



MAYBERRY
INVESTMENTS LIMITED

CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2010.

This quarter we recorded net profit of \$57.6 million, which translates in earnings of \$0.05 per share. We recorded more transactions over this period which signifies a positive indication from the market. The Government's debt exchange programme brought a significant shift in rates and has paved the way for single digit interest rates. The private sector should position itself to take advantage of the lowered cost of funding in this environment which should lead to a better performance of the economy. We are happy to report that the impact of the debt exchange on Mayberry was not material and was less than 1% of our capital. Nonetheless we continue to be abreast of our environment and the market, and will adjust our strategy accordingly.

PERFORMANCE HIGHLIGHTS

REVENUES

We have recorded increases in most of our revenue areas which is in line with our strategy to diversify and grow our revenue streams; however, these increases were impacted by the level of foreign exchange loss recorded for the quarter. The foreign exchange loss was due in part to the revaluation of the Jamaican dollar against the United States (US) dollar as well as the devaluation of the Euro dollar against the US dollar.

Net interest income and other revenues for the quarter were \$172 million compared to \$267 million in 2009, a decrease of \$95 million or 36%, due primarily to net foreign exchange loss of \$96 million. Fees and commissions increased by \$51.6 million or 405%, which resulted from the execution of more fee based transactions, advisory services and the JSE recording more transactions over this period. The JSE main index closed at 86,011 points compared to 79,023 points for the corresponding period. We recorded an increase of 396% or \$80.5 million in net trading gains on securities, which totalled \$101 million for the quarter compared to \$20.3 million for the corresponding period.

Our share of profit from Access was \$15.3 million for the quarter, reflecting a 162% increase over the corresponding quarter. Access continues to expand its operations and continues to make a positive contribution to the island's small and medium enterprises.

EXPENSES

Administrative expenses totalled \$130.7 million for the quarter compared to \$111.3 million for the corresponding period. This reflects a 17% increase which is due to higher overhead costs.

BALANCE SHEET

Assets and Liabilities

There has been a \$5.2 billion or 22% overall increase in our asset base over the corresponding period ended 31 March 2009, this was due to increased funds under management which grew by \$4.1 billion or 111%.

REGULATORY CAPITAL REQUIREMENTS

Our capital base remains strong. Our capital to risk weighted asset ratio stood at 41% 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%.

JUNIOR STOCK EXCHANGE LISTINGS

We are proud to have been the lead broker for the Blue Power Group in its Initial Public Offer. The offer was oversubscribed by approximately 60% and the Group raised \$87 million in capital which is now available to expand its operations. Again, we take this opportunity to encourage other unlisted small and medium sized companies to consider listing on Jamaica's Junior Stock Exchange as there are significant benefits to companies and shareholders from being listed.

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-five years.



Gary Peart

Chief Executive Officer



MAYBERRY

INVESTMENTS LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE 3 MONTHS ENDED 31 MARCH 2010

	<u>UNAUDITED</u> 3 Months Ended 31 March 2010	<u>UNAUDITED</u> 3 Months Ended 31 March 2009	<u>AUDITED</u> 12 Months Ended 31 December 2009
	\$'000	\$'000	\$'000
Interest income	453,985	667,835	2,093,929
Interest expense	(369,598)	(614,217)	(1,835,713)
Net interest income	<u>84,387</u>	<u>53,618</u>	<u>258,216</u>
Fees and commissions	64,309	12,741	47,987
Dividend income	5,501	33,943	101,965
Gain on sale of investments	100,879	20,349	24,281
Net foreign exchange (loss)/gain	(95,715)	135,155	268,294
Unrealised (loss)/gain on investment revaluations	(8,278)	6,033	7,342
Loan provision recovered/written back	6,750	-	-
Other income	14,514	4,927	15,731
Net interest income and other operating revenue	<u>172,347</u>	<u>266,766</u>	<u>723,816</u>
Provision for credit losses	-	(9,000)	(62,075)
Depreciation and amortization	(7,691)	(6,595)	(27,445)
Administrative expenses	<u>(130,724)</u>	<u>(111,296)</u>	<u>(452,988)</u>
	33,932	139,875	181,308
Share of results of associate	<u>15,271</u>	<u>5,790</u>	<u>29,927</u>
Profit before taxation	49,203	145,665	211,235
Taxation credit/(charge)	8,392	(10,637)	34,238
Net Profit	<u>57,595</u>	<u>135,028</u>	<u>245,473</u>
Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291
Earnings Per Stock Unit	<u>\$0.05</u>	<u>\$0.11</u>	<u>\$0.20</u>




MAYBERRY INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

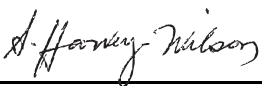
AS AT 31 MARCH 2010

	(UNAUDITED) <u>MARCH</u> <u>2010</u> \$'000	(UNAUDITED) <u>MARCH</u> <u>2009</u> \$'000	AUDITED <u>DECEMBER</u> <u>2009</u> \$'000
ASSETS			
Cash resources	985,327	480,280	433,304
Investment securities	17,274,193	14,888,595	17,426,658
Reverse repurchase agreements	360,796	1,065,695	16,045
Capital management funds	7,707,510	3,665,126	4,687,130
Promissory notes	946,976	1,202,936	988,906
Interest receivable	276,610	376,573	454,340
Loans and other receivables	912,519	1,372,942	1,067,920
Deferred taxation	150,553	313,385	168,772
Investment property	8,432	8,432	8,432
Property, plant and equipment	115,765	119,973	122,999
Investment in associate	119,521	80,112	104,250
TOTAL ASSETS	<u>28,858,202</u>	<u>23,574,049</u>	<u>25,478,756</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	145,817	12,825	16,042
Capital management funds obligation	7,707,510	3,665,126	4,687,130
Securities sold under repurchase agreements	14,389,520	15,290,718	14,461,154
Interest payable	265,416	328,774	315,873
Loans	2,175,762	1,166,121	2,337,289
Accounts payable	606,754	286,853	248,872
Redeemable preference shares	501,343	501,343	501,343
	<u>25,792,122</u>	<u>21,251,760</u>	<u>22,567,703</u>
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(338,594)	(1,094,295)	(525,634)
Other reserve	20,596	12,846	18,596
Retained earnings	1,801,697	1,821,357	1,835,710
	<u>3,066,080</u>	<u>2,322,289</u>	<u>2,911,053</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>28,858,202</u>	<u>23,574,049</u>	<u>25,478,756</u>

Approved for issue by the Board of Directors on 6 May 2010 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 3 MONTHS ENDED 31 MARCH 2010

	<u>UNAUDITED</u> 3 Months Ended 31 March 2010 \$'000	<u>UNAUDITED</u> 3 Months Ended 31 March 2009 \$'000	<u>AUDITED</u> 12 Months Ended 31 December 2009 \$'000
Profit for the period	57,595	135,028	245,473
Other Comprehensive Income for the period net of tax:			
Unrealised gains/(losses) on financial instruments	191,524	(225,397)	199,990
Realized fair value (gains)/losses transferred to consolidated income statement	-	(42,759)	100,515
Employee share option	2,000	2,250	8,000
Total comprehensive income	<u>251,119</u>	<u>(130,878)</u>	<u>553,978</u>



MAYBERRY

INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 31 MARCH 2010

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000		\$'000	\$'000
Balance at 1 January 2009	1,582,381	(826,139)	10,596	1,686,329	2,453,167
Total comprehensive income	-	(268,156)	2,250	135,028	(130,878)
Dividends	-	-	-	-	-
Balance at 31 March 2009	1,582,381	(1,094,295)	12,846	1,821,357	2,322,289
Balance at 1 January 2010	1,582,381	(525,634)	18,596	1,835,710	2,911,053
Realised gains transferred on equity instruments transferred to retained earnings	-	(4,484)	-	4,484	-
Total comprehensive income	-	191,524	2,000	57,595	251,119
Dividends	-	-	-	(96,092)	(96,092)
Balance at 31 March 2010	1,582,381	(338,594)	20,596	1,801,697	3,066,080



MAYBERRY

INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTH ENDED 31 MARCH 2010

	<u>Unaudited</u> 3 Months Ended 31 March 2010 \$'000	<u>Unaudited</u> 3 Months Ended 31 March 2009 \$'000	<u>Audited</u> 12 Months Ended 31 December 2009 \$'000
Profit for the period	49,203	145,664	211,235
Adjustment to reconcile profit for the period to net cash used in operating activities	(17,110)	(21,237)	(298,872)
Cash provided by/(used in) operating activities	486,471	(629,721)	(265,275)
Net cash provided by/(used in) operating activities	<u>518,564</u>	<u>(505,294)</u>	<u>(352,912)</u>
Net cash (used in)/provided by investing activities	<u>(224)</u>	<u>320</u>	<u>(23,618)</u>
Net cash used in financing activities	<u>(96,092)</u>	<u>-</u>	<u>(96,092)</u>
Increase/(decrease) in cash and cash equivalents	<u>422,248</u>	<u>(504,974)</u>	<u>(472,622)</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	(82,545)
Cash and cash equivalents at beginning of period	<u>417,262</u>	<u>972,429</u>	<u>972,429</u>
Cash and cash equivalents at end of period	<u>839,510</u>	<u>467,455</u>	<u>417,262</u>