



# MAYBERRY

INVESTMENTS LIMITED

## CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2011.

**Mayberry records net  
profit of \$74.2 million  
for the first quarter**

As we approach our twenty sixth year in business I am pleased to present our results for the quarter ended 31 March 2011.

### PERFORMANCE HIGHLIGHTS

Net profit for the three months ended 31 March 2011 was \$74.2 million which translates to earnings of \$0.06 per share.

Net interest income and other operating revenue for the period totalled \$214 million compared with \$172 million for the corresponding quarter. This reflects an increase of \$42 million or 24%. Our revenue performance was impacted by the reduction in fees and commission income of \$55.5 million, this decrease was counterbalanced by the significant reduction in net foreign exchange losses of \$98.5 million over the

corresponding period. The foreign exchange rate has shown signs of stability resulting in no further revaluation of the Jamaican currency. Net interest income grew by \$9.7 million or 11.6% over the corresponding period.

Administrative expenses were reduced by 3.4% and totalled \$126.2 million. We have increased our provision for bad debts by \$13 million, based on our assessment of loan recovery.

### Share of Results of Associated Company

Our share of profit from Access was \$13 million; this has reduced marginally by \$2.2 million or 14% over the corresponding period. The market value of our 39% shareholdings in Access has grown to \$538,039,250. Over the last two years total dividend paid by Access was \$98.8 million; our share of dividend was \$38.5 million. Our initial investment in 2006 was \$38,360,000.

### Balance Sheet

There has been a \$2.2 billion or 7.7% overall increase in our asset base over the corresponding period ended 31 December 2010. This was due to increase in most of our asset classes, driven by investments. The increase was funded primarily by institutional borrowing.



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## Mayberry Gold Portfolio

We have expanded our product offering by providing a fixed income portfolio to our clients. The Mayberry Gold portfolio is a managed fixed Income portfolio, managed in accordance with the tenure or the time for which an investor wants to invest. Fixed income securities are selected in accordance with the clients' preference with due consideration given to the best return for the level of risk taken. Securities are managed so as to obtain the best risk adjusted yield available. We are very excited about this product as this will provide a better yield for our clients whilst meeting the Financial Services Commission criteria.

I wish to thank our management and staff for the hard work that they have put during this period, making it a success.

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

Gary Peart  
Chief Executive Officer

## Regulatory Capital Requirements

Our capital base remains strong. Our capital to risk weighted asset ratio stood at 18% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Our capital to total assets ratio was 8% whereas the FSC benchmark is 6%.



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## Consolidated Income Statement

FOR THE 3 MONTHS ENDED 31 MARCH 2011

	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>AUDITED</u>
	3 Months Ended 31 March 2011	3 Months Ended 31 March 2010	12 Months Ended 31 December 2010
	\$'000	\$'000	\$'000
Interest income	311,162	453,985	1,536,409
Interest expense	(217,024)	(369,598)	(1,219,739)
Net interest income	94,138	84,387	316,670
Fees and commissions	8,807	64,309	173,335
Dividend income	6,326	5,501	63,367
Gain on sale of investments	106,874	100,879	333,060
Net foreign exchange gain/(loss)	2,794	(95,715)	(235,097)
Unrealised (loss)/gain on investment revaluations	(6,997)	(8,278)	1,828
Loan provision recovered/written back	-	6,750	-
Other income	2,214	14,514	22,399
Net interest income and other operating revenue	214,156	172,347	675,562
Provision for credit losses	(18,099)	-	(9,500)
Depreciation and amortization	(6,394)	(7,691)	(28,173)
Administrative expenses	(126,260)	(130,724)	(519,010)
Operating profit	63,403	33,932	118,879
Share of results of associate	13,062	15,271	57,377
Profit before taxation	76,465	49,203	176,256
Taxation credit/(charge)	(2,252)	8,392	(1,726)
<b>Net Profit</b>	<b>74,213</b>	<b>57,595</b>	<b>174,530</b>
<b>Number of Shares in Issue</b>	1,201,149,291	1,201,149,291	1,201,149,291
<b>Earnings Per Stock Unit</b>	<b>\$0.06</b>	<b>\$0.05</b>	<b>\$0.15</b>

### 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 2010.



# MAYBERRY

## INVESTMENTS LIMITED

### Consolidated Statement of Financial Position

AS AT 31 MARCH 2011

	(UNAUDITED) MARCH 2011 \$'000	(UNAUDITED) MARCH 2010 \$'000	AUDITED DECEMBER 2010 \$'000
<b>ASSETS</b>			
Cash resources	737,965	985,327	304,786
Investment securities	18,596,739	17,274,193	17,476,865
Reverse repurchase agreements	451,149	360,796	271,557
Capital management funds	8,269,270	7,707,510	7,964,134
Promissory notes	941,427	946,976	985,280
Interest receivable	198,776	276,610	194,006
Loans and other receivables	999,907	912,519	826,435
Deferred taxation	138,778	150,553	144,126
Investment property	8,432	8,432	8,432
Property, plant and equipment	98,015	115,765	101,750
Investment in associate	169,309	119,521	156,247
<b>TOTAL ASSETS</b>	<b>30,609,767</b>	<b>28,858,202</b>	<b>28,433,618</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Bank overdraft	48,554	145,817	17,610
Capital management funds obligation	8,269,270	7,707,510	7,964,134
Securities sold under repurchase agreements	16,521,123	14,389,520	14,986,006
Interest payable	253,002	265,416	222,304
Loans	1,822,745	2,175,762	1,669,064
Accounts payable	531,004	606,754	503,938
Redeemable preference shares	-	501,343	-
	27,445,698	25,792,122	25,363,056
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(307,501)	(338,594)	(329,534)
Other reserve	26,596	20,596	26,596
Retained earnings	1,862,593	1,801,697	1,791,119
	3,164,069	3,066,080	3,070,562
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>30,609,767</b>	<b>28,858,202</b>	<b>28,433,618</b>

Approved for issue by the Board of Directors on 27 April 2011 and signed on its behalf by:

Gary Peart  
Chief Executive Officer/Director

Sharon Harvey-Wilson  
Director - Finance, Administration & Compliance





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## Consolidated Statement of Comprehensive Income

FOR THE 3 MONTHS ENDED 31 MARCH 2011

	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>AUDITED</u>
	3 Months Ended 31 March 2011 \$'000	3 Months Ended 31 March 2010 \$'000	12 Months Ended 31 December 2010 \$'000
<b>Profit for the period</b>	74,213	57,595	174,530
Other Comprehensive Income for the period net of tax:			
Unrealised gains/(losses) on financial instruments	19,294	191,524	73,071
Employee share option	-	2,000	8,000
<b>Total comprehensive income</b>	<u>93,507</u>	<u>251,119</u>	<u>255,601</u>



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## Consolidated Statement of Changes in Equity

FOR THE 3 MONTHS ENDED 31 MARCH 2011

	Share Capital \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 January 2010	1,582,381	(525,634)	18,596	1,835,710	2,911,053
Realised gains (net) transferred to retained earnings	-	(4,484)	-	4,484	-
Total comprehensive income	-	191,524	2,000	57,595	251,119
Dividends	-	-	-	(96,092)	(96,092)
<b>Balance at 31 March 2010</b>	<b>1,582,381</b>	<b>(338,594)</b>	<b>20,596</b>	<b>1,801,697</b>	<b>3,066,080</b>
Balance at 1 January 2011	1,582,381	(329,534)	26,596	1,791,119	3,070,562
Realised lossess (net) transferred to retained earnings	-	2,739	-	(2,739)	-
Total comprehensive income	-	19,294	-	74,213	93,507
Dividends	-	-	-	-	-
<b>Balance at 31 March 2011</b>	<b>1,582,381</b>	<b>(307,501)</b>	<b>26,596</b>	<b>1,862,593</b>	<b>3,164,069</b>



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## Consolidated Statement of Cash Flows

FOR THE 3 MONTHS ENDED 31 MARCH 2011

	<u>Unaudited</u> 3 Months Ended 31 March 2011 \$'000	<u>Unaudited</u> 3 Months Ended 31 March 2010 \$'000	<u>Audited</u> 12 Months Ended 31 December 2010 \$'000
Profit for the period	76,465	49,203	176,256
Adjustment to reconcile profit for the period to net cash used in operating activities	(119,274)	(17,110)	(263,578)
Cash provided by operating activities	447,703	486,471	534,545
Net cash provided by operating activities	<u>404,894</u>	<u>518,564</u>	<u>447,223</u>
Net cash used in investing activities	<u>(2,659)</u>	<u>(224)</u>	<u>(1,444)</u>
Net cash used in financing activities	<u>-</u>	<u>(96,092)</u>	<u>(597,435)</u>
Increase/(decrease) in cash and cash equivalents	<u>402,235</u>	<u>422,248</u>	<u>(151,656)</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	21,570
Cash and cash equivalents at beginning of period	<u>287,176</u>	<u>417,262</u>	<u>417,262</u>
Cash and cash equivalents at end of period	<u>689,411</u>	<u>839,510</u>	<u>287,176</u>