

# MAYBERRY

## INVESTMENTS LIMITED

### **CHIEF EXECUTIVE OFFICER'S REPORT ON FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2009.**

#### **Mayberry Records Net Profit of \$152 Million for the Period...**

Our net profit for the 6 months ended 30 June 2009 was \$152 million which translates in earnings of \$0.13 per share. Our performance was influenced by lower volumes traded in both the fixed income and equity markets. With the recent lowering of interest rates and the Government's decision to access funding from the International Monetary Fund, we expect to see increased activities in the securities market as new opportunities arise. We have reviewed our strategy for the remainder of the year and the necessary adjustments are being made in light of these developments.

Our net interest income and net trading gains on securities were reduced as a result of our strategy to reduce our repo book as well as our decision to hold liquid funds in the short term. The stock market remains weak with the JSE market index at the end of the period being 80,866 compared to 109,754, reflecting a 26 % decline in market prices. This resulted in less volumes being traded and a reduction in the level of fees and commissions generated over the period. Notwithstanding, we were ranked number one by the Jamaica Stock Exchange for the volumes and values traded over the period.

Net interest income and other revenues for the 6 months ended 30 June 2009 was \$395 million compared to \$999 million for the corresponding period, this reflected a decrease of \$604 million or 60%. This was due to significant reductions in net interest income of \$151 million or 57%, fees and commissions income of \$99 million or 84% as well as decline in net trading gains of \$547 million or 98%. This was offset by increases in dividend income of \$15 million or 27%, net foreign exchange gains of \$118 million or 323% and unrealised gains of \$34 million or 109%, respectively.



Administrative expenses and depreciation totalled \$246 million and remained flat for the period as compared to 2008. Our credit provision stands at \$67 million representing 6% of our gross loans, we have adequate collateral in place to cover our credit exposure.

## **Balance Sheet**

### **Assets and Liabilities**

There has been a \$7 billion or 24% overall reduction in our asset base over the corresponding period ended 30 June 2008, while our liabilities decreased by \$5.8 billion or 23% during the same period. This was due to a \$6 billion reduction in our repo funding, in keeping with our strategy.

### **Regulatory Capital Requirements**

Our capital base remains strong. Our capital to risk weighted asset ratio stood at 36% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Our capital to total assets ratio was 9% whereas the FSC benchmark is 6%.

I wish to thank our management and staff for the hard work that they have put in this period.

I also wish to thank our customers for their business over the past twenty-four years.

Gary Peart

**Chief Executive Officer**



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## INVESTMENTS LIMITED

### CONSOLIDATED INCOME STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2009

	<u>UNAUDITED</u> 3 Months Ended 30 June 2009	<u>UNAUDITED</u> 3 Months Ended 30 June 2008	<u>UNAUDITED</u> 6 Months Ended 30 June 2009	<u>UNAUDITED</u> 6 Months Ended 30 June 2008	<u>AUDITED</u> 12 Months Ended 31 December 2008
	\$'000	\$'000		\$'000	\$'000
Interest income	564,648	744,932	1,232,483	1,289,939	2,373,218
Interest expense	(506,463)	(533,987)	(1,120,680)	(1,027,176)	(2,020,311)
Net interest income	58,185	210,945	111,803	262,763	352,907
Fees and commissions	6,727	20,032	19,468	118,508	151,773
Dividend income	35,494	34,707	69,437	54,775	85,691
(Loss)/gain on sale of investments	(12,237)	39,866	8,112	554,790	79,222
Net foreign exchange gain	19,549	(899)	154,704	36,528	321,395
Unrealised (loss)/gain on investment revaluati	(3,186)	(117,626)	2,847	(31,101)	(64,140)
Loan provision recovered/written back	19,000	-	19,000	-	9,198
Other income	4,725	1,522	9,652	3,040	6,481
Net interest income and other operating reven	128,257	188,547	395,023	999,303	942,527
Provision for credit losses	(9,023)	(15,001)	(18,023)	(15,008)	(67,480)
Depreciation and amortization	(6,600)	(6,189)	(13,195)	(12,193)	(38,502)
Administrative expenses	(121,996)	(119,298)	(233,292)	(231,408)	(495,617)
	(9,362)	48,059	130,513	740,694	340,928
Share of results of associate	5,389	(311)	11,179	3,910	15,218
Profit before taxation	(3,973)	47,748	141,692	744,604	356,146
Taxation credit/(charge)	20,892	(8,845)	10,255	(75,047)	113,355
<b>Net Profit</b>	<b>16,919</b>	<b>38,903</b>	<b>151,947</b>	<b>669,557</b>	<b>469,501</b>
<b>Number of Shares in Issue</b>	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291
<b>Earnings Per Stock Unit</b>	<b>\$0.01</b>	<b>\$0.03</b>	<b>\$0.13</b>	<b>\$0.56</b>	<b>\$0.39</b>



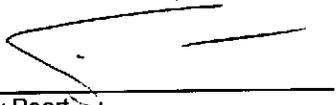
# MAYBERRY

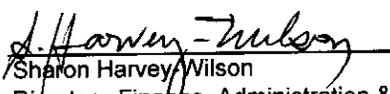
## INVESTMENTS LIMITED

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	(UNAUDITED) <u>JUNE</u> <u>2009</u> \$'000	(UNAUDITED) <u>JUNE</u> <u>2008</u> \$'000	AUDITED <u>DECEMBER</u> <u>2008</u> \$'000
<b>ASSETS</b>			
Cash resources	465,223	1,105,297	985,736
Investment securities	14,429,912	21,073,429	15,338,034
Reverse repurchase agreements	108,878	71,804	353,953
Capital management funds	3,894,727	2,807,952	4,168,776
Promissory notes	1,081,936	1,044,342	1,140,742
Interest receivable	305,653	494,345	365,256
Loans and other receivables	1,335,927	2,338,058	1,206,029
Deferred taxation	346,651	-	273,378
Investment property	8,432	8,432	8,432
Property, plant and equipment	113,373	141,830	126,107
Investment in associate	85,501	63,015	74,323
<b>TOTAL ASSETS</b>	<b><u>22,176,213</u></b>	<b><u>29,148,504</u></b>	<b><u>24,040,766</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Bank overdraft	45,003	206,414	13,307
Capital management funds obligation	3,894,727	2,807,952	4,168,776
Securities sold under repurchase agreements	12,328,162	18,231,719	14,192,933
Interest payable	248,140	329,919	299,687
Loans	2,633,233	2,990,891	1,719,250
Accounts payable	255,076	638,827	692,303
Redeemable preference shares	501,343	501,343	501,343
Deferred taxation	-	33,739	-
	<u>19,905,684</u>	<u>25,740,804</u>	<u>21,587,599</u>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(1,069,132)	(61,066)	(826,139)
Other reserve	15,096	-	10,596
Retained earnings	1,742,184	1,886,385	1,686,329
	<u>2,270,529</u>	<u>3,407,700</u>	<u>2,453,167</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>22,176,213</u></b>	<b><u>29,148,504</u></b>	<b><u>24,040,766</u></b>

Approved for issue by the Board of Directors on 30 July 2009 and signed on its behalf by:

  
Gary Peart  
Chief Executive Officer

  
Sharon Harvey-Wilson  
Director - Finance, Administration & Compliance



# MAYBERRY

## INVESTMENTS LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2009

	<u>UNAUDITED</u> 6 Months Ended 30 June 2009	<u>UNAUDITED</u> 6 Months Ended 30 June 2008 \$'000	<u>AUDITED</u> 12 Months Ended 31 December 2008 \$'000
<b>Profit for the period</b>	151,947	669,557	469,501
Other Comprehensive Income for the period net of tax:			
Unrealised losses on available for sale investments	(190,614)	(244,778)	(1,557,846)
Realized fair value (gains)/losses transferred to consolidated income statement	(52,379)	(141,970)	408,576
Employee share option	4,500	-	8,045
<b>Total comprehensive income</b>	<u>(86,546)</u>	<u>282,809</u>	<u>(671,724)</u>



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## INVESTMENTS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2009

	Share Capital \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 January 2008	1,582,381	323,131	2,551	1,457,058	3,365,121
Total comprehensive income	-	(386,748)	-	669,557	282,809
Dividends	-	-	-	(240,230)	(240,230)
<b>Balance at 30 June 2008</b>	<b>1,582,381</b>	<b>(63,617)</b>	<b>2,551</b>	<b>1,886,385</b>	<b>3,407,700</b>
Balance at 1 January 2009	1,582,381	(826,139)	10,596	1,686,329	2,453,167
Total comprehensive income	-	(242,993)	4,500	151,947	(86,546)
Dividends	-	-	-	(96,092)	(96,092)
<b>Balance at 30 June 2009</b>	<b>1,582,381</b>	<b>(1,069,132)</b>	<b>15,096</b>	<b>1,742,184</b>	<b>2,270,529</b>



# MAYBERRY

INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTH ENDED 30 JUNE 2009

	<u>Unaudited</u> 3 Months Ended 30 June 2009 \$'000	<u>Unaudited</u> 3 Months Ended 30 June 2008 \$'000	<u>Unaudited</u> 6 Months Ended 30 June 2009 \$'000	<u>Unaudited</u> 6 Months Ended 30 June 2008 \$'000	<u>Audited</u> 12 Months Ended 31 December 2008 \$'000
(Loss)/profit for the period	(3,973)	47,748	141,692	744,604	356,146
Adjustment to reconcile profit for the period to net cash used in operating activities	(414,601)	(123,147)	(435,838)	(327,273)	(56,854)
Cash provided by/(used in) operating activities	467,431	635,406	(162,291)	223,110	490,988
Net cash provided by/(used in) operating activities	<u>48,857</u>	<u>560,007</u>	<u>(456,437)</u>	<u>640,441</u>	<u>790,280</u>
Net cash provided by/(used in) investing activities	<u>-</u>	<u>(8,159)</u>	<u>320</u>	<u>(24,536)</u>	<u>(35,464)</u>
Net cash used in financing activities	<u>(96,092)</u>	<u>-</u>	<u>(96,092)</u>	<u>(240,230)</u>	<u>(240,230)</u>
(Decrease)/Increase in cash and cash equivalents	<u>(47,235)</u>	<u>551,848</u>	<u>(552,209)</u>	<u>375,675</u>	<u>514,586</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	-	-	(65,365)
Cash and cash equivalents at beginning of period	467,455	347,035	972,429	523,208	523,208
Cash and cash equivalents at end of period	<u>420,220</u>	<u>898,883</u>	<u>420,220</u>	<u>898,883</u>	<u>972,429</u>



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## INVESTMENTS LIMITED

**AS AT 30 JUNE 2009**

### **BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 audited financial statements for the year ended 31 December 2008. The Group has adopted IAS 1, Presentation of Financial Statements (revised) which is effective for accounting periods commencing 1 January 2009.