CariCRIS
REGIONAL RATINGS, GLOBAL STANDARDS

RATING RELEASE

November 12, 2026

CariCRIS downgrades 'adequate creditworthiness' ratings of VM Investments Limited and its Subsidiary

*Cari***BBB-**	**(Regional Scale Local Currency)**
*jm***BBB**	**(Jamaica National Scale Foreign Currency)**
*jm***BBB+**	**(Jamaica National Scale Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has downgraded the Issuer/Corporate Credit Ratings assigned to VM Investments Limited and its Subsidiary (VMIL or the Group) by 1 notch to *Cari***BBB-** (Local Currency Rating) on the regional rating scale, and *jm***BBB** (Foreign Currency Rating) and *jm***BBB+** (Local Currency Rating) on the Jamaica national scale[1]. The regional scale rating indicates that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean, is **adequate**. The national scale foreign currency and local currency ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in Jamaica, is **adequate**. These ratings include a 1-notch credit uplift for implied parental support from VM Financial Group Limited (VMFG or the Parent).

The 1-notch downgrade to the ratings is premised on the following factors:

1. The 70.1% fall in Profit After Tax (PAT) in FY2025, triggering one of CariCRIS' lowering rating sensitivity factors (RSFs)
2. Three consecutive years of declining operating performance which contributed to return on earning assets (ROEA) and return on assets (ROA) falling below CariCRIS' prior RSF for 2025

CariCRIS also assigned a **stable** outlook on the ratings. The stable outlook is premised on the high likelihood that over the next 12 to 15 months, VMIL will report profitable financial performance. Additionally, liquidity is expected to remain adequate, which should continue to support the Group's debt servicing capabilities over the next 12 to 15

[1] *This rating action was taken in June 2026*

months. However, though capitalisation is projected to remain good, continued dividend payments by the Group are likely to temper capital growth.

The ratings of VMIL reflect the Group's adequate market position in the Jamaica financial services sector, which is supported by VMFG. VMIL's profitable financial performance also supports the ratings; however, declining operating performance over the last several years is noted. Moreover, the ratings reflect the Group's adequate capitalisation levels, though gearing has weakened over the last several years. These rating strengths are constrained by VMIL's elevated non-performing loan (NPL) ratio over the last year and 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:

- Expansion of the Group's product and service offerings leading to a Return on Earning Assets (ROEA) of 1.5% or more for 2 consecutive financial years
- An improvement in the credit rating of the Government of Jamaica (GoJ)
- An improvement in the credit rating of the Group's Parent, VM Financial Group Limited (VMFG)
- An improvement in the Tangible Net Worth (TNW) to total assets ratio to 10% or more sustained for 2 consecutive financial years
- An improvement in the gearing ratio to less than 7 times sustained for 2 consecutive financial years

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

- Deterioration in Victoria Mutual Wealth Management Limited (VMWM)'s total capital to total assets ratio to 10% or lower sustained over the next financial year
- A deterioration of VMWM's capital base to risk-weighted assets ratio to 15% or lower over the next financial year
- A lowering of the credit rating of the GoJ
- A deterioration in the credit rating of VMFG
- Reduction in ROEA of VMIL to 0.5% or less for 2 consecutive financial years
- Return on Assets (ROA) of 0.5% or less sustained for 2 consecutive financial years
- Deterioration in the gearing ratio of 10 times or more for the next financial year

- Non-performing Loan (NPL) ratio of 35% or more for the next financial year

About the Group:

VM Investments Limited (the Company), formerly Victoria Mutual Investments Limited[2], and its subsidiary Victoria Mutual Wealth Management Limited (VMWM)[3] (VMIL or the Group) is domiciled in Jamaica. VMWM is a licensed securities dealer registered with the Jamaica Financial Services Commission (FSC). VM Investments Limited, the Group's holding company, is 80% owned by VM Financial Group Limited (VMFG)[4]. The other 20% is listed on the Jamaica Stock Exchange (JSE) and is owned by various institutional and individual investors.

The Group provides a comprehensive suite of financial services and contributes to VMFG's overall goal of being an integrated financial services group. VMIL's range of products and services includes margin loans, insurance premium financing, lease financing, underwriting services, and secured corporate loans. Additionally, as a licensed securities dealer, VMWM also offers a range of services including stock and investment brokering, investment advisory services, and securities dealing services. Since 2011, VMWM has increased its activities in the asset management and capital markets spaces, thus diversifying its sources of revenue from primarily interest income. In September 2019, the Group took its first step towards regional expansion with the acquisition of 30% of Carilend Caribbean Holdings Limited (Carilend)[5]. Additionally, in March 2024, the Group acquired 100% shareholding in Republic Funds (Barbados) Incorporated[6] (RFI).

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[2] *Incorporated in 1984*

[3] *Incorporated in 1994*

[4] *In November 2022, the Supreme Court of Jamaica granted approval for the restructuring of the Victoria Mutual Building Society (VMBS or the Building Society), a mortgage bank with non-banking subsidiaries, into a financial holding company, VM Group Limited. This approval followed that of VMBS' Board of Directors and the Bank of Jamaica. The restructuring was undertaken to ensure compliance with Jamaica's Banking Services Act, which requires a corporate group, which includes both financial businesses and non-financial businesses, to be reorganised by separating the financial services companies from the non-financial companies. Consequently, 80% of VMIL's shareholdings previously held by VMBS were transferred to VMFG.*

[5] *Carilend is a FinTech company incorporated in Barbados and founded in 2015 facilitating peer to peer lending in the Caribbean.*

[6] *RFI was a subsidiary of Republic Bank (Barbados) Limited and was the owner and operator of the Republic Property Fund, Republic Income Fund and Republic Capital Growth Fund. The company is now called VM Wealth Funds Limited.*

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

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