



MAYBERRY

INVESTMENTS LIMITED

CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2012.

Our profit before taxation was \$121.2 million compared to \$76.4 million for the comparative period.

I am pleased to present our first quarter report for the period ended 31 March 2012. This year we are focused on our goals as outlined in our strategic agenda for 2012. Much emphasis will be placed on growing our managed funds' portfolios and leveraging our expertise across the different asset classes. These portfolios returned creditable performances in 2011, our Mayberry Managed Equity Portfolio achieved a 40% return on assets and our pension portfolio achieved a 30% return on assets.

Our managed fixed income portfolios are growing and currently yield a higher level of returns for our clients when compared to repos and savings account deposits. This is a great opportunity for our clients to benefit from our expertise and achieve reasonable returns whilst being exposed to relatively low risk.

Quarterly Profit Performance

Our profit before taxation was \$121.2 million compared to \$76.4 million for the comparative period. This profit performance was achieved based on total revenues of \$264.6 million which was 24% higher than the corresponding quarter ended 2011. The categories which contributed most to the increase were net interest income (35%), fees and commission (702%) and dividend income (136%). Despite the 66% reduction in net trading gains in this period we expect to see improvements in this area in the upcoming quarters.

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Summary of Income Statement

Description	31 March 2012 (\$'000)	31 March 2011 (\$'000)	Change (\$'000)	% Change
Net Interest Income and Other Revenues	264,642	214,156	50,486	24
Operating Expenses	(160,208)	(150,753)	9,455	6
Operating Profit	104,434	63,403	41,031	65
Share of result of associate	16,844	13,062	3,782	29
Profit before Taxation	121,278	76,465	44,813	59
Net Profit	113,242	74,213	39,029	53

Our stockholders' equity was \$3.57 billion, an increase of \$410.55 million when compared to the corresponding period. Our net profit for the quarter was \$113.2 million and was 53% higher than the corresponding period 2011. During the quarter we paid dividend to our shareholders totaling \$108 million. We recorded a decline in our fair value reserves of \$140 million which resulted from the general fall in market prices on the Jamaica Stock Exchange. The All Jamaica Composite Index was 96,326 points at the end of the quarter compared to 102,179 points at the end of 2011.

Statement of Financial Position

Description	31 March 2012 (\$'000)	31 March 2011 (\$'000)	Change (\$'000)	% Change
Total Assets	23,721,415	22,340,497	1,380,918	6
Total Liabilities	(20,146,792)	(19,176,428)	970,364	5
Stockholders' Equity	3,574,623	3,164,069	410,554	13

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Funds Under Management

We have recorded 14.6% growth in our funds under management during this quarter which brings our total assets managed to \$11.8 billion.

Again, I would like to highlight the Mayberry Individual Retirement Scheme, as this product provides benefits for the self-employed individuals as well as the companies who do not have a pension plan in place. Affording a stable retirement is an essential life goal; we encourage more persons to provide for their retirement through this product.

Corporate Financial Advisory Service

Our corporate financial advisory service has grown steadily over the past 3 years. Whilst we have been very successful in assisting companies to list on the Junior Stock Exchange, this year we have been focussing on private equity transactions and assisting companies to improve their operations and implementing best practises to get better results.

Associate Company Investment

During the quarter we purchased an additional 7,070,379 units of shares in Access Financial Services Limited, for a total of \$35 million which increased our total shareholdings to 42%. This is an indication of our confidence in Access; we believe that the

company will continue to return stable profits. Our shareholding in Access has a market value of \$563,886,000 and has grown by 669% over the amount invested of \$73 million.

Regulatory Capital

Our capital base remains in good standing. Our capital to risk weighted asset ratio stood at 17% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Our tier one capital is 99% of the overall capital of the company and exceeds the minimum of 50% established by the FSC.

I wish to thank our management and staff for their dedication and hard work during the period and their contribution to the success achieved. I also wish to thank our clients for their business over the past twenty-six years.

Gary Peart
Chief Executive Officer

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Consolidated Income Statement

FOR THE 3 MONTHS ENDED 31 MARCH 2012

	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>AUDITED</u>
	3 Months Ended 31 March 2012	3 Months Ended 31 March 2011	12 Months Ended 31 December 2011
	\$'000	\$'000	\$'000
Interest income	318,350	311,162	1,332,550
Interest expense	(191,137)	(217,024)	(858,379)
Net interest income	<u>127,213</u>	<u>94,138</u>	<u>474,171</u>
Fees and commissions	70,612	8,807	133,205
Dividend income	14,905	6,326	73,127
Net trading gains	36,443	106,874	342,979
Net foreign exchange gains/(losses)	8,914	2,794	(22,667)
Unrealised gains/(losses) on investments revaluation	2,659	(6,997)	(30,861)
Other income	<u>3,896</u>	<u>2,214</u>	<u>8,443</u>
Net interest income and other operating revenue	<u>264,642</u>	<u>214,156</u>	<u>978,397</u>
Provision for credit losses	(12,812)	(18,099)	(55,103)
Depreciation and amortization	(5,814)	(6,394)	(23,019)
Administrative expenses	<u>(141,582)</u>	<u>(126,260)</u>	<u>(616,240)</u>
Operating profit	<u>104,434</u>	<u>63,403</u>	<u>284,035</u>
Share of results of associate	16,844	13,062	63,207
Profit before taxation	<u>121,278</u>	<u>76,465</u>	<u>347,242</u>
Taxation charge	(8,036)	(2,252)	(65,120)
Net Profit	<u>113,242</u>	<u>74,213</u>	<u>282,122</u>
Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291
Earnings Per Stock Unit	<u>\$0.09</u>	<u>\$0.06</u>	<u>\$0.23</u>

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2011.

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Consolidated Statement of Financial Position

AS AT 31 MARCH 2012

	(UNAUDITED) <u>MARCH</u> <u>2012</u> \$'000	(UNAUDITED) <u>MARCH</u> <u>2011</u> \$'000	AUDITED <u>DECEMBER</u> <u>2011</u> \$'000
ASSETS			
Cash resources	804,197	737,965	570,114
Investment securities	19,221,690	18,596,739	19,959,318
Reverse repurchase agreements	797,467	451,149	746,556
Promissory notes	952,336	941,427	891,139
Interest receivable	205,795	198,776	238,386
Loans and other receivables	1,369,781	999,907	1,469,729
Deferred taxation	32,173	138,778	40,582
Investment property	8,432	8,432	8,432
Property, plant and equipment	90,766	98,015	94,213
Investment in associate	238,778	169,309	186,095
TOTAL ASSETS	<u>23,721,415</u>	<u>22,340,497</u>	<u>24,204,564</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	73,224	48,554	11,833
Securities sold under repurchase agreements	17,268,680	16,521,123	17,304,421
Interest payable	213,281	253,002	186,412
Loans	1,536,386	1,822,745	1,933,709
Accounts payable	1,055,221	531,004	1,065,526
	<u>20,146,792</u>	<u>19,176,428</u>	<u>20,501,901</u>
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(92,593)	(307,501)	47,923
Other reserve	527,939	527,939	527,939
Retained earnings	1,556,896	1,361,250	1,544,420
	<u>3,574,623</u>	<u>3,164,069</u>	<u>3,702,663</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>23,721,415</u>	<u>22,340,497</u>	<u>24,204,564</u>

Approved for issue by the Board of Directors on 1 May 2012 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 2012

	<u>UNAUDITED</u> 3 Months Ended 31 March 2012 \$'000	<u>UNAUDITED</u> 3 Months Ended 31 March 2011 \$'000	<u>AUDITED</u> 12 Months Ended 31 December 2011 \$'000
Profit for the period	113,242	74,213	282,122
Other Comprehensive Income for the period net of tax:			
Unrealised (losses)/gains on financial instruments	(140,516)	19,294	446,071
Total comprehensive income	<u>(27,274)</u>	<u>93,507</u>	<u>728,193</u>

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Consolidated Statement of Changes in Equity

FOR THE 3 MONTHS ENDED 31 MARCH 2012

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2011	1,582,381	(329,534)	527,939	1,289,776	3,070,562
Realised losses (net) transferred to retained earnings	-	2,739	-	(2,739)	-
Total comprehensive income	-	19,294	-	74,213	93,507
Dividends	-	-	-	-	-
Balance at 31 March 2011	1,582,381	(307,501)	527,939	1,361,250	3,164,069
Balance at 1 January 2012	1,582,381	47,923	527,939	1,544,420	3,702,663
Realised profit (net) transferred to retained earnings	-	(7,337)	-	7,337	-
Total comprehensive income	-	(133,179)	-	113,242	(19,937)
Dividends	-	-	-	(108,103)	(108,103)
Balance at 31 March 2012	1,582,381	(92,593)	527,939	1,556,896	3,574,623

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Consolidated Statement of Cash Flows

FOR THE 3 MONTH ENDED 31 MARCH 2012

	<u>Unaudited</u> 3 Months Ended 31 March 2012 \$'000	<u>Unaudited</u> 3 Months Ended 31 March 2011 \$'000	<u>Audited</u> 12 Months Ended 31 December 2011 \$'000
Profit for the period	121,278	76,465	347,242
Adjustment to reconcile profit for the period to net cash used in operating activities	(154,615)	(119,274)	(282,412)
Cash provided by operating activities	352,338	447,703	290,236
Net cash provided by operating activities	<u>319,001</u>	<u>404,894</u>	<u>355,066</u>
Net cash (used in)/provided by investing activities	<u>(38,206)</u>	<u>(2,659)</u>	<u>19,485</u>
Net cash used in financing activities	<u>(108,103)</u>	<u>-</u>	<u>(96,092)</u>
Increase in cash and cash equivalents	<u>172,692</u>	<u>402,235</u>	<u>278,459</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	(7,354)
Cash and cash equivalents at beginning of period	<u>558,281</u>	<u>287,176</u>	<u>287,176</u>
Cash and cash equivalents at end of period	<u>730,973</u>	<u>689,411</u>	<u>558,281</u>

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