachusetts. He also serves as a Board member for the Victoria Mutual Building Society.



**Milton J. Samuda, Esq.**
**[Non-Executive]**

Mr. Milton J. Samuda is the Managing Partner of Samuda & Johnson and heads the Firm's Commercial Department. His practice includes Tourism, Corporate and Hotel Financing; Trade and Transportation; Mining and Energy; Sports and Entertainment; and Maritime Law. He is the Immediate Past Chairman of Jamaica Promotions Corporation (JAMPRO) and Past President of the Jamaica Chamber of Commerce (JCC). Currently, he is a director of Victoria Mutual Wealth Management, Creditinfo Jamaica Limited, Berger Paints Jamaica Limited, OMS Associates Limited, Strategic Corporate Interventions Limited, the Business of Sports and is a principal of The PowerSports Dynasty Limited. Additionally, he is a member of the Audit Risk & Credit Committee and Compensation Committee of the West Indies Cricket Board and of the Competent Authority in respect of the Co- Production Film Treaty between the United Kingdom and Jamaica.


**Noel Hann, EJD, FAIA, MCFE**
**[Non-Executive]**

Mr. Hann joined the Victoria Mutual Building Society family in 1976 and served the Society for over 30 years. As Senior Vice President Finance and Chief Financial Officer, he had responsibility for Accounting, Finance, Investment, Pension Fund Administration, Foreign Currency Trading and Information Technology. He retired in 2010 as Senior Vice President, Group Risk and Compliance. Mr. Hann also has extensive professional experience in manufacturing, construction and hotel operations.



Mr. Hann is a fellow of The Association of International Accountants (UK) and a member of the Chartered Management Institute (UK). In July 2007, he completed an Executive Juris Doctor (EJD) Law Degree at Concord Law School, California, specializing in the technical area with options in Cyber law, Patent Litigation, Intellectual Property and Patent Claim Drafting. He has completed several management development programmes, including Financial Management at the

Graduate School of Savings & Loans, North Western University.

**Phillip G. Silvera, FCCA, FCA**
**[Non-Executive]**

Mr. Phillip Silvera is a long-standing member of the Victoria Mutual Family and is a former Executive Vice-President of The Victoria Mutual Building Society, where he spent 30 years in various senior positions including Financial Controller, Chief Accountant and Divisional President. Mr. Silvera is a fellow of the Association of Chartered Certified Accountants (FCCA) UK and the Institute of Chartered Accountants (FCA) Jamaica. He was a licensed Security Dealer for over 5 years and up to 2006, served as a registered Public



Accountant.

Mr. Silvera is currently Chairman of the Board of Directors of Topaz Christian Fellowship and the immediate past President of the Golden Acres Citizens Association. He also serves on the Boards of Victoria Mutual Wealth Management, The Victoria Mutual Building Society, Money Transfer and Westin International Insurance Company Limited.

**Sandra M. Shirley, MBA, BSc (Hons), PMP**

**[Non-Executive]**

Ms. Sandra Shirley, Business Facilitator/Consultant, Sandra Shirley & Associates, has extensive experience spanning over 30 years in wealth management, trust banking, strategic planning and implementation in the United States and the Caribbean. She is also the Principal of the Jamaica Stock Exchange's E-Campus.

Ms. Shirley, a former licensed securities dealer and President of First Global Financial Services Limited, is a 2006 Fellow of the Jamaican Institute of Management and a member of the Private Sector Organisation of Jamaica. She is a former Director and Vice President of the Jamaica Chamber of Commerce and has served on various other private and public sector boards, including as Deputy Chairman, The Jamaica Stock Exchange (2008), Secretary, Security Dealers Association (2006-2008), a Commissioner, Anti-Dumping & Subsidies Commission and Jamaica Deposit Insurance Company.



**Courtney Campbell, MBA (Distinction), ACIB, BSc, JP**

**[Executive]**

An accomplished and dynamic banking executive with over two decades of strategic leadership experience and a strong track record in business growth and improving general business performance, Mr. Courtney Campbell assumed the role of President and Chief Executive Officer of the Victoria Mutual Building Society (VMBS) on April 18, 2016. Over the course of his career, Mr. Campbell has held several senior executive positions, including, Chief Executive Officer – GraceKennedy Financial Group, GraceKennedy's financial services holding company with operations in banking, stock broking, insurance and money services

across 12 Caribbean territories. Prior to joining the GraceKennedy Financial Group, he spent over 23 years with the National Commercial Bank, where he served in several management positions, including Head of the Retail Banking Division.

Mr. Campbell is the Chairman of the United Church Mission Enterprise; a Corporate Champion for the UWI STAT, Mona Campus; Director on the Knox College Board and a Member of the Public-Sector Transformation Oversight Committee. He also serves on the Investment Committee of the Council of World Missions. He also serves on the Investment Committee of the Council of



World

Missions. A Justice of the Peace, Mr. Campbell is an Advisory Board Member of the Governor-General’s Programme For Excellence and an I Believe Initiative Ambassador. He previously served as a Director of GraceKennedy Limited as well as a number of its subsidiaries’ boards and is a former Chairman of the National Education Trust (NET).

**Devon Barrett, MBA, Bsc**

**[Executive]**

A strategic and visionary leader, Mr. Devon Barrett has been with the Victoria Mutual Family since March 2008. On September 1, 2016 Mr. Barrett assumed the role of Group Chief Investment Officer with responsibility for diversifying the Group’s investment portfolio. He retains his post at the helm of Victoria Mutual Wealth Management where his primary areas of focus include conceptualizing and

implementing the strategic direction of the Company, managing the Company’s balance sheet, ensuring compliance with all regulatory requirements and managing the growth in profit and shareholders’ value.

Mr. Barrett also serves on the Boards of Victoria Mutual Wealth Management Limited, Victoria Mutual Pensions Management Limited, British Caribbean Insurance Company Limited and The Jamaica Stock Exchange Limited. Prior to his tenure at Victoria Mutual, Mr. Barrett served in senior positions at several financial institutions including Capital & Credit Securities Limited and the Union Bank of Jamaica Limited, formerly Citizen’s Bank. This accounts for 20 years of experience in managing foreign currency investments and deposits portfolios, negotiating foreign exchange and money market deals and ensuring consistent growth in the respective client bases.



**Janice McKenley, FCCA, FCA, MBA, Bsc**

**[Executive]**

Mrs. Janice McKenley joined Victoria Mutual in July, 2007. As Group Chief Financial Officer, she is responsible for the Victoria Mutual Building Society’s Treasury and group shared services inclusive of Finance, Information Security, Fraud Investigations, Risk Management and Internal Audit. Prior to joining Victoria Mutual, Mrs. McKenley held the position of General Manager, Financial Control Division at the National Commercial Bank Ltd. In that role, she had responsibility for the transformation and reorganization of the division, improvement in the financial reporting timeframes; Budget preparation and Regulatory Reporting; as well as coordination of the external audit and financial reporting for the Bank and Group. Mrs. McKenley has a wealth of experience including Computerized Information System Risk Management (CISRM), which was her specialty during her tenure at McKenley & Associates and



PriceWaterhouseCoopers. Mrs. McKenley was also instrumental in formulating the corporate direction and strategic goals for the City of Kingston Co-operative Credit Union, while serving as Deputy General Manager, Finance & Corporate Planning.

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