



MAYBERRY

INVESTMENTS LIMITED

CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2014.

**Total revenue for the quarter was \$239 million
and we recorded a net profit of \$76 million.**

I am pleased to present our first quarter report for the period ended 31 March 2014. This year we are focused on our goal of growing our profit.

Quarterly Profit Performance

The highlights of our operating performance are as follows.

Net profit for the quarter was \$76.1 million compared to a loss of \$67.7 million for the corresponding period which translates in earnings of \$0.06 per share. We are happy to have restored profitability in our performance, despite the lower revenues recorded.

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Summary of Income Statement

Description	31 March 2014 (\$ '000)	31 March 2013 (\$ '000)	Change (\$'000)	+/(-) % Change
Net Interest Income and Other Revenues	238,728	323,562	(84,834)	(26)
Operating Expenses	(195,640)	(165,134)	(30,506)	(18)
Operating Profit/ (Loss)	43,088	(178,875)	221,963	124
Share of result of Associate	31,175	24,263	6,912	28
Profit/(Loss) before Taxation	74,263	(154,612)	228,875	148
Net Profit/(Loss)	76,140	(67,650)	143,790	213

This quarter we recorded revenues of \$239 million; this was 26% lower than the corresponding quarter. The reduction was driven by lower net interest income (37%) and trading revenues (40%) as well as the absence of gain from the sale of part of our holding in our Associate Company.

The increase in local interest rates had a negative impact on our net interest income, coupled with the reduction in the yields from the portfolio, consequent to the National Debt Exchange. Our trading revenue was lower as we liquidated certain global bonds due to risk conditions affecting Europe and Russia. These reductions were offset by increases in unrealized revaluation gains on investments 259%, fees and commission 25%, net foreign exchange gains 18% and other income 633%.

We have rolled out a new marketing and advertising campaign which has increased our visibility and reached out to our clients and prospects. This new investment has contributed to the increased operating expenses, we are very optimistic about the returns to be generated from these activities.

Our share of profit from Access Financial Services Limited (Access), continues to be positive to our net position and has grown by 28% when compared to 2013.

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Statement of Financial Position

Description	31 March 2014 (\$ '000)	31 March 2013 (\$ '000)	Change (\$'000)	+/(-) % Change
Total Assets	21,763,123	19,545,823	2,217,300	11
Total Liabilities	(17,961,618)	(16,116,973)	(1,844,645)	11
Stockholders' Equity	3,801,505	3,428,850	372,655	11

There was a \$2.2 billion increase in our total assets which was due in part to the devaluation of the Jamaican Dollar as well as increased funding received from our counterparts.

Our stockholders' equity was \$3.8 billion, an increase of \$373 million when compared to the corresponding period. This translates to a book value of \$2.91 per share. The 213% increase in our net profit as well as the increase in the fair value reserves of \$120 million which resulted from the general increase in the market prices of securities in our portfolio, contributed to the increase in our stockholders' equity.

We recognize that the stock market has been impacted by the current economic situation and as such many stocks are undervalued. This provides a great opportunity for investors to make sound investments in strong companies and position themselves for the market rebound.

Associate Company Investment

Recently there has been a lot of attention to the difficult situation regarding the dispute between Access' Board of Directors and its Chief Executive Officer. The Board of Access has given its assurance that the shareholders' and bondholders' investments are intact and all steps are being taken to ensure that Access' governance remain transparent, serving the interest of all parties.

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The management and staff continue to give their best effort to ensure that all stakeholders' interests are preserved.

Our investment continues to perform well as reflected in our results for the period. Our current shareholding in Access has a market value of \$960,337,000 and has grown phenomenally since our initial investments.

Regulatory Capital

Our capital base remains in good standing. Our capital to risk weighted asset ratio complies with the established minimum and meets the benchmark set by the Financial Services Commission (FSC). 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 directors, 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-eight years.

Gary Peart
Chief Executive Officer

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Consolidated Income Statement

FOR THE 3 MONTHS ENDED 31 MARCH 2014

	<u>UNAUDITED</u> 3 Months Ended 31 March 2014	<u>UNAUDITED</u> 3 Months Ended 31 March 2013	<u>AUDITED</u> 12 Months Ended 31 December 2013
	\$'000	\$'000	\$'000
Net Interest Income and Other Revenues			
Interest income	269,478	261,927	1,021,716
Interest expense	(193,104)	(139,911)	(608,073)
Net interest income	<u>76,374</u>	<u>122,016</u>	<u>413,643</u>
Fees and commissions	24,394	19,482	111,780
Dividend income	28,641	34,117	92,604
Net gain on disposal of associate holding	-	59,985	59,985
Net trading gains	34,907	57,897	159,013
Net foreign exchange gain	47,405	40,136	139,027
Unrealised (loss)/gain on investment revaluations	17,943	(11,307)	(90,415)
Other income	9,064	1,236	8,562
Net interest income and other operating revenue	<u>238,728</u>	<u>323,562</u>	<u>894,199</u>
Operating Expenses			
Salaries, statutory contributions and other staff costs	(83,913)	(75,521)	(339,463)
Provision for credit losses	(9,300)	(9,000)	6,406
Depreciation and amortization	(4,062)	(3,471)	(15,682)
Other operating expenses	(98,365)	(77,142)	(332,591)
	<u>(195,640)</u>	<u>(165,134)</u>	<u>(681,330)</u>
Operating profit before National Debt Exchange	43,088	158,428	212,869
Loss from National Debt Exchange	-	(337,303)	(337,504)
Operating profit/(loss)	<u>43,088</u>	<u>(178,875)</u>	<u>(124,635)</u>
Share of results of associate	31,175	24,263	102,643
Profit/(Loss) before taxation	<u>74,263</u>	<u>(154,612)</u>	<u>(21,992)</u>
Taxation credit	1,877	86,962	124,335
Net Profit/(Loss)	<u>76,140</u>	<u>(67,650)</u>	<u>102,343</u>
Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291
Earnings/(Loss) Per Stock Unit	<u>\$0.06</u>	<u>(\$0.06)</u>	<u>\$0.09</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 2013.

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Consolidated Statement of Financial Position


FOR THE 3 MONTHS ENDED 31 MARCH 2014

	(UNAUDITED) <u>MARCH</u> <u>2014</u> \$'000	(UNAUDITED) <u>MARCH</u> <u>2013</u> \$'000	AUDITED <u>DECEMBER</u> <u>2013</u> \$'000
ASSETS			
Cash resources	1,369,229	1,271,481	709,493
Investment securities	14,409,878	13,756,905	15,608,995
Reverse repurchase agreements	290,000	372,000	387,701
Promissory notes	1,004,390	1,265,759	1,153,655
Interest receivable	209,582	150,535	246,551
Loans and other receivables	3,586,736	2,285,500	3,123,905
Deferred taxation	149,806	120,850	147,349
Other assets	345,330	8,432	272,055
Property, plant and equipment	104,724	97,873	107,865
Investment in associate	293,448	216,488	262,273
TOTAL ASSETS	21,763,123	19,545,823	22,019,842
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	33,111	57,036	16,462
Securities sold under repurchase agreements	13,636,627	12,325,697	13,730,690
Interest payable	66,672	67,268	67,102
Loans	1,360,573	1,940,678	1,796,214
Accounts payable	2,864,635	1,726,294	2,639,155
	17,961,618	16,116,973	18,249,623
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(205,545)	(325,815)	(162,829)
Other reserve	527,939	527,939	527,939
Retained earnings	1,896,730	1,644,345	1,822,728
	3,801,505	3,428,850	3,770,219
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	21,763,123	19,545,823	22,019,842

Approved for issue by the Board of Directors on 2 May 2014 and signed on its behalf by:



 Gary Peart
 Chief Executive Officer



 Sharon Harvey-Wilson
 Chief Operating Officer

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Consolidated Statement of Comprehensive Income

FOR THE 3 MONTHS ENDED 31 MARCH 2014

	<u>UNAUDITED</u> 3 Months Ended 31 March 2014 \$'000	<u>UNAUDITED</u> 3 Months Ended 31 March 2013 \$'000	<u>AUDITED</u> 12 Months Ended 31 December 2013 \$'000
Profit/(Loss) for the period	76,140	(67,750)	102,343
Other Comprehensive Income for the period net of tax:			
Unrealised losses on financial instruments	(44,854)	(174,220)	(2,944)
Total comprehensive income	<u><u>31,286</u></u>	<u><u>(241,970)</u></u>	<u><u>99,399</u></u>

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Consolidated Statement of Changes in Equity

FOR THE 3 MONTHS ENDED 31 MARCH 2014

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	1,582,381	(142,005)	527,939	1,702,505	3,670,820
Realised profit (net) transferred to retained earnings	-	(9,590)	-	9,590	-
Total comprehensive income	-	(174,220)	-	(67,750)	(241,970)
Balance at 31 March 2013	1,582,381	(325,815)	527,939	1,644,345	3,428,850
Balance at 1 January 2014	1,582,381	(162,829)	527,939	1,822,728	3,770,219
Realised loss (net) transferred to retained earnings	-	2,138	-	(2,138)	-
Total comprehensive income	-	(44,854)	-	76,140	31,286
Balance at 31 March 2014	1,582,381	(205,545)	527,939	1,896,730	3,801,505

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Consolidated Statement of Cash Flows

FOR THE 3 MONTHS ENDED 31 MARCH 2014

	<u>Unaudited</u> 3 Months Ended 31 March 2014 \$'000	<u>Unaudited</u> 3 Months Ended 31 March 2013 \$'000	<u>Audited</u> 12 Months Ended 31 December 2013 \$'000
Profit/(Loss) for the period	74,263	(154,612)	(21,992)
Adjustment to reconcile profit/(loss) for the period to net cash used in operating activities	(195,011)	(5,864)	(680,642)
Cash provided by/(used in) operating activities	838,030	(421,144)	(243,773)
Net cash provided by/(used in) operating activities	<u>717,282</u>	<u>(581,620)</u>	<u>(946,407)</u>
Net cash (used in)/provided by investing activities	<u>(74,195)</u>	<u>51,848</u>	<u>80,018</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents	<u>643,087</u>	<u>(529,772)</u>	<u>(866,389)</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	(184,797)
Cash and cash equivalents at beginning of period	693,031	1,744,217	1,744,217
Cash and cash equivalents at end of period	<u>1,336,118</u>	<u>1,214,445</u>	<u>693,031</u>

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Top Ten Shareholders and Connected Persons

31 MARCH 2013

<u>Name</u>	<u>Shareholdings</u>
Bamboo Group Holdings Limited	461,326,811
Konrad Mark Berry**	437,377,507
Mayberry Employee Share Scheme	43,779,473
Gary Peart	24,566,665
Konrad Limited	18,178,253
Mayberry Foundation	10,955,147
Sharon Harvey-Wilson	10,730,858
Trading A/C - Life of Jamaica Ltd.	10,681,282
Christine Wong	8,103,167
Mayberry Investments Limited Pension Scheme	6,274,960

Connected Persons

Mayberry Employee Share Scheme	10,955,147
Mayberry Managed Client Account	3,448,362
Mayberry Foundation	10,955,147
Konrad Limited	18,178,253
Mayberry Investments Limited Pension Scheme	6,274,960
Doris Berry	732,262
Est. Maurice Berry	10

** Includes holdings in joint accounts

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Shareholdings of Directors and Senior Management

31 MARCH 2014

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	461,326,811
Konrad Berry**	437,377,507	-
Erwin Angus	-	2,507,886
Benito Palomino	2,283,105	-
David McBean**	446,521	-
Gary Peart**	24,566,665	174,250
Sharon Harvey-Wilson	10,730,858	-
Sushil Jain	255,537	-
Gladstone "Tony" Lewars	87,000	-
<u>Managers</u>		
Andrea HoSang**	1,098,601	
Kayree Berry-Teape**	2,688,064	
Wade Mars	1,000	
Dino Hinds	66,992	
Tania Waldron-Gooden	2,000	

** Includes holdings in joint accounts

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