



MAYBERRY

INVESTMENTS LIMITED

Unaudited Financial Results For the 9 Months Ended 30 September 2009

CHIEF EXECUTIVE OFFICER'S REPORT ON FINANCIAL RESULTS

Mayberry Records Net Profit of \$169 Million for the Period

Our net profit for the 9 months ended 30 September 2009 was \$169 million which translates in earnings of \$0.14 per share. Our performance continues to be impacted by lower volumes traded in both the fixed income and equity markets. Over the past 6 months, Bank of Jamaica has reduced interest rates by approximately 500 basis points; additionally, we continue to experience the decline in US interest rates. With these reductions in interest rates and our strategy to reduce our repo book and hold liquid funds in the short term, there was a decline in our overall net interest income.

The stock market remains weak with the JSE market index at the end of the period being 79,928 compared to 109,754 at the end of December 2008, reflecting a 27 % decline in market index. This resulted in less volumes being traded and a reduction in the level of fees and commissions generated over the period. Notwithstanding, we continue to hold our number one ranking by the Jamaica Stock Exchange for the volumes and values traded over the period.

Access Financial Services Limited, (Access), our associate company, successfully raised \$100 million from its Initial Public Offer of shares; and on 30 October 2009, was the first company to be listed on Jamaica's Junior Stock Exchange. We congratulate Access and the team who worked assiduously to make

this a reality. We are very proud to have invested in Access and to be a part of its history. Our investment in Access has grown by 135% since 2006 when we invested. This new capital injection will provide the resources to increase its profit and contribution to the small and medium enterprises and Jamaica's economic growth.

Mayberry is again proud to have been the lead broker of Access and encourage other companies in need of capital to strongly consider the Jamaica Stock Exchange as an avenue for raising funds and "tap in" on the significant benefits to companies and stockholders from being listed on the Exchange.

■ Statement of Income

Net interest income and other revenues for the 9 months ended 30 September 2009 were \$527 million compared to \$1.217 billion for the corresponding period, this reflected a decrease of \$690 million or 57%. This was due to significant reductions in net interest income of \$198 million or 55%, fees and commission income of \$99 million or 76% as well as decline in net trading gains of \$674 million or 94%. This was offset by increases in dividend income of \$5 million or 7%, net foreign exchange gains of \$104 million or 145% and unrealised gains on investments of \$149 million or 106%, respectively.

Administrative expenses and depreciation totalled \$354 million and decreased by \$16 million or 4% for the period as compared to 2008.

Our credit provision stands at \$76 million representing 7% of our gross loans., We have adequate collateral in place to cover our credit exposure.

■ Balance Sheet

Assets and Liabilities

There has been a \$3.4 billion or 12% overall reduction in our asset base over the corresponding period ended 30 September 2008, while our liabilities decreased by \$2.8 billion or 12% during the same period. This was driven by a \$5 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 during this period.

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


Gary Peart
Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2009

	<u>UNAUDITED</u> 3 Months Ended 30 September 2009	<u>UNAUDITED</u> 3 Months Ended 30 September 2008	<u>UNAUDITED</u> 9 Months Ended 30 September 2009	<u>UNAUDITED</u> 9 Months Ended 30 September 2008	<u>AUDITED</u> 12 Months Ended 31 December 2008
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	491,609	1,471,517	1,724,092	2,761,456	2,373,218
Interest expense	(443,555)	(1,375,733)	(1,564,235)	(2,402,909)	(2,020,311)
Net interest income	48,054	95,784	159,857	358,547	352,907
Fees and commissions	12,717	13,124	32,185	131,632	151,773
Dividend income	4,562	14,555	73,999	69,330	85,691
Gain on sale of investments	37,510	164,441	45,622	719,231	79,222
Net foreign exchange gain	21,186	35,156	175,890	71,684	321,395
Unrealised gain/(loss) on investment revaluations	5,889	(109,985)	8,736	(141,086)	(64,140)
Loan provision recovered/written back	-	-	19,000	-	9,198
Other income	2,415	5,398	12,067	8,438	6,481
Net interest income and other operating revenue	132,333	218,473	527,356	1,217,776	942,527
Provision for credit losses	(9,018)	(20,000)	(27,041)	(35,008)	(67,480)
Depreciation and amortization	(6,601)	(6,748)	(19,796)	(18,941)	(38,502)
Administrative expenses	(101,332)	(119,884)	(334,624)	(351,292)	(495,617)
	15,382	71,841	145,895	812,535	340,928
Share of results of associate	4,795	2,464	15,974	6,374	15,218
Profit before taxation	20,177	74,305	161,869	818,909	356,146
Taxation (charge)/credit	(2,728)	21,859	7,527	(53,188)	113,355
Net Profit	17,449	96,164	169,396	765,721	469,501
Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291
Earnings Per Stock Unit	\$0.01	\$0.08	\$0.14	\$0.64	\$0.39

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.



MAYBERRY INVESTMENTS LIMITED

Unaudited Financial Results

For the 9 Months Ended 30 September 2009 (Cont'd)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2009

	(UNAUDITED) SEPTEMBER 2009 \$'000	(UNAUDITED) SEPTEMBER 2008 \$'000	AUDITED DECEMBER 2008 \$'000
ASSETS			
Cash resources	273,523	754,892	985,736
Investment securities	14,715,783	20,179,600	15,338,034
Reverse repurchase agreements	231,270	420,000	353,953
Capital management funds	4,743,786	2,659,176	4,168,776
Promissory notes	1,078,877	1,270,942	1,140,742
Interest receivable	337,392	386,388	365,256
Loans and other receivables	1,922,613	1,228,780	1,206,029
Deferred taxation	291,466	136,492	273,378
Investment property	8,432	8,432	8,432
Property, plant and equipment	106,802	142,305	126,107
Investment in associate	90,296	65,480	74,323
TOTAL ASSETS	23,800,240	27,252,487	24,040,766
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	168,826	53,645	13,307
Capital management funds obligation	4,743,786	2,659,176	4,168,776
Securities sold under repurchase agreements	12,713,567	17,781,016	14,192,933
Interest payable	263,241	291,051	299,687
Loans	2,547,745	2,198,210	1,719,250
Accounts payable	401,065	708,979	692,303
Redeemable preference shares	501,343	501,343	501,343
	21,339,573	24,193,420	21,587,599
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(898,693)	(508,414)	(826,139)
Other reserve	17,346	2,551	10,596
Retained earnings	1,759,633	1,982,549	1,686,329
	2,460,667	3,059,067	2,453,167
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	23,800,240	27,252,487	24,040,766

Approved for issue by the Board of Directors on 5 November 2009 and signed on its behalf by:

Gary Peart
Chief Executive Officer

Sharon Harvey-Wilson
Director - Finance, Administration & Compliance

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2009

	UNAUDITED 9 Months Ended 30 September 2009 \$'000	UNAUDITED 9 Months Ended 30 September 2008 \$'000	AUDITED 12 Months Ended 31 December 2008 \$'000
Profit for the period	169,396	765,721	469,501
Other Comprehensive Income for the period net of tax:			
Unrealised losses on available for sale investments	(128,612)	(670,302)	(1,557,846)
Realized fair value losses/(gains) transferred to consolidated income statement	56,058	(161,243)	408,576
Employee share option	6,750	-	8,045
Total comprehensive income	103,592	(65,824)	(671,724)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 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	-	(831,545)	-	765,721	(65,824)
Dividends	-	-	-	(240,230)	(240,230)
Balance at 30 September 2008	1,582,381	(508,414)	2,551	1,982,549	3,059,067
Balance at 1 January 2009	1,582,381	(826,139)	10,596	1,686,329	2,453,167
Total comprehensive income	-	(72,554)	6,750	169,396	103,592
Dividends	-	-	-	(96,092)	(96,092)
Balance at 30 September 2009	1,582,381	(898,693)	17,346	1,759,633	2,460,667

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2009

	Unaudited 3 Months Ended 30 September 2009 \$'000	Unaudited 3 Months Ended 30 September 2008 \$'000	Unaudited 9 Months Ended 30 September 2009 \$'000	Unaudited 9 Months Ended 30 September 2008 \$'000	Audited 12 Months Ended 31 December 2008 \$'000
Profit for the period	20,177	74,305	161,869	818,909	356,146
Adjustment to reconcile profit for the period to net cash used in operating activities	(229,345)	4,811	(665,183)	(322,462)	(56,854)
Cash (used in)/provided by operating activities	(106,355)	(269,532)	(268,645)	(46,423)	490,988
Net cash (used in)/ provided by operating activities	(315,523)	(190,416)	(771,959)	450,024	790,280
Net cash provided by/(used in) investing activities	-	(7,220)	319	(31,755)	(35,464)
Net cash used in financing activities	-	-	(96,092)	(240,230)	(240,230)
(Decrease)/increase in cash and cash equivalents	(315,523)	(197,636)	(867,732)	178,039	514,586
Effects of change in exchange rate on cash and cash equivalents	-	-	-	-	(65,365)
Cash and cash equivalents at beginning of period	420,220	898,883	972,429	523,208	523,208
Cash and cash equivalents at end of period	104,697	701,247	104,697	701,247	972,429