



RATING RELEASE

October 2, 2026

CariCRIS reaffirms “adequate creditworthiness” ratings of VM Financial Group Limited

<i>CariBBB</i>	(Regional Scale Foreign Currency)
<i>CariBBB+</i>	(Regional Scale Local Currency)
<i>jmA-</i>	(National Scale Foreign Currency)
<i>jmA</i>	(National Scale Local Currency)

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the Issuer/Corporate Credit Ratings assigned to VM Financial Group Limited and its subsidiaries (VMFG or the Group) at *CariBBB* (Foreign Currency Rating) and *CariBBB+* (Local Currency Rating) on the regional rating scale, and *jmA-* (Foreign Currency Rating) and *jmA* (Local Currency Rating) on the Jamaica national scale. The regional scale ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean, is **adequate**. The national scale ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in Jamaica, is **good**.

CariCRIS has also maintained a stable outlook on the ratings. The stable outlook is based on the high likelihood that VMFG will continue to report profitable financial performance, albeit at a lower level in 2026 before improving in 2027. The decline in profit after tax (PAT) in 2026 is expected from a temporary uptick in operating expenses driven by the Group’s ongoing digital initiatives and other administration expenses. Nonetheless, total income is projected to increase, supported by expected improvements in Jamaica’s economic environment, continued growth in the loan portfolio, and the expansion of non-interest income streams. Notably, total income should be positively impacted through the Group’s growing real estate market presence and its diaspora market penetration initiatives. PAT is likely to improve in 2027 as total income continues to grow through revenue diversification initiatives. Moreover, the Group is expected to have its flagship subsidiary maintain its position as Jamaica’s leading building society, while benefiting from a diversified presence in the securities and insurance sectors

through its subsidiaries. In addition, the Group's regulated subsidiaries are expected to remain adequately capitalised and continue to exhibit sound asset quality and strong liquidity profiles.

The ratings of VMFG reflect its good market position as Jamaica's leading building society, with a presence in the securities, real estate and insurance industries. Additionally, the Group's continued profitability, underpinned by moderately diverse income streams, and good asset quality, aided by a moderately diverse portfolio, also support the ratings. VMFG's good governance and risk management practices, and sound capitalisation, reflected in adequate capital adequacy ratios and good coverage of total assets, further underpin the ratings. Moreover, the Group maintains a moderate funding base and good liquidity position. These rating strengths are, however, tempered by the VMFG's relatively high cost to income ratio and concentration risk, given its significant exposure to the Jamaican economy.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the Ratings and/or Outlook include:

- An improvement in the credit rating of the Government of Jamaica (GOJ)
- Return on Earning Assets (ROEA) and Return on Equity (ROE) of 1.5% and 10% or more, respectively, sustained for 2 years without adverse impacts on capitalisation
- Tangible net worth (TNW) to Total Assets ratio of 10% or more, sustained for 2 years
- Regional expansion initiatives that lead to an improvement in the Group's market position in its key business segments
- Improvement in the Cost to Income ratio to 70% or below, sustained for 2 years
- Improvement in the Gearing ratio to 7.5 times or less, sustained for 2 years

Factors that could, individually or collectively, lead to a lowering of the Ratings and/or Outlook include:

- A lowering of the credit rating of the GOJ
- Deterioration in ROEA and ROE to 0.1% and 1.5% or less, respectively, sustained for 2 years
- Deterioration of the capital adequacy ratios (CARs) of the Group's regulated subsidiaries below specific regulatory requirements, sustained for 6 months or more
- Deterioration in the Cost to Income ratio to 90% or over, sustained for 3 years
- Deterioration in the TNW to Total Assets ratio to 6% or less, sustained for 2 years

- Deterioration in the Non-performing Loan (NPL) ratio to 7.5% or more, sustained for 2 years

About the Group:

VM Financial Group Limited and its subsidiaries (VMFG or the Group) is an integrated financial services Group domiciled in Jamaica, with operations in Jamaica, Barbados and the United Kingdom. VM Building Society (VMBS or the Building Society)¹, VMFG's largest subsidiary, was initially established in 1878 by a group of clergymen to assist Jamaicans with accessing financing for home ownership. Today, VMBS is one of two building societies in Jamaica. VM Financial Group Limited (the Company) was established in February 2023, under a Scheme of Arrangement, as the holding company for VMBS and its subsidiaries².

VMFG provides consumer and business banking, wealth and asset management and investment banking, money transfer, and pension fund management services. The Group plans to continue expanding regionally and diversifying its products and services through acquisitions and strategic partnerships. The Group also holds minority interests in 3 associated companies: British Caribbean Insurance Company Limited (BCIC) (43.9% shareholding), Carilend Caribbean Holdings Limited (Carilend) (30% shareholding), and Kingston Properties Limited (KPREIT) (23% shareholding), the latter held through VM Investments Limited (VMIL)³.

As at December 31, 2025, the Group's total assets stood at J \$254.1 billion, while profit after tax (PAT) for the year ended December 31, 2025, was J \$1.2 billion.

¹ VMBS, one of two building societies domiciled in Jamaica, is VMFG's largest subsidiary, accounting for more than 60% of the Group's total assets and revenue, respectively, in the financial year ended December 2025.

² Ownership of these subsidiaries was subsequently transferred to VM Financial Group from VMBS to ensure compliance with the Banking Services Act, 2014.

³ VMIL is a financial services group of companies domiciled in Jamaica, offering margin loans, insurance premium financing, lease financing, underwriting services and secured corporate loans. Its subsidiaries are VM Wealth Management Limited (VMWM), a licenced securities dealer offering asset management services, equity and bond trading, fixed income investments, and unit trust and other funds, and VM Wealth Funds Limited (VMWF), formerly Republic Funds Barbados Incorporated.



For more information on VMFG's ratings, please visit www.caricris.com or contact:

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