



MAYBERRY

INVESTMENTS LIMITED

CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013.

Total revenue for the quarter was \$168 million and we recorded a net profit of \$80 million.

I am pleased to present our third quarter report for the period ended 30 September 2013.

Performance Highlights

The highlights of our operating performance for the quarter are as follows.

Total revenue for the quarter was \$168 million and we recorded a net profit of \$80 million. During the quarter lower volumes were traded on our portfolios as the markets were volatile and prices were down. This quarter

we experienced a higher level of uncertainty in the international market as there were speculations over whether the US Government would continue its bond buyback programme and the likely impact on interest rates if they discontinued. This situation had a negative impact on bond prices held in our portfolio and resulted in the unrealized marked to market losses reflected in our income statement. There have been increased local interest rates as well as instability in the foreign exchange market as the devaluation of the Jamaican dollar continues. The Jamaican dollar has devalued by approximately 15% when compared to 2012.

Our overall expenses for the quarter were \$102 million compared to \$190 million for the comparative period. This reduction is due to recoveries made in our loan portfolio. We were successful in making recovery of outstanding loans and collaterals and consequently we

focus on growth





MAYBERRY

INVESTMENTS LIMITED

wrote back \$62 million in our provisions. We will continue our efforts to improve our loan portfolio and dispose of collaterals to recover on impaired loans.

Our other operating expenses were 15% higher than the comparative quarter and were driven by the cost of the asset tax as well as the devaluation of the Jamaican dollar which has impacted some expense items.

Summary of Income Statement for the Quarter

Description	3 Months Ended 30 September 2013 (\$'000)	3 Months Ended 30 September 2012 (\$'000)	Change (\$'000) (\$'000)	% Change
Net Interest Income and Other Revenues	168,074	310,803	(142,729)	(46)
Operating Expenses	(102,264)	(189,946)	87,682	46
Operating Profit	65,810	120,857	(55,047)	(46)
Share of results of associate	31,501	26,341	5,160	20
Profit before Taxation	97,311	147,198	(49,887)	(34)
Net Profit	80,202	114,132	(33,930)	(30)

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Year to date Performance

We recorded a net profit of \$60.5 million for the nine months period which translates to earnings per share of \$0.05. Year to date our operating profit before the impact of the loss recorded from the National Debt Exchange (NDX) was \$234.2 million which has reduced by 6% when compared to 2012. We had increased gain on sale of investments 59% and net foreign exchange gains 315%. These increases were counterbalanced by reductions of 16% in net interest income and 55% in fees and commissions, respectively. We also recorded a net unrealized marked to market loss of \$84.3 million from our trading portfolio. The market has rebounded subsequent to this period and we expect a reversal of some of these unrealized losses. We are pleased to have sustained our diversification strategy which allowed us to withstand the variability in these market cycles.

As previously reported, we participated in the NDX in February 2013 and this resulted in us recording a loss of \$337 million on the transaction, which impacts our profit to date. We continue to take steps to overcome this challenge and to improve our position. Notwithstanding the impact of the NDX, we are happy that our regulatory capital continues to exceed the minimum requirement.

Year to Date Summary of Income Statement

Description	9 Months Ended 30 September 2013 (\$'000)	9 Months Ended 30 September 2012 (\$'000)	Change (\$'000)	% Change
Net Interest Income and Other Revenues	677,741	792,780	(115,039)	(15)
Operating Expenses	(443,557)	(544,094)	100,537	18
Operating Profit	234,184	248,686	(14,502)	(6)
Share of results of associate	77,768	63,879	13,889	22
(Loss)/Profit before Taxation	(25,351)	312,565	(337,916)	(108)
Net Profit	60,510	263,553	(203,043)	(77)

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Our share of profit from Access Financial Services Limited continues to be positive to our net position and has grown by 22% when compared to 2012. Access has grown steadily over the years and continues to perform well within our expectations.

Our stockholders' equity was \$3.7 billion, an increase of \$76 million or 2% when compared to the corresponding period. This translates to a book value of \$3.10 per share. We recognize that the stock market continues to be 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

During the period we sold 12,073,214 shares in Access Financial Services Limited, for a total of \$69 million, which reduced our total shareholdings to 38%. Access continues to produce robust growth and our confidence in the Company remains high. Our current shareholding in Access has a market value of \$883,313,000 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 set by the 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 board of 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-seven years.

Gary Peart
Chief Executive Officer

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Consolidated Income Statement

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2013

	<u>UNAUDITED</u> 3 Months Ended 30 September 2013 \$'000	<u>UNAUDITED</u> 3 Months Ended 30 September 2012 \$'000	<u>UNAUDITED</u> 9 Months Ended 30 September 2013 \$'000	<u>UNAUDITED</u> 9 Months Ended 30 September 2012 \$'000	<u>AUDITED</u> 12 Months Ended 31 December 2012 \$'000
Net Interest Income and Other Revenues					
Interest income	245,357	327,666	766,805	973,019	1,285,601
Interest expense	(150,505)	(185,989)	(429,071)	(570,311)	(759,784)
Net interest income	94,852	141,677	337,734	402,708	525,817
Fees and commissions	33,369	45,992	70,034	156,642	223,151
Dividend income	10,401	34,711	66,696	73,595	134,692
Gain on sale of investments	14,655	55,989	186,978	117,269	168,351
Net foreign exchange gain	23,667	24,428	94,176	22,693	39,077
Net unrealised (loss)/gain on investment revaluations	(10,786)	6,617	(84,363)	13,598	33,826
Other income	1,916	1,389	6,486	6,275	7,349
Net interest income and other operating revenue	168,074	310,803	677,741	792,780	1,132,263
Operating Expenses					
Salaries, statutory contributions and other staff costs	(79,043)	(74,184)	(231,634)	(229,273)	(371,744)
Provision for credit losses	61,895	(39,675)	43,891	(92,677)	(84,196)
Depreciation and amortization	(4,213)	(5,976)	(11,691)	(17,758)	(11,270)
Other operating expenses	(80,903)	(70,111)	(244,123)	(204,386)	(290,896)
	(102,264)	(189,946)	(443,557)	(544,094)	(758,106)
Operating profit	65,810	120,857	234,184	248,686	374,157
Share of results of associate	31,501	26,341	77,768	63,879	99,946
Profit before National Debt Exchange	97,311	147,198	311,952	312,565	474,103
Loss from National Debt Exchange	-	-	(337,303)	-	-
Profit/(loss) before taxation	97,311	147,198	(25,351)	312,565	474,103
Taxation (charge)/credit	(17,109)	(33,066)	85,861	(49,012)	(34,749)
Net Profit	80,202	114,132	60,510	263,553	439,354
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	\$0.07	\$0.10	\$0.05	\$0.22	\$0.37

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 2012.

focus on growth





MAYBERRY


INVESTMENTS LIMITED

Consolidated Statement of Financial Position

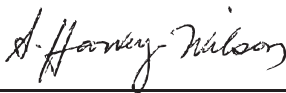
AS AT 30 SEPTEMBER 2013

	(UNAUDITED) SEPTEMBER 2013 \$'000	(UNAUDITED) SEPTEMBER 2012 \$'000	AUDITED DECEMBER 2012 \$'000
ASSETS			
Cash resources	1,495,699	1,011,193	1,755,104
Investment securities	14,440,661	15,779,874	13,970,172
Reverse repurchase agreements	287,562	1,022,926	422,048
Promissory notes	1,134,862	1,011,327	1,014,806
Interest receivable	189,194	189,000	262,617
Loans and other receivables	3,075,073	2,004,207	2,958,164
Deferred taxation	109,594	9,639	23,445
Investment property	270,143	8,432	8,432
Property, plant and equipment	106,692	80,919	93,206
Investment in associate	237,398	233,921	269,989
TOTAL ASSETS	21,346,878	21,351,438	20,777,983
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	252,921	57,297	10,887
Securities sold under repurchase agreements	13,003,444	14,953,173	13,657,717
Interest payable	77,658	76,994	68,802
Loans	1,855,645	1,177,463	1,493,120
Accounts payable	2,434,787	1,440,063	1,876,637
	<u>17,624,455</u>	<u>17,704,990</u>	<u>17,107,163</u>
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(169,513)	(183,137)	(142,005)
Other reserve	527,939	527,939	527,939
Retained earnings	1,781,616	1,719,265	1,702,505
	<u>3,722,423</u>	<u>3,646,448</u>	<u>3,670,820</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	21,346,878	21,351,438	20,777,983

Approved for issue by the Board of Directors on 11 November 2013 and signed on its behalf by:



Gary Peart
Chief Executive Officer



Sharon Harvey-Wilson
Chief Operating Officer

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Consolidated Statement of Comprehensive Income

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2013

	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>AUDITED</u>
	9 Months Ended 30 September 2013 \$'000	9 Months Ended 30 September 2012 \$'000	12 Months Ended 31 December 2012 \$'000
Profit for the period	60,510	263,553	439,354
Other Comprehensive Income for the period net of tax:			
Net unrealised gain on investments	<u>(8,907)</u>	<u>(211,665)</u>	<u>(218,956)</u>
Total comprehensive income	<u><u>51,603</u></u>	<u><u>51,888</u></u>	<u><u>220,398</u></u>

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2013

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2012	1,582,381	47,923	527,939	1,544,420	3,702,663
Total comprehensive income	-	(211,665)	-	263,553	51,888
Realized fair value gains on equity instruments transferred to retained earnings	-	(19,395)	-	19,395	-
Dividends	-	-	-	(108,103)	(108,103)
Balance at 30 September 2012	1,582,381	(183,137)	527,939	1,719,265	3,646,448
Balance at 1 January 2013	1,582,381	(142,005)	527,939	1,702,505	3,670,820
Total comprehensive income	-	(8,907)	-	60,510	51,603
Realized fair value gains on equity instruments transferred to retained earnings	-	(18,601)	-	18,601	-
Dividends	-	-	-	-	-
Balance at 30 September 2013	1,582,381	(169,513)	527,939	1,781,616	3,722,423

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Consolidated Statement of Cash Flows

FOR THE 9 MONTH ENDED 30 SEPTEMBER 2013

	<u>Unaudited</u> 3 Months Ended 30 September 2013 \$'000	<u>Unaudited</u> 3 Months Ended 30 September 2012 \$'000	<u>Unaudited</u> 9 Months Ended 30 September 2013 \$'000	<u>Unaudited</u> 9 Months Ended 30 September 2012 \$'000	<u>Audited</u> 12 Months Ended 31 December 2012 \$'000
Profit for the period	97,311	147,198	(25,351)	312,565	474,103
Adjustment to reconcile profit for the period to net cash used in operating activities	(195,527)	(128,363)	(253,172)	(380,652)	(696,143)
Cash provided by operating activities	85,458	193,017	63,971	576,264	1,758,216
Net cash (used in)/provided by operating activities	<u>(12,758)</u>	<u>211,852</u>	<u>(214,552)</u>	<u>508,177</u>	<u>1,536,176</u>
Net cash used in investing activities	<u>(272,294)</u>	<u>(255)</u>	<u>(286,887)</u>	<u>(4,459)</u>	<u>7,338</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,103)</u>	<u>(252,241)</u>
(Decrease)/increase in cash and cash equivalents	<u>(285,052)</u>	<u>211,597</u>	<u>(501,439)</u>	<u>395,615</u>	<u>1,291,273</u>
Effects of change in exchange rate on cash and cash equivalents	-	-	-	-	(105,337)
Cash and cash equivalents at beginning of period	1,527,830	742,299	1,744,217	558,281	558,281
Cash and cash equivalents at end of period	<u>1,242,778</u>	<u>953,896</u>	<u>1,242,778</u>	<u>953,896</u>	<u>1,744,217</u>

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Top Ten Shareholders and Connected Persons

30 September 2013

<u>Name</u>	<u>Shareholdings</u>
Bamboo Group Holdings I	461,326,811
Konrad Mark Berry	437,377,507
Mayberry Employee Share Scheme	56,211,644
Konrad Limited	18,178,253
Gary Peart	14,566,665
Mayberry Foundation	10,955,147
Trading A/C - Life of Jamaica Ltd.	10,681,282
Christine Wong	8,103,167
Christopher Bicknell	5,749,463
Sharon Harvey-Wilson	5,730,858
<u>Connected Persons</u>	
Konrad Limited	18,178,253
Mayberry Employee Share Scheme	56,211,644
Mayberry Foundation	10,955,147
Mayberry Managed Client Account	3,726,978
Mayberry Investments Limited Pension Scheme	4,966,913
Doris Berry	732,262
Est. Maurice Berry	10

** Includes holdings in joint accounts

focus on growth





MAYBERRY

INVESTMENTS LIMITED

Shareholdings of Directors and Senior Management

30 September 2013

<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**	14,740,915	
Sharon Harvey-Wilson	5,730,858	
Sushil Jain	269,187	
Gladstone "Tony" Lewars	87,000	
 <u>Managers</u>		
Andrea HoSang**	1,095,701	2,900
Kayree Berry-Teape**	2,656,984	31,080
David Thomas	456,989	
Wade Mars	1,000	
Dino Hinds	66,992	
Tania Waldron-Gooden	2,000	

** Includes holdings in joint accounts

focus on growth

