1985 - 2015

30

CELEBRATING 30 YEARS

MAYBERRY INVESTMENTS LIMITED

- Established 1985 -

STRATEGY ON TARGET

ANNUAL REPORT 2014

Contents

Our Vision:

Transforming lives positively through lasting relationships.

Our Mission:

At Mayberry, we create opportunities for customers to realize their financial objectives, locally and internationally, through our team of highly trained and dedicated professionals adding value for all.

Our Core Values:

- Integrity
- Accountability
- Creating value through knowledge.
- Attention to detail – getting it right the first time.
- We care about our family of customers, employees, shareholders and the community at large.

Ten Year Performance Highlights

As at 31 December 2014

	2005	2006	2007	2008
	$'000	$'000	$'000	$'000
Operating Revenue	**487,024**	**682,410**	**991,822**	**942,527**
Interest Income	1,853,261	2,361,389	2,028,249	2,373,218
Net Interest Income	453,143	362,542	301,701	352,907
Net Other Income	33,881	319,868	690,121	589,620
Operating Expenses	464,745	407,530	518,201	601,599
Profit/(Loss) before Taxation	22,279	279,669	489,577	356,146
Net Profit	88,131	261,203	372,619	469,501
BALANCE SHEET				
Total Assets	17,356,430	21,851,207	23,895,425	24,040,766
Total Liabilities	14,776,966	19,097,884	20,530,304	21,587,599
Stockholders' Equity	2,579,464	2,753,323	3,365,121	2,453,167
Number of issued shares (units)	1,201,149	1,201,149	1,201,149	1,201,149
KEY FINANCIAL RATIOS				
Earnings per stock unit	**$0.07**	**$0.22**	**$0.31**	**$0.39**
Book Value Per share	2.15	2.29	2.80	2.04
Return on Equity	3%	9%	11%	19%
Return on Average Assets	1%	1%	2%	2%
Asset Growth(%)	6%	26%	9%	1%
Net Profit Growth (%)	-77%	196%	43%	26%

2009	2010	2011	2012	2013	2014
$'000	$'000	$'000	$'000	$'000	$'000
723,816	**675,562**	**978,397**	**1,132,263**	**894,199**	**1,528,692**
2,093,929	1,536,409	1,332,550	1,285,601	1,021,716	1,051,676
258,216	316,670	474,171	525,817	413,643	240,452
465,600	358,892	504,226	606,446	480,556	1,288,240
542,508	556,683	694,362	758,106	681,330	970,360
211,235	176,257	347,242	474,103	(21,992)	679,639
245,473	174,530	282,122	439,354	102,343	726,080
25,478,756	20,469,484	24,204,564	20,777,983	22,019,842	24,665,932
22,567,703	17,398,922	20,501,901	17,107,163	18,249,623	20,481,933
2,911,053	3,070,562	3,702,663	3,670,820	3,770,219	4,183,999
1,201,149	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149
$0.20	**$0.15**	**$0.23**	**$0.37**	**$0.09**	**$0.60**
2.42	2.56	3.08	3.06	3.14	3.48
8%	6%	8%	12%	3%	17%
1%	1%	1%	2%	0%	3%
6%	-20%	18%	-14%	6%	12%
-48%	-29%	62%	56%	-77%	609%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of MAYBERRY INVESTMENTS LIMITED will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 on Wednesday, 17 June 2015 at 4:00 p.m. for the following purposes:

1. To receive the audited accounts for the year ended 31 December 2014.

Resolution 1

To consider and (if thought fit) pass the following resolution:

"That the audited accounts of the Company for the year ended 31 December 2014, together with the reports of the directors and auditors thereon, be and are hereby adopted."

2. To elect directors

Resolutions 2-4

The Directors retiring by rotation pursuant to Article 91 of the Articles of Association of the Company are Messrs. Christopher Berry, Gary Peart and Benito Palomino and who being eligible, offer themselves for re-election.

To consider and (if thought fit) pass the following Resolutions:

"That the retiring director, Mr. Christopher Berry, be and is hereby re-elected a director of the Company."

"That the retiring director, Mr. Gary Peart, be and is hereby re-elected a director of the Company."

"That the retiring director, Mr. Benito Palomino, be and is hereby re-elected a director of the Company."

3. To fix the remuneration of the directors

Resolution 5

To consider and (if thought fit) pass the following Resolution:

"That the Board of Directors of the Company be and is hereby authorised to fix the remuneration of the individual directors for the ensuing year."

4. To authorise the Directors to fix the remuneration of the Auditors:

Resolution 6

To consider and (if thought fit) pass the following Resolution:

"That BDO, having agreed to continue in office as Auditors, the Directors be and are hereby authorised to agree to their remuneration in respect of the period ending with the conclusion of the next Annual General Meeting."

5. To reorganise the holding in Mayberry West Indies Bank Limited

Special Business

Resolution 7

As special business to consider the following resolution, which will be proposed as an ordinary resolution:

"That the Directors be and are hereby authorised to consider and, if thought fit, develop and execute a plan pursuant to which shares in Mayberry West Indies Bank Limited, a wholly-owned subsidiary of the Company, shall be transferred to and/or issued direct to stockholders of the Company pro rata according to their respective shareholdings in the Company with the effect that, if and when implemented, Mayberry West Indies Bank Limited would be directly owned by stockholders".

BY ORDER OF THE BOARD

Konrad M Berry
Secretary

Christopher Berry

B.Sc. (Hons.)
Executive Chairman

Mr. Christopher Berry has been the Executive Chairman of Mayberry Investments Limited since 1993. A former Deputy Chairman of the Jamaica Stock Exchange, he sits on several boards, including the Jamaica Central Securities Depository, Apex Health Care Associates Limited and Apex Pharmacy Limited. He has over twenty year experience in the securities industry, having joined Mayberry Investments Limited in 1987 when he was responsible for corporate planning and information technology.

He subsequently led the company's listing on the Jamaica Stock Exchange in 2005. Mr. Berry has a Bachelor of Industrial Engineering (Hons.) from the Georgia Institute of Technology, Atlanta, Georgia.

Gary Peart

B.Sc. (Hons), M.B.A.
Chief Executive Officer

Mr. Peart joined Mayberry Investments Ltd. in May 2005 as its Chief Executive Officer. Mr. Peart has over twenty years of corporate financial experience. Mr. Peart was first appointed to the Board of Directors in April 2006.

Mr. Peart currently serves as Vice President of the Jamaica Securities Dealers Association and Chairman of the Board of Directors, Jamaica Bauxite Institute and Betting, Gaming and Lotteries Commission. He is a director of Lasco Distributors Limited and Port Authority of Jamaica. He is also a member of the Mona School of Business Finance Committee.

He is a member of the Assets and Liabilities Committee, Project Steering Committee and Managing Committee. He has a B.Sc. in Economics from the University of the West Indies (Hons.) and an MBA from Florida International University.

Board of Directors

Konrad Mark Berry

B.Sc. (Hons.)
Executive Vice Chairman
Company Secretary

Mr. Konrad Berry joined the Company at its inception and was one of its founding Directors. He has been the Company Secretary since 1985, Finance Director 1992-1995, and in 1995 assumed his present position of Executive Vice Chairman. Mr. Berry is a member of the Managing Committee, Information Technology Steering Committee, Project Steering Committee, Assets and Liabilities Committee and Audit Committee.

Sharon Harvey-Wilson

FCA, FCCA, M.B.A.
Executive Director
Chief Operating Officer

Mrs. Harvey-Wilson joined the Mayberry team in January 2005 after spending over twelve years in professional audit and accounting services industry. She was first appointed to the Board of Directors in April 2006.

Mrs. Harvey-Wilson is a member of the Board of Management for Wolmer's Trust High Schools, her alma mater, where she imparts her expertise in Accounting and Management. Mrs. Harvey-Wilson is a fellow of the Association of Certified Chartered Accountants and the Institute of Chartered Accountants of Jamaica. She also holds an MBA (merit) from the Manchester Business School and a Diploma in Business Administration from CAST (now University of Technology) in Jamaica.

She is a member of the Assets and Liabilities Committee, Information Technology Steering Committee, Project Steering Committee and Managing Committee.

Sushil Jain

B.Com, B.L, FCA, FCCA, FCMA, FCIS, FICWA, FCS, CGMA.
Non-Executive Director

Mr. Sushil Jain joined the Board of Directors of Mayberry Investments Limited on September 1, 2006. Mr. Jain carries a wealth of experience within the Administrative and Accounting field. Mr. Jain currently serves as a Director of Honey Bun (1982) Limited. Mr. Jain has also served companies such as Seprod Ltd., Petroleum Corporation of Jamaica (PCJ), Bahamas Electricity Corporation and PricewaterhouseCoopers.

Mr. Jain has published numerous articles on the subjects of Management and Investment in journals in the Caribbean, UK and India. He has served in providing lectures and seminars to a number of organizations both in the financial industry and otherwise.

He is the Chairman of the Assets and Liabilities Committee and is a member of the Audit Committee.

Dr. David McBean

B.Sc. (Hons), D.Phil
Non-Executive Director

Dr. David McBean was appointed a director of Mayberry Investments Ltd. in August of 2005.

Dr. McBean has over 20 years work experience in the IT, Media & Telecommunications sector where he has held various senior management positions. Most recently he was the Managing Director, Products & Services LIME Caribbean, and prior to that he was the Chief Executive Officer of the CVM Communications Group. Currently he is an Independent Management & Technology Consultant for various clients.

He was awarded a Jamaica Rhodes Scholarship in 1988. He obtained a B.Sc. in Electrical Engineering from the University of the West Indies in 1986 and a D.Phil in Micro Electronics from the University of Oxford, U.K.

Dr. McBean chairs the Company's Information Technology Steering Committee and is also a member of the Audit Committee.

Erwin Angus

C.D., J.P., B.A. (Hons.)
Managing Director

Mr. Erwin Angus joined Mayberry in 1986 as its Managing Director and since then has held that post. He was awarded the Commander of the Order of Distinction (CD) in October 1976 for contribution to the bauxite negotiations and he became a Justice of the Peace (JP) in 1977. Mr. Angus is a member of the Company's Managing Committee, Assets and Liabilities Committee and Audit Committee.

Benito F. Palomino

LLB (Hons.), B.Sc., (Hons.) M.Sc. Accounting
Non-Executive Director

Mr. Benito Palomino is an Accountant, Licensed Financial Advisor (Ontario) and an Attorney at law who practices in Ontario, Canada and Jamaica. He has over twenty four years of experience in the legal fraternity with special focus on banking, investment securities, financial consultancy, real estate, estate planning and commercial law. He was appointed to the Board of Directors in December 2004. Mr. Palomino chairs the Company's Audit Committee and is a member of the Conduct Review Committee.

Gladstone Lewars

B.Sc. (Econ) Hons, M.Sc. (Econ), M.Sc. (Accounting),FCA.,
Non-Executive Director

Mr. Gladstone "Tony" Lewars was appointed a director of Mayberry Investments Limited in September 2012. Mr. Lewars is a Chartered Accountant and a former partner of PricewaterhouseCoopers where he was the Leader of the Advisory division of the firm. He consulted extensively in Organization Development, Human Resource Management and Financial Effectiveness Reviews in Jamaica and other Caribbean territories.

He currently serves as Chairman of the Students' Loan Bureau and the Holy Trinity High School. He is Secretary/Treasurer of the Jamaica College Trust. He is a member of the Audit Committee and the Assets and Liabilities Committee.

Director's Report

The Directors take pleasure in submitting their Annual Report for Mayberry Investments Limited for the year ended 31 December 2014.

The Statement of Income shows pre-tax profit for the year of $679.64 million, taxation credit of $46.44 million and net profit of $726.08 million.

DIRECTORS

The Directors as at 31 December 2014 are Messrs. Christopher Berry, Konrad Berry, Gary Peart, Erwin Angus, Benito Palomino, Sushil Jain, Gladstone Lewars, Dr. David McBean and Mrs. Sharon Harvey-Wilson.

The Directors to retire by rotation in accordance with Article 91 of the Articles of Association are Messrs. Christopher Berry, Gary Peart and Benito Palomino but being eligible, offered themselves for re-election.

AUDITORS

The Auditors, BDO, Chartered Accountants of 26 Beechwood Avenue, Kingston 5, have expressed their willingness to continue in office in accordance with Section 154 of the Jamaican Companies Act.

The Directors wish to thank the management and staff for their continued dedication and hard work during the year.

On behalf of the Board of Directors

Christopher Berry
Chairman

Corporate Governance

Mayberry Investments Limited is committed to upholding the highest standard of ethical conduct and good corporate governance. We ensure that we do business the right way for our clients and shareholders and the communities we serve. We have in place a comprehensive Corporate Governance Policy which covers the functions, roles and responsibilities of the Board of Directors. This policy is available for viewing on our website at www.mayberryinv.com.

Leaders are knowledgeable and are well equipped with the tools they need to make sound practical decisions at all times, which are within the code of ethics that guide our company. We are firm in the position we hold to be of service to our clients

Our Board of Directors has a mandate to oversee the company's affairs and to promote high standards of corporate governance within our company whilst examining the soundness of the company's financial policies, business strategies, the effectiveness of its internal controls and risk management framework.

The fundamental objective is to ensure transparency, all in an effort to protect shareholders' and stakeholders' value. At Mayberry Investments Limited, the operating policies and procedures are reviewed by the Board of Directors, in addition to periodic meetings by our Board sub-committees as outlined below. Additionally, the overall objective of the board is to maximize long term value and shareholders' wealth.

- **Internal Auditor**
  We have utilized the expertise of PricewaterhouseCoopers (PWC) for our Internal Audit. Their main role is to help Mayberry to add value and help to improve the organization's operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes as well as providing valuable and independent feedback on our internal operations.

- **The findings of this review indicated that there were no incidences of fraud or other irregularities which the committee is aware of for the year under review.**

- **Business Conduct and Ethical Practice**
  The Board of Directors, Management and Staff of Mayberry are committed to adherence of company and operational policies, regarding conduct and ethical practices which are parallel with the Standard of Best Practice for effective Corporate Governance and are dedicated to complying with these guidelines as outlined by the financial sector regulatory bodies, the Bank of Jamaica (BOJ), Financial Services Commission (FSC) and Jamaica Stock Exchange (JSE).

Our board sub-committees are as follows:

- Credit Committee
- Asset and Liabilities Committee
- Conducts Review Committee
- Nominations Committee
- Audit Committee
- Remunerations Committee
- Information Technology Steering Committee
- Project Steering Committee

The Board of Directors

The key role of the Board is to assess the strategic direction of the company, through

- Effective Leadership
- Ensuring compliance and adherence to company policies and procedures
- Ensuring responsibility, accountability and clear authority with an effective management team
- Safeguarding the financial health of all stakeholders

The Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interest of the company. In discharging that obligation, from time to time, the Directors rely on the honesty and integrity of the company's senior executives, its external advisors and auditors.

As at 31 December 2014, the Board consisted of nine (9) members four (4) of whom are independent Non Executive Directors who help to ensure that values, integrity and public trust continue to be the main pivots of Mayberry Investments Ltd.

Audit Committee

The primary purpose of the Audit Committee at Mayberry Investments Limited is to assist the Board of Directors in the oversight of the integrity of the financial statements of the Company, the effectiveness of the internal controls over financial reporting, the independent registered accounting firm's qualifications and independence, the performance of the company's internal audit function, the company's compliance with legal and regulatory requirements as well as the performance of the Company's compliance function.

During the year the audit committee met four (4) times. The focus of their deliberation was on the review and approval of the internal audit plan and internal audit reports, results of regulatory reviews, strengthening the risk management framework of the company and operational policies and procedures.

The members of the audit committee are Messrs. Gladstone Lewars, Benito Palomino, Sushil Jain, David McBean, Erwin Angus and Konrad Berry. The committee is chaired by Mr. Palomino, a Non Executive Director.

Internal Auditor

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The year 2014 was the first full year after the financial restructuring by the Government of Jamaica. The stock market did very poorly as it fell from 91,376 points at the end of 2013 to 78,223 points and there were only two listings for the year valued at $1.8 Billion. Securities issued by the Government in the debt exchange remained illiquid all year.

The dollar depreciated by an avearage 6.44% during the year and GDP growth for the year was 0.4%. Mayberry's main achievement during the year was to monetize its holding in Access Financial Services Limited (Access). During the time that we participated in Access the company's annual profit increased from $9.8 Million to in excess of $300 Million. The sale of our shares in Access generated significant profits for the company.

Looking ahead we will continue to invest in improving our investment banking and asset management services to better serve our clients and shareholders. For many years Mayberry has offered a full suite of US dollar investments including international mutual funds, international bonds, international stocks, cambio service as well as our local offerings.

For 2015 we expect the returns on the Jamaica Stock Exchange to be more than 200% greater than Jamaican dollar fixed income securities. Your company holds over US $17 million of Jamaican stocks and should generate significant returns on these assets in 2015. Continued growth in the United States should propel US stocks higher. Investors should continue to maintain a global asset allocation strategy as many regions of the world recover from the 2008 financial crisis.

2015 will be our 30th year in business and I thank all of our clients, directors, staff, friends and family for their continued support.

Christopher Berry
Chairman

Chief Executive Officer's Statement

The 2014 financial year presented both rewards and challenges for our company. It was a year that demanded significant effort from our management and staff, while at the same time, required patience and perseverance to deliver on our promises to you our valued shareholders.

The economy continued to be tightly monitored in an effort to meet the goals set out in the Agreement with the International Monetary Fund (IMF). There were increased regulations for the financial services sector, as well as additional tax obligations resulting from this Agreement. The continued devaluation of the Jamaican dollar and a generally low growth economic environment resulted in arduous circumstances for our business operations.

Highlights

Despite the challenges we faced, we are pleased to report to you, our valued shareholders, a net profit of $726 million, an increase of $624 million from the year prior, resulting in earnings per share of $0.60, an improvement over the $0.09 earned in 2013.

We recorded increases over 2013 in net trading gains by 33%, net unrealised gains by 247%, as well as dividend income by 18%. Also, our total assets showed an increase of $2.6 billion, due to an increase of $1.4 billion in our cash resources and $1.1 billion in our reverse repurchase agreements which resulted from the sale of securities during the year and our shares in Access at year end.

The year's performance was enhanced by the sale of shares in Access which resulted in a gain of $591 million. We received cash proceeds of $935 million and a share of profit of $121.3 million.

CEO's Statement

The year 2015 will mark the 30th anniversary of our company's operations. This makes us one of the longest serving companies around and a pillar in the financial industry. It also shows that our core values have led us along a successful path driven by sustainability.

We made an initial investment of $38.4 million in 2006.

At the close of the year, we had $4.2 billion in stockholders' equity, an 11% increase over the prior year. This represented a net book value of $3.48 per share.

In continuing to demonstrate our commitment to building and maintaining strong relationships with our investment banking clients by providing them with tangible strategic solutions, we brokered $2.1 billion in private debt financing deals. Through our corporate advisory business line, we advised two Junior Market listed companies on transactions that provided diversification and increased revenues to their shareholders.

Our commitment to providing our staff with the best possible work environment was rewarded, as we won two prestigious awards from the Jamaica Employers' Federation.

We were recognised for having the most satisfied employees as well as for our internship programme.

For the fourth consecutive year, we came out on top of the JSE Best Practices Member Dealers Awards, again taking first place in the Overall Member Dealer category. We were also awarded first place in Investor Relations and second place in both Revenue Generation and market Activity and Expansion of Investors and Listed Companies Base.

The year 2014 marked the 15th anniversary of the staging of our Monthly Investor Forum. Again for the year, we hosted 10 Forums, including addresses by the Minister of Finance to commence the 2014 series and the Co-Chairman of Jamaica's Economic Programme Oversight Committee.

Looking forward

The year 2015 will mark the 30th anniversary of our company's operations. This makes us one of the longest serving companies around and a pillar in the financial industry. It also shows that our core values have led us along a successful path driven by sustainability.

Though the growth in the Jamaican economy is slow, there are encouraging signs of improvement. We are now poised to take advantage of any opportunities for growth that may arise whilst mitigating the associated risks.

Among our priorities going forward, we will be looking to streamline our structure to allow for leaner, more efficient, integrated operations. We will help our clients achieve their goals with the best possible advice and strategic solutions and adapting to the evolving regulatory landscape. We will continue to create the best working environment for our staff and serve the communities in which we work and live through corporate citizenship.

With the commitment of our board, management and staff, we will demonstrate to you, our shareholders, our dedication to setting new standards for your success and our company. I am confident that we are executing a winning strategy and making the right investments to keep us on our path to new heights.

Gary Peart
Chief Executive Officer

Our Management Team

Seated L-R: Tania McDonald-Tomlinson
Standing L-R: Anika Smith, Paul Buchanan, Shadaya Small, Racquel Anderson-Wilson, Trudy Ann Edwards, Sitarah Smith

Our Management Team

Seated L-R: Jordan Brown, Kayree Berry-Teape, Andrea Ho-Sang
Standing L-R: Christina Millington, Ian Laidlaw, Alana Lawrence, Karen Mitchell, Tania Waldron-Gooden, Richard Deane, Julia Yap

Our Team

Client Relations and Human Resources

Seated L-R: Shantoya Scott, Nicolette Bennett, Tania McDonald-Tomlinson

Standing L-R: Anna Leah Reid, Debborah Dowding, Miguel Christie, Petre-Gay Bailey, Shelaine Jackson-Brown

Treasury, Trading and Asset Management

Seated L-R: Kara Smith, Karen Mitchell, Shauna-Kay Kelly

Standing L-R: Christopher James, Andre Brown, Sitarah Smith, Tamara Clough, Richard Deane, Jovano Johnson

Sales & Marketing

Seated L-R: Karen K. Hall, Jodie-Ann Bennett, Doreen Holness, Latoya Haylette, Shanique Anderson

Standing L-R: Paul Buchanan, Sigourney Hitchins, Jason McPherson, Ian Laidlaw, Philbert Perry, Anika Smith, Winston Wong, Diana Watson-Chong, Jhanielle Taylor, Okelia Parredon, Dwayne Neil

Research, Corporate Finance & Special Projects

Seated L-R: Joedian Haughton, Leon Franscique, Tania Waldron-Gooden
Standing L-R: Jason Martinez, Christina Millington, Shadaya Small, Alana Lawrence, Tamika Becky

Enterprise Project Management and Compliance & Risk

Standing L-R: Racquel Anderson-Wilson, Nadine Anderson, Trudy Ann Edwards, Authurine Wallace, Sharon Hetridge

Finance

Seated L-R: Delva Gayle, Charles Rodriquez, Shirnette Mason, Aneka Lee
Standing L-R: Roger Salmon, Alicia Walker, Racquel Brown, Rickie Williams, Samoya Whyte, Cordell Bennett-Pike, Paul Reid

Our Team

Administration

Seated L-R: Camille Chambers, Karel Ellington, Nadralee Smith
Standing L-R: Michelle Chung, Naciena Kayiga, Kamar Rose, Michelle Graham

Operations & Securities

Seated L-R: Andrew Johnson, Garcia Hamilton, Kerine Hewitt, Michelle Sarju
Standing L-R: Oneil Roberts, Venise Thompson, Andrea Ho-Sang, Tishema Graham, Dwayne Morris

Ancillary

Standing L-R: Demar Linton, Richard James, Sandra Lake, Jahmarah Johnson, Dwain McLeod, Bryan Davidson, John Douse

The Jamaica Stock Exchange's
Member Dealers Award
Overall Winner
Presented to
Mayberry Investments Ltd.

Corporate Data

Board of Directors

Executives

Christopher W. Berry, B.Sc. (Hons.)
Chairman

Konrad M. Berry, B.Sc. (Hons.)
Vice Chairman

Erwin L. Angus C.D., JP, B.A. (Hons.)
Managing Director

Gary H. Peart, M.B.A., B.Sc. (Econ) (Hons.)
Chief Executive Officer

Sharon L. Harvey Wilson, FCA, FCCA, M.B.A.
Chief Operating Officer

Non-Executives

Benito F. Palomino, LLB. (Hons.), M.Sc. (Accounting) B.Sc. (Hons.)

David P. McBean, D. Phil, B.Sc. (Hons.)

Sushil K. Jain, B.Com, B.L., FCA, FCCA, FCMA, FCIS, FICWA, FCS., CGMA.

Gladstone L. Lewars, FCA, M.Sc. (Econ) Hons., M.Sc. (Accounting), B.Sc. (Econ) Hons.

Managers

Andrea Ho-Sang, B.B.A. (Hons.), Dip.,
Senior Vice President Operations & Administration

Paul Buchanan, B.B.A., Dip. (Finance)
Senior Vice President Sales and Marketing

Karen Mitchell, MBA, B.Sc. (Hons.)
Senior Vice President Treasury, Trading & Asset Management

Tania Waldron Gooden, M.B.A., B.Sc. (Hons), Post. Dip.
Senior Vice President - Research, Corporate Finance & Special Projects

Harshad Patil, MECH (Engg.), C-DAC
Chief Information Officer

Tania McDonald-Tomlinson
M.Sc. (HRD), B.Sc. (HRM) Hons., A.A. (Hons.)
Vice President - Human Resources

Willett Wilson, M.B.A., ACA, FCCA
Financial Controller

Trudy Ann Edwards, BBA (Hons.)
Manager - Compliance & Risk

Ian Laidlaw, B.Sc. (Hons.)
Sales Manager

Anika Smith, M.A., B.A. (Hons.)
Assistant Vice President – Marketing

Alana Romans, B.Sc. (Hons.)
Senior Manager – *Research, Corporate Finance & Special Projects*

Christina Millington,
M.Sc., B.Sc., CIA, CFSA, CPA
Senior Manager Corporate & Retail Finance

Sitarah Smith, B.Sc. (Econ.)
Senior Manager – Markets & Trading

Dwayne Morris, Dip. (Hons.)
Operations Manager

Anna Leah Reid,
Sales Compliance & Client Relations Manager

Julia Yap, M.B.A., B.Sc.
Facilities Manager

Jordan Brown, B.Sc.
Cambio Manager

Shaday Small,BSc.(Stats Major)
Minor Econ
Manager, Research and Corporate Finance

Richard Deane, BBA
Manager, Asset Management

Kayree Berry-Teape, M.B.A. (Distinction), B.Sc. (Hons), B.A. (Hons), Dip
Chief Executive Officer – Mayberry Foundation

Registered Office
1 ½ Oxford Road
Kingston 5
Jamaica

Company Secretary
Konrad M. Berry

Registrar – Transfer Agent
Jamaica Central Securities Depository
40 Harbour Street
Kingston
Jamaica

Auditors
BDO
26 Beechwood Avenue
Kingston 5
Jamaica

Attorneys-at-Law
Patterson, Mair, Hamilton
Douglas Thompson
Palomino, Gordon-Palomino
Rattray, Patterson, Rattray
Hart Muirhead Fatta
Carolyn Reid & Company

Bankers
Bank of Jamaica
Citigroup
National Commercial Bank Jamaica
First Caribbean International Bank
Bank of Nova Scotia Jamaica Limited

Investment Banks
Deutsche Bank Alex Brown
Morgan Stanley
Raymond James and Associates (formerly Morgan Keegan)
Oppenhiemer
RBC Dominion Securities
Standard Bank

CORPORATE OVERVIEW

Core Activities

Mayberry Investments Limited is a full service financial institution which offers individuals and institutions a full range of investment products and services for 29 years in the capital market. At Mayberry, we stand by our mission to create the best opportunities for our clients and to realize their financial objectives. Mayberry's activities include corporate advisory services such as debt and equity structuring, brokerage services, asset and portfolio management and administration services, as well as cambio and research services.

Business Outlook

For 2015 we will respond to the changing financial landscape resulting from increased regulations and changing monetary and fiscal conditions. Our focus is to grow our revenues, manage our expenses and increase our profits, and creating wealth for our clients while improving their experience.

For 2015 we will continue our focus on:

- **Profitability.** We will seek opportunities to increase shareholders' value, through growth and building a value-creating portfolio that will increase the revenues of the company. We will grow our proprietary portfolio and increase the returns while managing the associated risk. Additionally, we will be extremely vigilant on our expenses through constant monitoring to drive down cost and achieve our profit target.

- **Relationship building.** We will seek innovative ways to improving our business processes aimed at differentiating and elevating customer experience. We will also increase our alliances with strategic partners and provide exceptional service delivery.

Management's Discussion and Analysis of Financial and Operating Performance

Continued

- **Operational efficiency.** We will continue to streamline our core business processes to effectively respond to the continually changing market forces. We will ensure that the required value added is achieved in a cost-effective manner, thus enabling the company to have a competitive advantage.

- **Risk Management.** We will apply a disciplined approach to capital and liquidity management as well as optimization of our portfolio performance. We are committed to meeting regulatory expectations and as such we will integrate risk management and compliance into performance management programs.

- **Technology.** We will revamp our technological platform to drive performance and improve customer experience.

- **Excellence and Accountability.** Our objective is to be recognized as an employer of first choice. We will continue to attract, recruit and retain the best talent and aligning their objectives with that of the company. We will continue to focus on improving the accountability and performance of each team member thus enabling us to meet our strategic objectives for 2015.

- **Corporate Social Responsibility.** Our goal is to have a positive impact on society. We acknowledge that successful organizations need a healthy society, so through our foundation we will continue to support healthcare, sports and education which are pivots for a healthy workforce and a better society.

ECONOMIC AND BUSINESS ENVIRONMENT

International

Global growth for 2014 was 2.6% and continued on a similar trajectory as the past years, being lower than expected and showing marginal improvement of only 0.1% over prior year.

The United States (US), economy grew by 2.4% in 2014, the fastest pace in four years, outpacing all of the other major developed countries as the US economy benefitted from the earlier adjustments to its financial sector and consumers gained confidence emanating from sinking oil prices. Oil prices have declined by about 55 percent due to unexpected demand weakness in other major economies, in particular, emerging market economies. Consumer confidence heightened amidst the slide in gasoline prices in the last quarter as they enjoyed the biggest spending spree in nine years. Conversely, companies suffered a dual blow as imports rose briskly as Americans favored foreign goods that were effectively cheaper by the strengthening dollar. The slumping world economy pushed down demand for U.S. exports thus causing the trade gap to widen.

China's economy grew at its slowest pace in 24 years as property prices cooled and companies and local governments struggled under heavy debt burdens. China grew 7.4 percent in 2014 down from an expansion of 7.7% for prior year and its populous average growth rate of more than 10 % it has maintained for over 30 years up to2010. Many have argued that the slow growth is mainly driven by the slowdown in fixed investment, especially in real estate boom and manufacturing investment which face oversupply problems

Even though the Eurozone emerged from its double dip recession, it experienced growth of only 0.8% raising new questions about debt sustainability in the region. Crisis countries, such as Spain and Ireland, performed better than expected, but the major economies of Germany, France and Italy performed worse. The performance of the Eurozone was caused from the impact of the slowdown in growth in China and other emerging markets, its response to the prospect of tighter global liquidity conditions as the US Federal Reserve ended its own quantitative-easing program. The second was the impact of the Ukraine crisis and the sanctions imposed on Russia, which had a particular impact on the German economy. The last factor in the Eurozone's weak performance in 2014 was caused from structural obstacles which continued to impede the rebalancing of many economies, particularly in Southern Europe. This prevented capital and labor from being reallocated to where they could be more productively employed. Additionally, rigid labor and product markets have made it hard for firms to adapt to the new economic environment and have deterred new investments.

Local

The Government of Jamaica (GOJ) continued efforts to stabilize the economy affected market conditions negatively creating a challenging operating environment for financial year 2014. The tight liquidity measures implemented in the latter part of 2013 continued into 2014 and intensified during the first quarter of the year amidst concerns about the country's ability to meet the Net International Reserve (NIR) target under the International Monetary Fund (IMF), Extended Fund Facility (EFF).

The financial services sector which has always been called upon to bear a disproportionate tax burden when compared to other sectors was hit with the imposition of additional taxes, which on aggregate is estimated at $2.7 billion. The asset tax for specified entities, regulated by the Bank of Jamaica (BOJ) and the Financial Services Commission (FSC), rates increased by 78.5% from 0.14% to 0.25% of the value of the assets. Insurance or life assurance companies saw a more significant increase of 1% of the value of the assets in the first year of assessment and an increase on their gross premiums earned from 3% to 5.5% for regionalized life assurance companies and a 4% to 5.5% increase for non-regionalized insurance companies.

Business and Consumer confidence inched upwards despite the grim economic challenges in financial year 2014; in fact the Business Confidence Index has been higher during the first three quarters of 2014 than in any other year since 2007. According to the Jamaica Chamber of Commerce (JCC), survey results of the Jamaica Conference Board 3rd Quarter 2014 Business & Consumer Confidence Indices, firms viewed prospects for the Jamaican economy more favorably in the latest survey than any time since the start of 2012.

Business firms clearly think the new economic policies of the Government had a favorable impact on the economy as some macroeconomic indicators started to trend positively. Results from the survey further stated that a record number of businesses foresee better conditions in years ahead and expressed their intent to increase their investments in their own business during the year ahead. Conversely, Consumers held less negative evaluations of the current performance of the national economy and less unfavorable expectations for the economy for years ahead Though improved, large discretionary consumer purchases will remain contained by slow income growth, rising prices, tax increases and continued depreciation of the Jamaican dollar.

Gross Domestic Product (GDP)

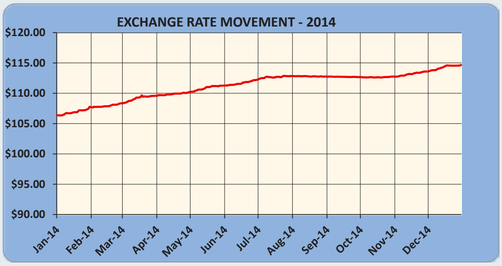
According to the Statistical Institute of Jamaica (STATIN), The Jamaican economy eked out growth of 0.4 percent in 2014 compared to the previous year. For the period under review STATIN said that there was a 0.6 percent increase in the output of the Services industries, while the Goods Producing industries declined by 0.1 percent.

The economy experienced growth by 1.6 percent in the first quarter of 2014, compared with the similar period in 2013. In the second quarter, growth accelerated to 1.8 percent, underpinned by improvement in output in the Goods producing and services industries. However, a combination of drought conditions throughout the island as well as the closure of the oil refinery for operational maintenance severely affected growth in the second half of the year, specifically the third quarter as the economy contracted by 1.4 percent.

The economy recorded a decline of 0.4 percent in the final quarter of 2014 when compared to similar quarter of 2013. According to STATIN, the reduction in output was due mainly to a 3.9 per cent decline in the Goods Producing industries. The Services industries however, recorded an increase of 0.8 per cent, when compared with the same period in 2013.

Foreign Exchange

The Jamaican dollar opened the year trading at an average rate of J$106.90/ US$1.00 and weakened during the first three months of the financial year, losing 2.21% of its value against the US$ and closed the June quarter-end trading at $111.64 /US$1.00. The heightened pace of depreciation was largely driven by speculations surrounding the country's ability to meet the quarterly NIR target under the IMF's Extended Fund Facility (EFF) as well as pressures arising from concentration of earner supply and investors hedging against further depreciation by increasing their foreign currency positions.

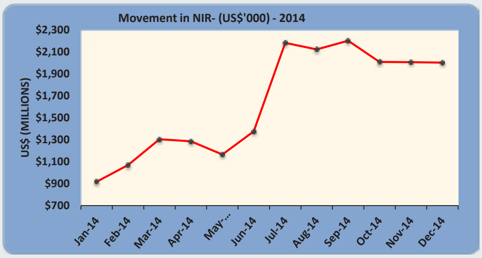


During the second half of the financial year, the pace of depreciation was slower marking the slowest rate of depreciation since December 2012. The local currency lost 1.4% of its value to its US counterpart, compared to the previous quarter which was consistent with the increase in US dollar supply. This performance was as a result of endorsement of the country's performance by the IMF, as well as the Government's successful Eurobond issue in July 2014 which raised US$800 million on the international capital markets. This bolstered investor confidence in the Government's programme and the country's economic prospects and added stability to the market which resulted in a slight appreciation of the dollar in September and October.

For financial year 2014, the local currency lost an average of $7.36 or 6.44% of its value to its major trading counterpart the US$ to settle at $114.26 at year end, compared to the $13.41 or 14.42% for 2013. Additionally, the local currency also lost value against the GBP and CAD for the review year, depreciating by $1.97 or 1.1% and $0.82 or 1.82% respectively.

Net International Reserves

Jamaica's Net International Reserves (NIR) exceeded the US$2 billion mark at the start of the third quarter of financial year 2014 after continuous fluctuations for the first two quarters. In fact, the reserves were up by US$805 million at the end of July 2014 reflecting proceeds from the US$800 million bond the Government



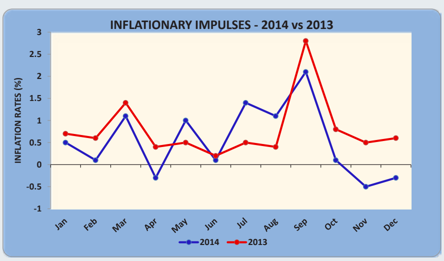
raised on the international capital market. At the end of September the reserves was US$2,200.57 million and was the highest it has been since June 2011.

As at December 31, 2014, the NIR stood at US$2,001.09 billion, which was $953.26 million or 91% higher than the comparative period 2013. At current level, the NIR is adequate to purchase 26.31 weeks of goods import and 18.41 weeks of goods and services imports. With continued multilateral support along with the GOJ remaining unremitting in its commitment to meet targets under the International Monetary Fund's EFF support programme as well as the consistent achievement of these targets, it is expected that the NIR should continue on a positive trend, which should auger well for the local currency slowing the pace of depreciation.

Inflation

Annual inflation as at year end 2014 decelerated to 6.4% from 9.5% at the end of December 2013. This sharp deceleration emanated from lower prices for domestic agricultural items, energy-related services, as well as sharp declines in international crude oil prices, respectively.

With the price of oil on the world market having collapsed, the Jamaican economy has been enjoying a respite in the price movements. Inflation rate at the start of the year was 0 .5 per cent before it plummeted to just 0.1 percent in February 2014. The out-turn is the lowest inflation has been since January and February 2011, except for July 2012 which had a negative inflation rate, otherwise, no other month has come near to it. The main contributors to the movement were the 0.2 percent advance in the index for the Food and Non-Alcoholic Beverages division, the heaviest weighted division, and increases of 0.7 percent each for the Clothing and Footwear and Miscellaneous Goods and Services divisions. For the quarter however, inflation was moderate, characterized by weak domestic demand and improvements in domestic supply conditions, lagged



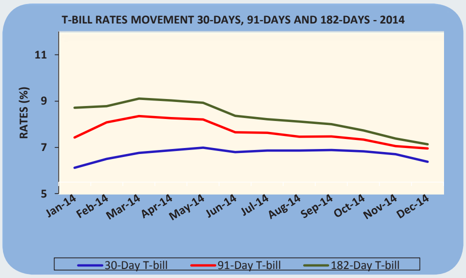
impact of the continued depreciation of the domestic currency and to a lesser extent an upward adjustment in the National Minimum Wage.

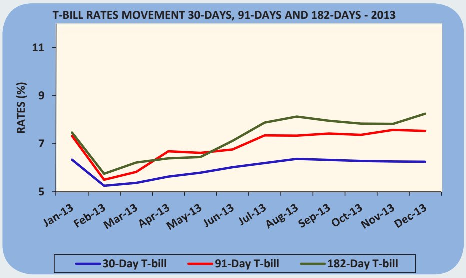
Similar momentum continued into the June quarter and was mainly due to a decline in the cost of electricity which resulted in the index for the group 'Electricity, Gas and Other Fuels' moving downwards. However, there was an uptick in the Inflationary impulses in July moving to 1.4% and was the highest recorded for the year before a sharp spike to 2.1 per cent in September. The upward movement was underpinned by a 4 percent increase in the Transport category which recorded the highest movement, mainly as a result of an increase in the cost of bus fares in the Greater Kingston Metropolitan Area. This amount represents the highest inflationary impulse recorded in financial year 2014. In the latter quarter of the year the inflation rates spiraled downwards to 0.3 percent at year end. Of note, the increase for 2014 is the second lowest on record, for the past seven years dating back to 2008.

Interest Rates

Against the back ground of relatively tight Jamaican dollar liquidity conditions, contained inflation and weakened domestic demand, the BOJ maintained the interest rate on its 30-day open market instrument at 5.75%. However, there was an uptick in market-determined interest rates in the first quarter which was reflective of increased costs of funds in the context of continued inactivity of the secondary market in GOJ bonds following the National Debt Exchange (NDX) of 2013. This was supported by the results of the Bank's Credit Conditions Survey for December 2013.

There was a general increase in the average yields on GOJ Treasury bills during the March 2014 quarter. The average yields increased on the 28-day, 91- day and 182-day Treasury bills tenures. Of note, the yield of 6.76 per cent on the 28-day Treasury bill was 101 basis points above the rate on the Bank's corresponding OMO instrument showing investors acceptance of higher returns on their investments

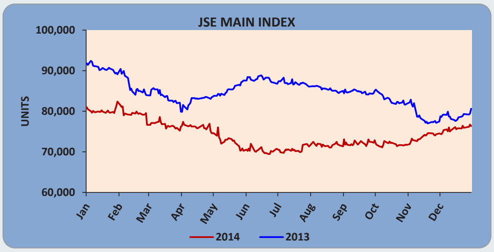




and reflecting continued preference for shorter termed investments by investors, given the public's concerns about the Government's ability to meet the targets outlined in the EFF programme.

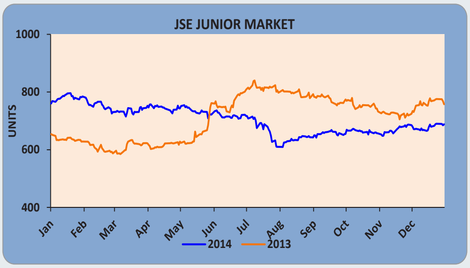
For the June 2014 quarter, market interest rates fell marginally, reversing the upward trend since March 2013. The fall in rates for the review quarter reflected a decline in the cost of funds in the private repo market. There was also a decline in the average yields in GOJ Treasury Bills. With regard to GOJ Treasury Bills, the fall in yields, though still high, have also reflected the impact of a slower pace of depreciation in the exchange rate during the quarter, relative to the previous quarter, as well as an improvement in short-term inflation expectations.

In the third quarter of financial year 2014, there was a general decline in short-term market interest rates, continuing the trend from the previous quarter. For GOJ Treasury Bills, excluding the 30-day tenure, there were declines in yields at each successive monthly auction during the quarter. However, the yields at quarter end were above those of the comparative quarter end 2013. Interest rates fell sharply in the December 2014 quarter, primarily reflecting improved liquidity assurance provided by the BOJ as well as a decline in the country's perceived risk premium. The improved liquidity assurance resulted from continued enhancements to the Bank's liquidity management framework while the reduction in risk premium was supported by the country's consistent achievements of the targets under the EFF-supported economic programme.



Equities Market

Despite positive macroeconomic developments including two consecutive quarters of GDP growth and achievement of EFF targets, as well as Jamaica's increased ranking in in the World Bank Doing Business report, The Jamaica Stock Exchange (JSE) main market index and Junior market index both declined. In fact, the main market declined by 4,820.16 points or 5.61% to close at 76,353.39 points while the Junior market declined by 69.90 points or 10.16% to close at 687.96 points, when compared to the same period 2013. The ongoing depreciation of the local currency, tight liquidity conditions, and low investor confidence all set the framework for a bearish equities market for the year under review.

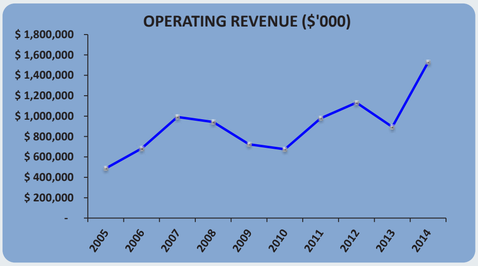


The overall main market activity resulted from the trading of 42 stocks of which 16 advanced, 19 declined and 7 traded firm. On the Junior market, 24 stocks traded of which 7 advanced, 15 declined and 2 traded firm. Of note, for the review period both the JSE and the JSE Junior exchange added two listings each of ordinary stock during the year, bringing total listed companies on both markets to 42 and 24, respectively.

FINANCIAL PERFORMANCE

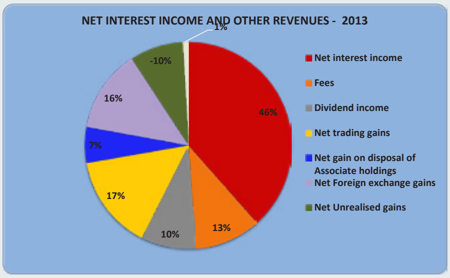
The financial year ended December 31, 2014 was a challenging one as the Government of Jamaica (GOJ) maintained its tight liquidity measures to stabilize the economy which further impacted market conditions during the year and by extension our trading activities.

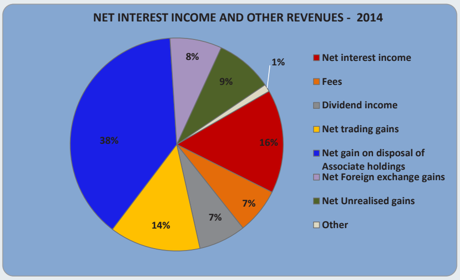
Our net profit for the year amounted to $726 million, an increase of $624 million or 609% compared to $102 million for the corresponding period 2013. Earnings per share were $0.60 compared to $0.09 for the comparative period 2013.



The group's net interest income and other operating revenues totaled $1.5 billion, an increase of $634 million or 71% compared to $894 million for the corresponding period 2013.

We recorded a gain of $591 million from the sale of shares in associate holdings. Several of our revenue lines generated better results when compared to 2013.

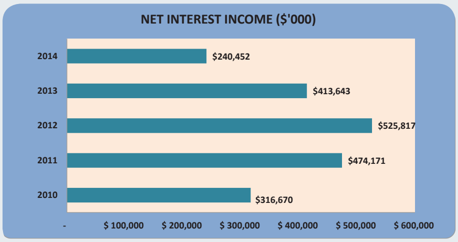




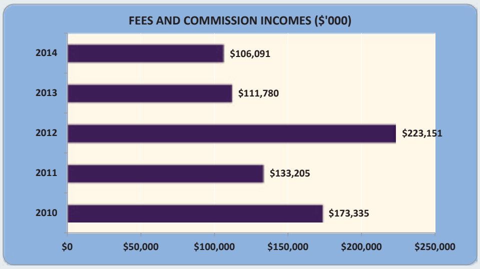
During the year we incurred higher cost of funding for loans and liabilities relative to 2013. Our Jamaican dollar portfolio was impacted by lower yields consequent to the debt exchange, coupled with higher cost of funding the portfolio. Nonetheless, we were able to achieve our objective to increase revenue by increasing our trading activities.

Net Interest Income

We recorded net interest income of $240 million, a reduction of $173 million or 42% less than comparative period 2013. The reduction in net income in 2014 was driven by increases in interest rates paid on repurchase agreements as well as commercial paper loans.



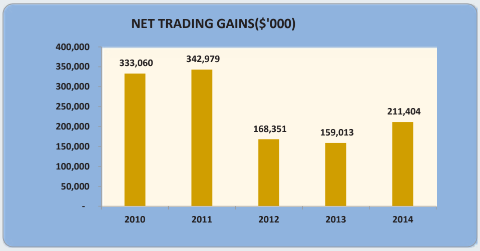
We achieved lower fees and commission incomes for the period under review as our fee based activities were less compared to corresponding period 2013. The challenging market conditions impacted this business line as our clients were concerned about shifts in market conditions.



Fees and commission incomes totaled $106 million compared to $112 million for the corresponding period 2013, a reduction of $6 million or 5%.

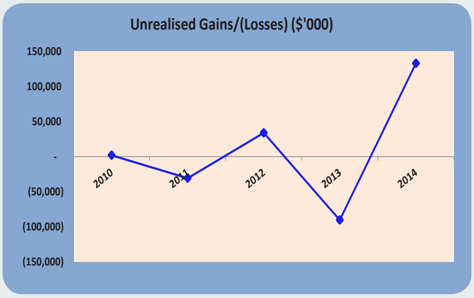
During the year listed companies paid out more dividends when compared 2013. Dividend income amounted to $109 million an increase of $17 million or 18%, compared to $93 million for the comparative period 2013.

In this financial year we disposed of our holdings in our associate company Access Financial Services and recorded a gain of $591 million after an initial investment of $38.4 million in September 2006.



Gains on our trading portfolio amounted to $211 million an increase of $52 million or 33% when compared to the corresponding period 2013. We were able to increase our trading activities by executing our market strategies, manage the associated risk and seized the opportunities as they arose.

Net foreign exchange gains was $120 million and decreased by $19 million as currency volatility eased with the Jamaican dollar devaluing 7.21% against it major trading counterpart the, United States dollar, compared to 14.42% devaluation in the prior year.



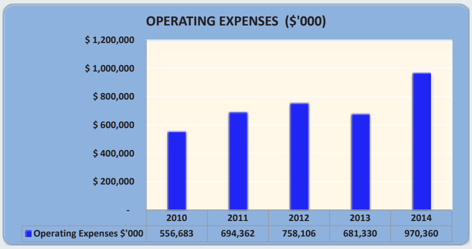
Net unrealized gains on investment amounted to $133 million compared to a net unrealized loss of $90 million for prior year 2013 an increase of $223 million or 247%. The unrealized mark to market gains is attributed to an increase in market prices of our trading portfolio holdings.

Share of Results of Associate

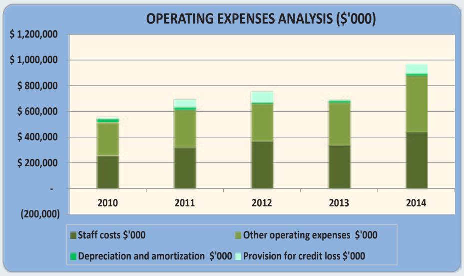
For the period under review we recorded share of profit of $121 million, an increase of $19 million or 18% when compared to prior year 2013. At year end 2014 the group disposed of its holdings in Access Financial Services and received cash proceeds of $935 million after an initial investment of $38.4 million. This investment was a profitable venture throughout the nine years and has contributed to the overall performance of the group.

OPERATING EXPENSES

Total operating expenses were $970 million, an increase of $289 million or 42% when compared to $681 million



for prior year 2013. This comprised Staff costs- $443million, Provision for credit losses - $71.5 million, Depreciation and amortization - $18 million and Operating expenses - $438 million. We experienced increases in all categories of expenses when compared to prior year 2013.



Staff costs amounted to $443 million, an increase of $104 million or 31% compared to $339 million for the corresponding period 2013. The increase in staff costs was as a result of salary increases granted for the year as well as a profit share provision at year end 2014.

We made increased provision for credit losses on our loan portfolio for this financial year to cover potential losses.

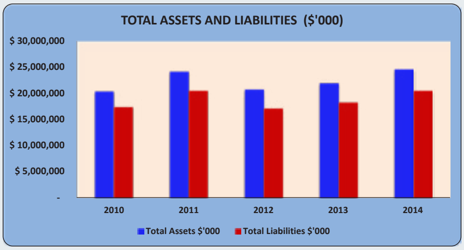
Depreciation and amortization costs have increased and amounted to $18 million, an increase of $2 million or 15% when compared to the corresponding period 2013. The increased depreciation charge was as a result of increases in our depreciable assets acquired during the year.

Increases in other operating expenses were noted and amounted to $438 million, an increase of $105 million or 32% when compared to $333 million for the corresponding year. Other operating expenses were driven by increases in legal and professional fees, as well as sales, marketing and public relations expenses.

ASSETS AND LIABILITIES

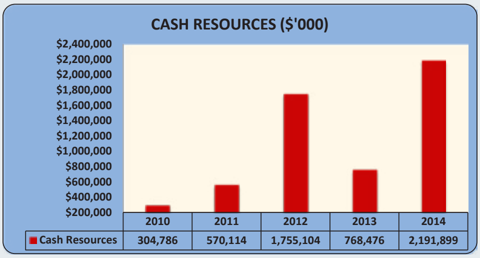
Assets

Total assets base stood at $24.6 billion compared to $22 billion for the comparative period 2013, an increase of $2.6 billion or 12%. The increase in our asset base was due to a $1.4 billion increase in our cash resources and $1.1 billion in our reverse repurchase agreements as a result of sale of securities during the year and our shares in Acccess at year end.

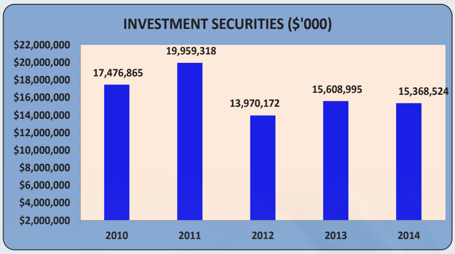


Asset Categories

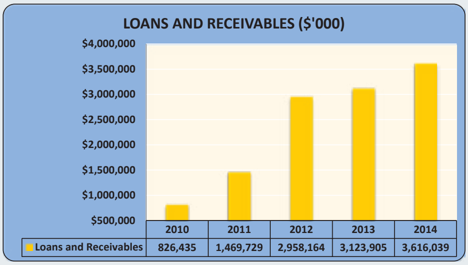
Our cash resources totaled $2 billion, compared to $769 million for the corresponding period 2013, an increase of over $1.2 billion or 185%. The increase was noted as a result of sale of assets close to the year-end 2014.



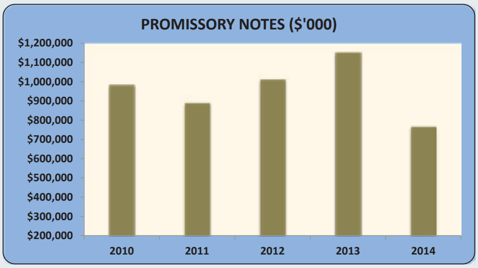
The investment securities portfolio totaled $15.37 billion, a marginal reduction of $240 million or 1.5% when compared to prior period when it stood at $15.61 billion. The portfolio comprises Government of Jamaica (GOJ) Securities $4.97 billion, Foreign Government Securities $497.94 million, Corporate Debt Securities $7.05 billion and Equities of $2.85 billion.



Our loans and receivables totaled $3.62 billion compared to $3.12 billion for the corresponding period 2013, an increase of $492 million or 15.75%. This increase was driven by client receivables - $2.68 billion which increased by $461 million due to increased trading activities, client margins - $451 million which increased by $51 million, withholding tax recoverable - $220 million, an increase of $3 million, advance on corporation tax - $82.86 million, as well as other receivables - $179.24 million which increased by $55 million.



Promissory notes after allowance for impairment amounted to $769.82 million compared to $1.15 billion for the corresponding period 2013, a reduction of $384 million or 33%. For the review period we actively monitored our portfolio to ensure our robust risk management processes remain proactive in the loan recovery process. For 2015 we will continue with our efforts to monitor our portfolio while making the necessary adjustments to mitigate risks as our environment changes.



Reverse Repurchase Agreements totaled $1.49 billion compared to $387.7 million for comparative period 2013, an increase of $1.1 billion or 284%, This increase was due to excess liquidity generated from the sale of assets. Interest Receivables totaled $215.32 million, a reduction of $31 million or 12.67%, Deferred Taxation - $194.92 million, an increase of $47 million or 32%, Property Plant and Equipment – $119.65 million an increase of $12 million or 11%.

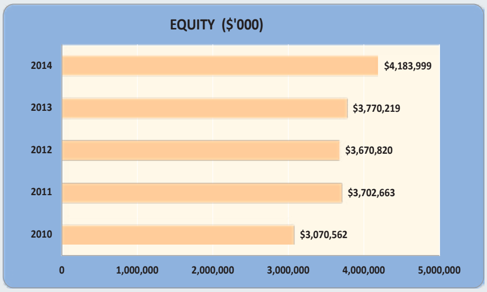
Other assets totaled $699.21 million and represent foreclosed loans which have been outstanding in our portfolio for a protracted period, after exhausting other legal remedies. The balance represents the fair value of the properties less cost to sell. The company assesses the fair value of the properties based on independent appraisal and expected realizable value. Of note, some of these properties are used as collateral for Commercial papers issued by the company.

Liabilities

Total liabilities were $20.48 billion compared to $18.31 billion for the comparative period 2013. Securities sold under repurchase agreement increased to $14.17 billion from $13.73 billion an increase of $436.66 million or 3.18% when compared to prior period 2013. Due to increased funding our repo portfolio, interest payable increased to $98.23 million, a rise of $31.13 million or 46.40% when compared to the corresponding period 2013. Loans amounted to $2.85 billion compared to $1.85 billion for prior year, an increase of $993.22 million or 53.53%. The increase in loans was due to commercial paper debt raised by the company as well as drawdown made from our overseas trading counterparts. Accounts payable amounted to $3.36 billion an increase of $717.31 million or 27.18% when compared to the corresponding period 2013. There was a reduction in bank overdraft by $5 million or 30% over prior year. Bank overdraft represents unpresented cheques at year end.

Equity

As at December 31, 2014, Stockholders' equity amounted to $4.18 billion an increase of $413.78 million or 11% compared to the $3.77 billion for comparative period 2013. This translates in a net book value per share of $3.48. The fair value reserves amounted to negative $300 million and increased by $136.98 million when compared to prior year. The bearish equity market contributed to the reduction in market prices for equities and resulted in the unrealized marked to market losses experienced on our equity portfolio.



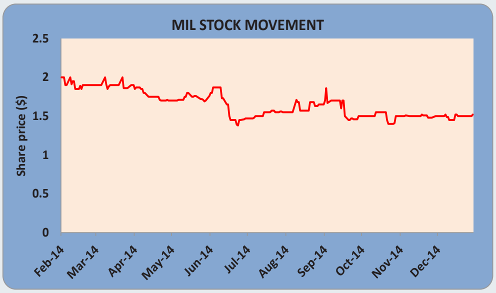
Stock Brokerage Recognition

We were recognized by the Jamaica Stock Exchange for our contribution to the equities market. We are proud to have been awarded the overall winner for the Best Member Dealer for four consecutive years. Additionally, we were the winner for the Best Investor Relations category and were first runner up for both the Revenue Generation and Market Activity and the Expansion of Investor's and Listed companies base. We are very proud to have been the winner of these awards and to achieve them in consecutive years. The Mayberry team is appreciative of the recognition of our efforts in delivering world class service to the market while building investor base and remaining committed to maintaining a strong presence in the equities market.

We were second in the overall market for the largest volume of trades, number of trades and highest dollar value of trades executed on the JSE Combined Market. In addition your company was ranked first in all categories on the JSE Junior Stock Exchange for financial year 2014.

Mayberry's Stock Trading

Mayberry Investments Limited (MIL) share price had declined by $0.48 or 24% year over year. The stock price opened the year trading at $2.00 and close with a last sale price of $1.52. Of note, 12,575,006 units crossed the trading floor during the year. Our stock traded at a high price of $2.00 and a low of $1.36 in the first and last quarters of the year respectively. Mayberry has been in the JSE select index since January 1, 2008.



REGULATORY AND CAPITAL REQUIREMENTS

Our capital base remains strong. The Company's lead regulator, Financial Services Commission (FSC), sets and monitors capital requirements and requires the company to maintain a minimum of 10% capital to total risk weighted assets and 50% tier 1 capital to risk weighted assets.

At year end the capital to total risk weighted assets was 11.22% (2013: 11.73%) and the tier one capital to risk weighted assets 99% (2013:98.65%).

Mayberry's policy is to preserve a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of shareholders' return on capital is also recognized and the Company acknowledges the need to maintain a balance between the higher returns that might be possible with greater gearing, the advantages and security afforded by a sound capital position.

The Company has complied with all imposed capital requirements throughout the year. There have been no material changes in the management of capital during the period.

RECENT REGULATORY DEVELOPMENTS

Foreign Account Tax Compliance Act (FATCA)

In May 2014, the Jamaican and US governments signed a reciprocal Inter-Governmental Agreement providing for local financial institutions to transmit the required information to the Minister of Finance or his delegate the Tax Administration of Jamaica (TAJ) which will, in turn, submit the information to the Internal Revenue Service (IRS).

Information to be reported to the TAJ includes the name, address, and US tax identification number of each specified US person/ recalcitrant customer; account number; account balance/value at the end of the calendar year or immediately

before closure if the account was closed during the calendar year; gross interest/ dividends; and interest and other income credited to the account.

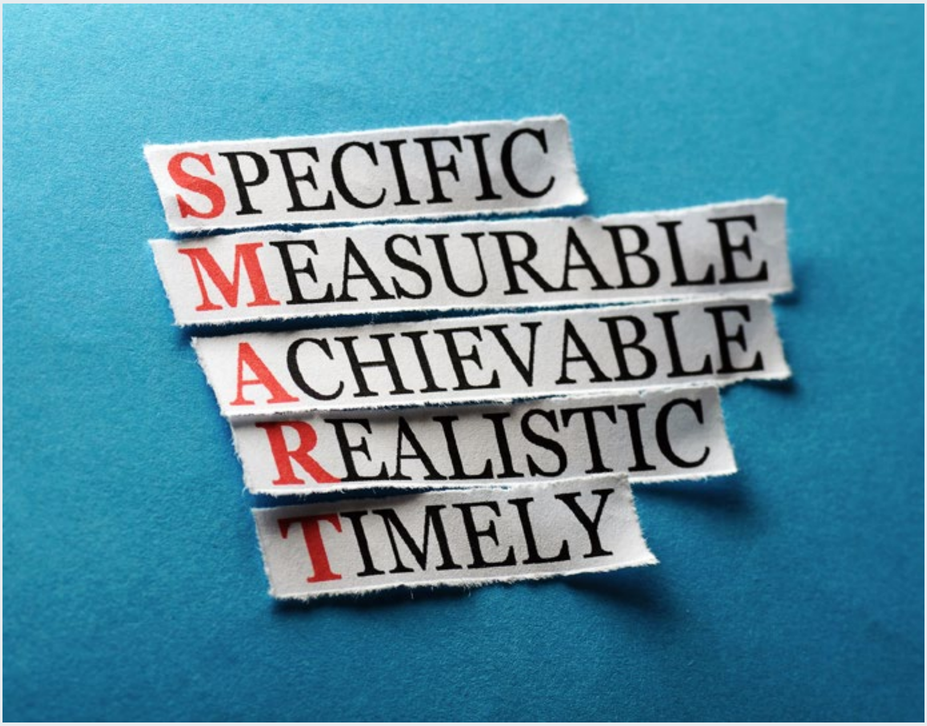
At Mayberry we are committed to being FATCA compliant and our ePMO unit along with our Compliance Department have been working together to assist the company to meet all requirements for the Foreign Account Tax Compliance Act (FATCA). We will continue our thrust to improve our business processes to meet all requirements under FATCA.

RISK MANAGEMENT FRAMEWORK

The Company's principal business activities – securities dealing, brokerage and asset management, are by their nature, highly competitive and subject to various risks, including volatile trading markets and fluctuations in the volume of market activities. Consequently, the Company's net income and revenues have been, and are likely to continue to be , subject to wide fluctuations, reflecting the effects of many factors, including general economic conditions, securities market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, changes in currency values, inflation, credit ratings and the size and volume of transactions.

These and other factors can affect the volume of new securities issuances, mergers and acquisitions and business restructuring; the stability and liquidity of the securities market and the ability of issuers and counterparties to perform on their obligations.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Assets and Liabilities Committee (ALCO) which is responsible for developing and monitoring the Group's risk management policies in their specified areas.



ALCO places trading limits on the level of exposure that can be taken and monitors risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by both the Compliance Unit and Internal Audit. Compliance Unit and Internal Audit undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the Audit Committee, respectively.

S. Harvey-Wilson

Sharon Harvey-Wilson
Chief Operating Officer

Human Resources Department

Mayberry Investments Limited achieved a milestone when we received two category awards in the latest Jamaica Employers' Federation's (JEF) Employer of Choice Competition. Mayberry was successful in 'Employee Satisfaction Ratings' and the 'Apprenticeship / Internship Program'. Although this was the first time that Mayberry was participating in the competition and won these awards, we will not rest on our laurels. We now set our sights on the Employer of Choice award for 2014.

'The only thing constant in life is change'- François de La Rochefoucauld, and 2015 will be no different for Mayberry, as we seek to revamp our systems to ensure full efficiency. We will therefore be increasing our resource efficiencies in order to provide a first-class experience for our clients and to achieve continued growth. Mayberry will continue to bring persons into our fold whose personal objectives align with those of the organisation. We also continue to train our employees to the highest standards in the industry and are seen as leaders in this area. Our core values of Integrity, Accountability and Attention to Detail are of paramount importance to us in order to ensure that our clients achieve their objectives and receive the highest level of service from our team of dedicated professionals.

Operations & Securities Department

The Operations & Securities Department was very instrumental in the company's successful execution of its transactions in 2014. The department has a tremendous completion record and based on feedback is rated among the best by its peers in the industry. The strength of this closely knit unit lies in its professional approach, leadership and commitment towards ensuring the company's image and reputation remains at the pinnacle of the financial sector. Moving forward, the department plans to ensure continuance in observing best practices by working in close tandem with the Compliance Department while at the same time

satisfying all other departments and clients of the organisation.

Finance and Accounts Department

In providing accounting services and financial support to Mayberry, the Finance and Accounts department remains resolute and committed to corporate efficiency and effectiveness through accuracy, strong internal controls, detailed financial analyses, compliance with policies and procedures and the provision of value added services to both our internal and external customers.

The objectives of departmental transformation and automation of processes are underway and has formed a part of the daily norm, while paving the way for implementing future plans that continuously challenge the department to be in congruence with corporate objectives, resulting in improvement in customer and supplier services and satisfaction.

The vision for 2015 and beyond will ultimately see the department, like the company, revisiting our successes and challenges. As such, we will keep focusing on our technology, efficiency and growth, particularly through talent management, succession planning and policy implementation, along with continued monitoring of pertinent variables to impact our department's reputation and the company's profit and position positively for the future.

Sales and Marketing Department

In 2014, the Sales department was successful in meeting and exceeding its targets for Revenue generation by 34%, targeted client acquisition by 12.5% and the sale of structured products by 16%. This was achieved by our continued focus on increasing our year over year trading activity and outright sale of securities. The introduction of new structured products, as well as an increase in fixed income and equity offerings throughout the year provided our clients with additional investment options, whilst targeted prospecting island-wide and improved client contact helped to increase our client and transaction base.

Our marketing efforts for the year were quite robust. We launched our first integrated advertising campaign in years for our new product Mayberry Prime. The campaign was very well received and was successful in improving brand awareness and acquiring new clients. We also continued our strategy of targeted interaction with clients in smaller groups and increased community involvement through our sponsorships and charitable efforts.

For the 15th year, we continued hosting our monthly Investor Forum series, which saw many informative and lively discussions led by expert presenters and speakers. Among other events we hosted for the year were our Pre-Mothers' Day Cocktail Reception and our end of year Client Holiday Party.

In keeping with our commitment greater social responsibility in the community, we made donations to several organisations and institutions, including the St George's College Foundation and Mico University College. We also continued our sponsorship of the Mayberry Investments Open Junior Tennis Championships, the Annual Mayberry Investments High School Tennis Championship, and the Annual Mayberry Swim Meet

Asset Management Department

The Asset Management department continued its focus on providing excellent group and individual portfolio management solutions for our clients. We achieved a 17 per cent increase in funds under management, moving from $9.5 billion in 2013 to $11.16 billion at the end of 2014.

The JSE indices experienced declines for the financial year. Even though there were reductions in the number of transactions executed during the year, we brokered deals for our clients and generated revenues for the Company amounting to $22.92 million for 2014. Looking forward, we remain committed to creating wealth for our customers through trading of equites, as we believe there are untapped opportunities on the market. We have already seen reversals in the market's misfortune, with the losses of 2014 being reversed in the first quarter of 2015. We expect the market to continue on this upward trajectory and intend to take full advantage of these opportunities as they arise, while managing the associated risks.

Our Company has consistently ranked in the top two brokers in the Overall Main Market rankings in the three main categories measuring market activity by brokers, volume, number of trades, and value of trades. We also achieved the number one ranking in all three categories for the Junior Market for financial year 2014.

Research, Corporate Finance & Special Projects Department

Mayberry Investments Limited has established itself as household name as it relates to the listing of companies on the Jamaica Stock Exchange (JSE) Junior Market following the activities of our Investment Banking Team. During 2014, the team's value creation activities in the JSE Junior Market took a different form. The Company acted as lead broker in the transaction which saw one junior market entity acquiring a 49% ownership stake in another, representing the first transaction of its kind on the Junior Market of the stock exchange. The team sustained its activity in debt structuring transactions. Consequently, we were successful in structuring corporate private debt transactions amounting to approximately $2.1 billion, outperforming the budgeted total of $2 billion.

The research team goal is to inform and educate our external clients while providing support to the revenue generating units of the company. In the pursuit of our goal the department provided timely reports to our external customers and the best advice to guide their investment decisions. Reports such as our Daily Recommendations and our Daily Picks supports these efforts by providing daily information and synopsized analyses of various financial assets. We also keep our internal clients informed through circulation of our Monthly Economic review, Government Operations Results and various other circulations.

The department continues to explore various mediums and methodologies which will aid in adding value to the capital markets.

Treasury and Trading Department

For the financial year 2014, the department contributed 84% to the core revenues of the company versus 86% the prior year. Of note were the revenues attributable to dividend income and fixed income trading which increased by 18% and 32%, respectively.

Net interest income saw a 42% reduction year over year from $413.6 million to $240.5 million. This was due to a significant increase in our cost of funding, which was a consequence of the challenging high interest rate environment; particularly in the local money market, in which we operated for most of the financial year.

It is our expectation that with the reduced local money market rates which began in the latter part of the financial year, we should see some improvements in our local cost of funds and the transitory effects on our net interest income.

Facilities Department

With continued dedication of managing the talents in the department through training and succession planning, the Facilities Department remains committed to maintaining the company’s assets and work environment.

The department was able to maximize the quality and timeliness of the services provided within the authorized operating budget, while maintaining the core services currently provided to our clients and staff.

For 2015, we look to continue improving our facilities by identifying further cost savings through energy conservation initiatives.

Disclosure of Shareholdings

as at 31 December 2014

Directors	Shareholdings	Connected Persons
Christopher Berry	-	461,326,811
Konrad Berry**	437,377,507	18,331,154
Erwin Angus	-	2,507,886
Benito Palomino	2,283,105	
David McBean	446,521	
Gary Peart**	24,740,915	
Sharon Harvey-Wilson	10,730,858	
Sushil Jain	255,537	
Gladstone "Tony" Lewars	325,000	

Managers		
Andrea HoSang**	1,095,701	2,900
Kayree Berry-Teape**	2,656,984	31,080
Tania Waldron-Gooden	2,000	

** Includes holdings in joint accounts

Top Ten Shareholders and Connected Persons

as at 31 December 2014

Name	Shareholdings
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 Pension Scheme	6,274,960

Connected Persons	
Mayberry Employee Share Scheme	43,779,473
Konrad Limited	18,178,253
Mayberry Foundation	10,955,147
Mayberry Investments Limited Pension Scheme	6,274,960
Mayberry Managed Client Account	3,307,382
Mayberry Investments Limited Retirement Scheme	1,000,000
Apex Pharmacy	1,000,000
Doris Berry	732,262
Est. Maurice Berry	10

** Includes holdings in joint accounts

MAYBERRY
INVESTMENTS LIMITED
Established 1985

Mayberry In The Community

Mayberry has made a three year commitment to assist the St. George's College Track and Field Team. Assistant VP of Marketing, Anika Smith, presents a donation cheque to Principal, Margaret Campbell while Team Manager Peter Brooks looks on.

Mayberry's Assistant VP of Marketing, Anika Smith, poses for a photo with the record breakers on day 2 of the 2014 Mayberry Investments Swimming Championships.

Students line up for the Opening Ceremony of the 2014 Mayberry Investments High School Tennis Tournament.

Some Organisations We Supported In 2014

Webster Memorial United Church
The Church of Ascension
Stella Maris Church
Greater Grace Temple
St Edmund Trust Society of Jesuits
St George's College Foundation
Shortwood Teachers College
Mico University
Papine High School
Tivoli Gardens High School
Glenmuir High School
Ardenne Alumni Foundation
Lions Club of Kingston
Lions Club of St. Andrew Central
Kiwanis Club of Eastern St Andrew
Kiwanis Club of New Kingston
Kiwanis Club of Stony Hill
Rotary Club of St. Andrew North
Rotary Club of Kingston
Kingston Lodge
Phoenix Lodge No. 914 E.C.
The Liguanea Lodge
Jamaica Heart Foundation
Jamaica Down's Syndrome Foundation
Jamaica AIDS Support for Life
Jamaica Cancer Society
Kidney Support Foundation
Jamaica Medical Doctors Association
Dermatologists Association of Jamaica
Environmental Health Fund
Swallowfield Outreach Foundation
National Police Sports Council
Jamaica Constabulary Force
Lay Magistrates' Association of Jamaica
Pension Funds Association of Jamaica
Jamaica China Friendship Association
Jamaica America Friendship Association
Association of Friends & Families of Substance Abusers
Jamaicans For Justice
Chinese Benevolent Association
Retired Nurses Association
Mustard Seed Communities
Northern Clarendon Summer Camp
Crimson Dawn
National Youth Orchestra of Jamaica
Judy Mowatt Outreach Ministries

MAYBERRY INVESTMENTS LIMITED
Established 1985

Forum Highlights 2014

Dr the Hon Peter Phillips, Minister of Finance in the Ministry of Finance and Planning, poses for a photo with Mayberry Director, Sushil Jain (far left), CEO, Gary Peart and Assistant VP of Marketing, Anika Smith at January's Forum

L-R: Sushil Jain, Mayberry Director, financial analysts, Keith Collister and Ralston Hyman along with economist, Dennis Chung at February's Forum.

Caribbean Cement Company Limited's Anthony Haynes, Managing Director and Yasmin Gibson, Acting Finance Manager at March's Forum.

Katia Denise Henry James (left), estate planning consultant and attorney-at-law and Cathy Lyn, consultant at Duggan Consulting Limited were the presenters for April's Forum.

L-R: Brian Denning, tax services partner at PricewaterhouseCoopers, Allison Peart, partner at Ernst & Young and Ainsley Powell, acting commissioner general at Tax Administration of Jamaica at May's Forum.

Anika Smith, assistant VP of Marketing at Mayberry sharing a laugh with Eugene Ffolkes, director of JAMPRO at June's Forum.

Economic Programme Oversight Committee Co-Chair, Richard Byles, was the guest speaker at July's Forum.

Dr. Henry Lowe (1st left), executive chairman of Eden Gardens Wellness Spa, engages fellow presenter, Chris Dehring (2nd left), chairman of the Sports Tourism Implementation Committee, Mayberry CEO, Gary Peart and the Hon Damion Crawford, MP (right), Minister of State in the Ministry of Tourism and Entertainment, who gave the opening remarks at September's Forum.

L-R: Entrepreneurs Chester Stewart, CEO of Green Sun Energy Plus, Michelle Smith, CEO of Chocolate Dreams and Stephen Steele, chairman of I-Print Digital, share a relaxed moment with Mayberry Director, Sushil Jain at November's Forum.

BDO

Tel: (876) 926-1616/7, 926-4421
Fax: (876) 926-7580
www.bdo.com.jm

Chartered Accountants
26 Beechwood Avenue
P.O. Box 351
Kingston 5, Jamaica

INDEPENDENT AUDITORS' REPORT

To the Members of
Mayberry Investments Limited

Report on the Financial Statements

We have audited the financial statements of Mayberry Investments Limited set out on pages 57 to 121, which comprise the group and the company's statement of financial position as at 31 December 2014, and the group and the company's statements of income, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the group and the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Mayberry Investments Limited

Opinion

In our opinion, the financial statements give a true and fair view of the group and the company's financial position as at 31 December 2014, and of the group and the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Jamaican Companies Act.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

BDO

Chartered Accountants

25 February 2015

CONSOLIDATED STATEMENT OF INCOME

31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Net Interest Income and Other Revenues			
Interest income		1,051,676	1,021,716
Interest expense		(811,224)	(608,073)
Net interest income	4	240,452	413,643
Fees and commissions	5	106,091	111,780
Dividend income	6	109,456	92,604
Gain on disposal of associate holding		590,995	59,985
Net trading gains	7	211,404	159,013
Net unrealized gains/(losses) on investment revaluation		132,850	(90,415)
Net foreign exchange gains		120,333	139,027
Other income		17,111	8,562
		1,528,692	894,199
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	443,292	339,463
Provision for credit losses		71,466	(6,406)
Depreciation and amortization		17,968	15,682
Other operating expenses		437,634	332,591
	9	970,360	681,330
Operating Profit before National Debt Exchange Write Off		558,332	212,869
Write off - National Debt Exchange Programme	9	-	(337,504)
Operating Profit/ (Loss)		558,332	(124,635)
Share of results of associate	21	121,307	102,643
Profit/(Loss) before Taxation		679,639	(21,992)
Taxation credit	10	46,441	124,335
Net Profit for the Year	11	726,080	102,343
Profit Attributable to Stockholders		726,080	102,343
EARNINGS PER STOCK UNIT	12	$0.60	$0.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2014

	2014 $'000	2013 $'000
Net Profit for the Year	726,080	102,343
Other Comprehensive Income Net of Taxation:		
Items that will or may be reclassified to profit or loss		
Net unrealised losses on financial instruments	(168,162)	(2,944)
Total Comprehensive Income for the Year	557,918	99,399
Total Comprehensive Income Attributable to Stockholders	557,918	99,399

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
ASSETS			
Cash resources	13	2,191,899	768,476
Investment securities	14	15,368,519	15,608,995
Reverse repurchase agreements	15	1,490,550	387,701
Promissory notes	16	769,822	1,153,655
Interest receivable		215,325	246,551
Loans and other receivables	18	3,616,039	3,123,905
Deferred taxation	19	194,921	147,349
Property, plant and equipment	20	119,648	107,865
Investment in associate	21	-	262,273
Other assets	23	699,209	272,055
Total Assets		24,665,932	22,078,825
LIABILITIES			
Bank overdraft	13	11,469	16,462
Securities sold under repurchase agreements		14,167,353	13,730,690
Interest payable		98,234	67,102
Loans	24	2,848,415	1,855,197
Accounts payable	25	3,356,462	2,639,155
Total Liabilities		20,481,933	18,308,606
EQUITY			
Share capital	26	1,582,381	1,582,381
Fair value reserves	27	(299,808)	(162,829)
Other reserves	28	77,939	527,939
Retained earnings	29	2,823,487	1,822,728
Total Equity		4,183,999	3,770,219
Total Equity and Liabilities		24,665,932	22,078,825

Approved by the Board of Directors and signed on its behalf by:

Konrad Berry
Director

Sharon Harvey-Wilson
Director

*See note 2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2014

	Share Capital $'000	Fair Value Reserves $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2013	1,582,381	(142,005)	527,939	1,702,505	3,670,820
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	102,343	102,343
Other comprehensive income	-	(2,944)	-	-	(2,944)
	-	(2,944)	-	102,343	99,399
TRANSFERS BETWEEN RESERVES					
From fair value reserves	-	(17,880)	-	17,880	-
	-	(20,824)	-	120,223	99,399
BALANCE AT 31 DECEMBER 2013	1,582,381	(162,829)	527,939	1,822,728	3,770,219
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	726,080	726,080
Other comprehensive income	-	(168,162)	-	-	(168,162)
	-	(168,162)	-	726,080	557,918
TRANSACTION WITH OWNERS					
Dividends paid (note 31)	-	-	-	(144,138)	(144,138)
	-	(168,162)	-	581,942	413,780
TRANSFERS BETWEEN RESERVES					
From fair value reserves	-	31,183	-	(31,183)	-
From capital redemption reserve (note 28)	-	-	(450,000)	450,000	-
	-	(136,979)	(450,000)	1,000,759	413,780
BALANCE AT 31 DECEMBER 2014	1,582,381	(299,808)	77,939	2,823,487	4,183,999

CONSOLIDATED STATEMENT OF CASH FLOWS

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation		679,639	(21,992)
Adjustments for:			
Provision/(write back) for credit losses		71,466	(6,406)
Depreciation and amortisation	20	17,968	15,682
Interest income	4	(1,051,676)	(1,021,716)
Interest expense	4	811,224	608,073
Realised fair value (losses)/gains transferred to retained earnings		(31,183)	17,880
Gain on disposal of investment in associate	21	(590,995)	(59,985)
Unrealised (gains)/ losses on investment Revaluation		(132,850)	90,415
Unrealised foreign exchange gains		(4,603)	(142,639)
Share of after tax profit of associate	21	(121,307)	(102,643)
Foreclosure of loans		(427,154)	(263,623)
Income tax credit		46,441	124,335
		(733,030)	(762,619)
Changes in operating assets and liabilities:			
Loans and other receivables		(492,134)	(165,741)
Investments		237,717	(1,546,530)
Promissory notes		380,403	(132,443)
Reverse repurchase agreements		(1,102,849)	34,347
Accounts payable		718,503	762,814
Securities sold under repurchase agreements		436,663	72,973
Loans		993,218	362,077
		438,491	(1,375,122)
Income tax paid		(1,196)	(296)
Interest received		1,082,902	1,037,782
Interest paid		(780,092)	(609,773)
Cash provided by/(used in) operating activities c/f page 62		740,105	(947,409)

*See note 2

CONSOLIDATED STATEMENT OF CASH FLOWS

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
Cash provided by/(used in) operating activities b/f page 61		740,105	(947,409)
Cash Flows from Investing Activities			
Additions to property, plant and equipment	20	(29,751)	(30,341)
Proceeds from disposal of investment in associate company	21	935,377	62,288
Dividends received from associate company	21	39,198	108,056
Net cash provided by investing activities		944,824	140,003
Cash Flows from Financing Activities			
Dividend payment		(144,138)	-
Net cash used in financing activities		(144,138)	-
Net Increase/(Decrease) in Cash and Cash Equivalents		1,540,791	(807,406)
Effect of exchange rate changes on cash and cash equivalents		(112,375)	(184,797)
Cash and cash equivalents at beginning of year		752,014	1,744,217
Cash and Cash Equivalents at End of Year	13	2,180,430	752,014

*See note 2

STATEMENT OF INCOME

31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Net Interest Income and Other Revenues			
Interest income		981,852	961,185
Interest expense		(792,301)	(593,800)
Net interest income	4	189,551	367,385
Fees and commissions	5	106,091	111,780
Dividend Income	6	236,198	30,870
Net trading gains	7	204,790	130,650
Net unrealized gains/(losses) on investment revaluation		132,850	(90,415)
Net foreign exchange gains		82,817	91,476
Other income		17,111	8,562
		969,408	650,308
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	443,292	339,463
Provision for credit losses		3,430	(6,406)
Depreciation and amortization		17,968	15,682
Other operating expenses		406,816	331,008
	9	871,506	679 ,747
Operating Profit/ (Loss) before National Debt Exchange Write Off		97,902	(29,439)
Write off - National Debt Exchange Programme	9	-	(337,504)
Profit/(Loss) before Taxation		97,902	(366,943)
Taxation credit	10	47,717	126,561
Net Profit/(Loss) for the Year	11	145,619	(240,382)

STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2014

	2014 $'000	2013 $'000
Net Profit/(Loss) for the Year	145,619	(240,382)
Other Comprehensive Income Net of Taxation:		
Items that will or may be reclassified to profit or loss		
Net unrealized gains on financial instruments	3,444	11,473
Total Comprehensive Income/(Loss) for the Year	149,063	(228,909)

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
ASSETS			
Cash resources	13	2,164,517	698,606
Investment securities	14	11,243,447	11,097,835
Reverse repurchase agreements	15	1,490,550	387,701
Promissory notes	16	769,822	1,153,655
Interest receivable		194,229	220,727
Due from subsidiary	17	-	678,348
Loans and other receivables	18	3,590,247	3,085,586
Deferred taxation	19	192,346	146,351
Property, plant and equipment	20	119,648	107,865
Investment in subsidiary	22	1,468,027	1,468,027
Other assets	23	699,209	272,055
Total Assets		21,932,042	19,316,756
LIABILITIES			
Bank overdraft	13	11,469	16,462
Securities sold under repurchase agreements		13,206,602	12,697,869
Due to subsidiary	17	365,940	-
Interest payable		97,204	66,933
Loans	24	2,848,415	1,855,197
Accounts payable	25	3,356,276	2,639,084
Total Liabilities		19,885,906	17,275,545
EQUITY			
Share capital	26	1,582,381	1,582,381
Fair value reserves	27	(24,392)	(27,836)
Other reserves	28	77,939	527,939
Retained earnings	29	410,208	(41,273)
Total Equity		2,046,136	2,041,211
Total Equity and Liabilities		21,932,042	19,316,756

Approved by the Board of Directors and signed on its behalf by:

Konrad Berry
Director

Sharon Harvey-Wilson
Director

*See note 2

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2014

	Share Capital $'000	Fair Value Reserves $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2013	1,582,381	(32,632)	527,939	192,432	2,270,120
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	(240,382)	(240,382)
Other comprehensive income	-	11,473	-	-	11,473
	-	11,473	-	(240,382)	(228,909)
TRANSFERS BETWEEN RESERVES					
From fair value reserves	-	(6,677)	-	6,677	-
	-	4,796	-	(233,705)	(228,909)
BALANCE AT 31 DECEMBER 2013	1,582,381	(27,836)	527,939	(41,273)	2,041,211
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	145,619	145,619
Other comprehensive income	-	3,444	-	-	3,444
	-	3,444	-	145,619	149,063
TRANSACTION WITH OWNERS					
Dividends paid (note 31)	-	-	-	(144,138)	(144,138)
	-	3,444	-	1,481	4,925
TRANSFERS BETWEEN RESERVES					
From capital redemption reserve (note 28)	-	-	(450,000)	450,000	-
	-	3,444	(450,000)	451,481	4,925
BALANCE AT 31 DECEMBER 2014	1,582,381	(24,392)	77,939	410,208	2,046,136

STATEMENT OF CASH FLOWS

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		97,902	(366,943)
Adjustments for:			
Provision for credit losses		3,430	(6,406)
Depreciation and amortisation	20	17,968	15,682
Interest income	4	(981,852)	(961,185)
Interest expense	4	792,301	593,800
Realised fair value gain transferred to retained earnings		-	6,677
Unrealised (gains)/losses on investment revaluation		(132,850)	90,415
Unrealised foreign exchange losses/(gains)		32,913	(95,088)
Foreclosure of loans		(427,154)	(263,623)
Income tax credit		47,717	126,561
		(549,625)	(860,110)
Changes in operating assets and liabilities:			
Loans and other receivables		(504,661)	(254,615)
Investments		20,076	(354,575)
Promissory notes		380,403	(132,443)
Reverse repurchase agreements		(1,102,849)	34,347
Due to subsidiary		1,044,288	(457,547)
Accounts payable		717,192	762,608
Securities sold under repurchase agreements		508,733	(195,393)
Loans		993,218	362,077
		1,506,775	(1,095,651)
Interest received		1,008,350	990,220
Interest paid		(762,030)	(595,818)
Cash provided by/(used in) operating activities c/f page 68		1,753,095	(701,249)

*See note 2

STATEMENT OF CASH FLOWS

31 DECEMBER 2014

	Note	2014 $'000	(Restated)* 2013 $'000
Cash provided by/(used in) operating activities b/f page 67		1,753,095	(701,249)
Cash Flows from Investing Activities			
Additions to property, plant and equipment	20	(29,751)	(30,341)
Cash used in investing activities		(29,751)	(30,341)
Cash Flows from Financing Activities			
Dividend payment		(144,138)	-
Cash used in financing activities		(144,138)	-
Net Increase/ (Decrease)in Cash and Cash Equivalents		1,579,206	(731,590)
Effect of exchange rate changes on cash and cash equivalents		(108,302)	(167,515)
Cash and cash equivalents at beginning of year		682,144	1,581,249
Cash and Cash Equivalents at End of Year	13	2,153,048	682,144

*See note 2

1. **IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

Mayberry Investments Limited ("the Company") is incorporated in Jamaica and its registered office is located at 1 ½ Oxford Road, Kingston 5. The Company is a licensed securities dealer and is a member of the Jamaica Stock Exchange. The Company has primary dealer status from the Bank of Jamaica.

The principal activity of the Company comprises dealing in securities, portfolio management, investment advisory services, operating foreign exchange cambio, managing funds on behalf of clients and administrative and investment management services for pension plans.

Mayberry West Indies Bank Limited (formerly Mayberry West Indies Limited) is a 100% subsidiary of the Company. Mayberry West Indies Bank Limited is incorporated in St. Lucia under the International Business Companies Act. On 13 June 2014, the Company changed its name from Mayberry West Indies Limited to Mayberry West Indies Bank Limited and received a licence for International Banking Business on 23 June 2014, under the International Banks Act Cap.12.17.

Mayberry West Indies Bank Limited owned 38% of the shareholding of Access Financial Services Limited (Access), an entity which is incorporated and registered in Jamaica and operating in Jamaica in the micro-finance market. On 30 December 2014, the company disposed of its holding in Access, except for 1.3M shares representing less than 1% of the shares in issue.

The Company and its subsidiary are referred to as "the Group".

The financial statements for the year ended 31 December 2014 have been approved for issue by the Board of Directors on 25 February 2015.

2. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation. The restatement relates to the reclassification of cash balances from broker loan accounts to cash resources. Amounts are rounded to the nearest thousand, unless otherwise stated.

(a) Basis of preparation -

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention as modified by the revaluation of investment securities at fair value through other comprehensive income and investment securities at fair value through profit or loss. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income shown as two statements, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) –

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 3.

Amendments to published standard effective in the current year that are relevant to the Group's operations

IAS 27 (Amendments), 'Separate Financial Statements', (effective for annual periods beginning on or after 1 January 2016). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group is currently assessing whether to use the equity method in separate financial statements of the Company.

IAS 32 (Amendments), 'Financial Instruments: Presentation', (effective for annual periods beginning on or after 1 January 2014) clarifies that an entity currently has a legal enforceable right to offset if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all the counterparts. In addition, it clarifies that gross settlement is equivalent to net settlement if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk and process receivables and payables in a single settlement process or cycle.

IAS 36 (Amendments), 'Impairment of Assets', (effective for annual periods beginning on or after 1 January 2014) was amended by the issue of Recoverable Amount Disclosures for Non-financial Assets, which is effective for accounting periods beginning on or after 1 January 2014. The amendments align the disclosures required for the recoverable amount of an asset (or Cash Generating Unit (CGU) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use. Certain disclosures are now only required when an impairment loss has been recorded or reversed in respect of an asset or CGU. Other disclosure requirements have been clarified and expanded, for assets or CGUs where the recoverable amount has been determined on the basis of fair value less costs of disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) -

Amendments to published standard effective in the current year that are relevant to the Group's operations (cont'd)

IFRIC 21 'Levies', (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 addresses the accounting for a liability to pay a levy recognised in accordance with *IAS 37, 'Provisions'*, and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of *IAS 12, 'Income Taxes'*. IFRIC 21 indicates that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. It concludes that the fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern principle, does not create an obligation to pay a levy that will arise from operating in the future. Accordingly, a liability to pay a levy is recognised when the obligating event occurs. This might arise at a point in time or progressively over time. The interpretation also requires that an obligation to pay a levy triggered by a minimum threshold is recognised when the threshold is reached. The Group applied this interpretation and has recognised a liability for asset-based taxes under the Assets Tax (Specified Bodies) Act in Jamaica.

The amendments did not result in any effect on the Group's consolidated financial statements.

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group

IFRS 9 'Financial Instruments (2014)', (effective for annual periods beginning on or after 1 January 2018). The revised standard is now the comprehensive standard to replace IAS 39 "Financial Instruments: Recognition and Measurement", and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) -

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group (cont'd)

IFRS 9 'Financial Instruments (2014)', (effective for annual periods beginning on or after 1 January 2018) (cont'd)

Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.

Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

IFRS 9 (2014) also introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables. The classification and measurement of investments in debt securities is driven by the entity's business model for managing the financial assets and the contractual characteristics and will result in one of the following three classifications: amortised cost, fair value through OCI ('FVOCI') or fair value through profit or loss ('FVPL').

The Group is still assessing the potential impact of adoption of the revision and whether it should consider early adoption but it is not possible at this stage to quantify the potential effect. The Group expects some impacts on adoption of the revised standard. The Group expects that, in many instances, the classification and measurement outcomes will be similar to IFRS 9 (2009) for its operations, although differences may arise, for example, regarding credit loss provisioning, the Group expects that, as a result of the recognition and measurement of impairment under IFRS 9 (2014) being more forward-looking than under the previous standard, the resulting impairment charge may tend to be more volatile.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) –

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group (cont'd)

IFRS 15, 'Revenue from Contracts with Customers', (effective for periods beginning on or after 1 January 2017). It replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC – 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

Annual improvements to IFRS, 2010-2012 and 2011-2013 cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after 1 July 2014. The main amendments applicable to the Group are as follows:

IFRS 13, 'Fair Value Measurement', has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

IAS 24, 'Related Party Disclosures', has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

The directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant in future periods, is unlikely to have any material impact on the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Basis of consolidation -

(i) Subsidiaries:

A subsidiary is an entity which is controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements comprise those of the Company and its wholly owned subsidiary, Mayberry West Indies Bank Limited (formerly Mayberry West Indies Limited), presented as a single economic entity. Intra-group transactions, balances and unrealized gains and losses are eliminated in preparing the consolidated financial statements.

(ii) Associate:

On 30 December 2014, the Group sold its holdings in Access Financial Services Limited and recorded a gain on sale of the shares. Prior to the sale the investment, which was held in previous year, was recorded as an associate investment using the equity method of accounting and was initially recognized at cost; the carrying amount being increased or decreased to recognize the Group's share of the profit or loss after the date of acquisition.

(c) Foreign currency translation -

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Jamaican dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At year end, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate, being the mid-point between the Bank of Jamaica's (Central Bank) weighted average buying and selling rates at the date.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in the statement of income.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognized in the statement of income (applicable for financial assets at fair value through profit or loss), or within other comprehensive income if non-monetary financial assets are equity instruments which are designated as fair value through other comprehensive income.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) Revenue recognition -

i. Interest income:

Interest income is recognized in the statement of income for all interest bearing instruments on the accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed investments and discount or premium on financial instruments.

When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases and interest is taken into account on the cash basis. IFRS requires that where loans become doubtful of collection, they are written down to their recoverable amounts and interest income on the loans is thereafter recognized based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. However, such amounts as would have been determined under IFRS are considered to be immaterial.

ii. Dividend income:

Dividend income is recognized when the stockholder's right to receive payment is established.

iii. Fees and commission income:

Fees and commission income are recognized on an accrual basis when the service has been provided. Fees and commission arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts. Asset management fees are apportioned over the period the service is provided.

(e) Interest expense -

Interest expense is recognized in the statement of income for all interest bearing instruments on the accrual basis, using the effective yield method based on the actual purchase price.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(f) Investment securities -

The Group early adopted IFRS 9 "Financial Instruments Part 1: Classification and Measurement" in 2009. Investment securities are classified into the following categories: those to be measured subsequently at fair value and those to be measured subsequently at amortised cost. Management determines the appropriate classification of investments at the time of purchase based on the objectives of the Group's business model for managing financial instruments and the contractual cash flow characteristics of the instruments.

Investment securities subsequently measured at fair value are either designated fair value through profit or loss or fair value through other comprehensive income. Investment securities at fair value through profit or loss are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit-taking exists. They are initially recognised at cost, which includes transaction costs, and subsequently remeasured at fair value. All related realised and unrealised gains and losses are included in net trading income.

Investment securities subsequently measured at fair value through other comprehensive income are all other equity investments, designated at purchase to recognize unrealized and realized fair value gains and losses through other comprehensive income rather than profit or loss. There is no recycling of fair value gains and losses to profit or loss. They are initially recognised at cost, which includes transaction costs, and subsequently re-measured at fair value.

Debt instrument securities are subsequently measured at amortised cost where management determines that the objective is to hold the instruments to collect the contractual cash flows, that is, the payment of principal and interest. All other debt instruments are measured at fair value through profit or loss.

The fair values of quoted investments are based on current bid prices. For unquoted investments, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount of a financial asset carried at fair value is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset.

All purchases and sales of investment securities are recognised at settlement date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Repurchase and reverse repurchase agreements -

Securities sold under agreements to repurchase (repurchase agreements), and securities purchased under agreements to resell (reverse repurchase agreements), are treated as collateralized financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the lives of the agreements using the effective yield method.

(h) Loans and receivables and provisions for credit losses -

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivable. Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

An allowance for loan impairment is established if there is evidence that the Group will not be able to collect all amounts according to the original contractual terms of the loan. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

A loan is classified as impaired when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases, and interest is taken into account on a cash basis.

Write offs are made when all or part of a loan is deemed uncollectible. Write offs are charged against previously established provisions for loan losses and reduce the principal amount of the loan. Recoveries in part or in full of amounts previously written off are credited to provision for credit losses in the statement of income.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(i) Property, plant and equipment -

All property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line basis at annual rates estimated to write off the cost of the assets over their expected useful lives as follows:

Furniture, fixtures and fittings	10%
Office equipment	20%
Computer equipment	20%
Motor vehicles	33 1/3%
Leasehold improvements	2%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. Repairs and renewals are charged to the statement of income when the expenditure is incurred.

(j) Other assets -

This represents foreclosed assets which are classified as held-for-sale and are initially measured at fair values less cost to sell. Subsequent gains or losses on re-measurement are recognised in profit or loss. The Company conducts an assessment of the fair value based on independent appraisal of the properties at least once every three years.

(k) Investment in subsidiary -

Investment by the Company in subsidiary is stated at cost less impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(l) Borrowings -

Borrowings including those arising under securitization arrangements are recognized initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognized in the statement of income over the period of the borrowings using the effective yield method.

(m) Share capital -

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

Preference share capital is classified as equity except where it is redeemable on a specific or determinable date or at the option of the shareholders and/or if dividend payments are not discretionary, in which case it is classified as a liability. Dividend payments on preference shares classified as a liability are recognized in the statement of income as interest expense. There were no preference shares in issue at the end of the reporting period.

(n) Employee benefits -

(i) Pension scheme costs:

The Company operates a defined contribution pension scheme (note 34), the assets of which are held in a separate trustee administered fund. Contributions to the scheme are fixed and are made on the basis provided for in the rules. Contributions are charged to the statement of income when due. The Company has no legal or constructive obligation beyond paying these contributions.

(ii) Profit-sharing and bonus plan:

The Company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's stockholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iii) Other employee benefits:

Employee entitlement to annual leave and other benefits are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(n) Employee benefits (cont'd) -

(iv) Share-based compensation:

The Company operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense, with corresponding increase in equity, over the period in which the employee becomes unconditionally entitled to the options. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to become exercisable.

It recognizes the impact of the revision of original estimates, if any, in the statement of income, and a corresponding adjustment to equity over the remaining vesting period.

(o) Leases –

i. As lessee:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

ii. As lessor:

Where assets are leased under finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(p) Taxation –

Taxation expense in the statement of income comprises current and deferred tax charges.

Current taxation charge is the expected taxation payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment to tax payable and tax losses in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity and relate to the same Tax Authority and when the legal right of offset exists. Deferred tax is charged or credited in the statement of income except where it relates to items charged or credited to equity, in which case deferred tax is also accounted for in equity. The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and tax losses carried forward.

(q) Provisions -

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(r) Financial instruments -

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity. Financial instruments carried in the statement of financial position include cash resources, loans and other receivables, investments, promissory notes, securities purchased under resale agreements, bank overdraft, loans, other liabilities and securities sold under repurchase agreements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(s) Cash and cash equivalents -

Cash and cash equivalents include cash on hand, unrestricted balances held with Bank of Jamaica and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturities of less than three months from the date of acquisition, including cash resources net of bank overdraft.

(t) Funds under management -

The Company accepts funds from individuals to manage with complete discretion and without reference to the account holders, in accordance with the relevant guidelines issued by the Financial Services Commission, taking into account the investment objective and risk profile of the account holder. The Company also acts in other fiduciary capacities that result in holding or placing of assets on behalf of individuals. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Company.

(u) Dividends -

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by shareholders at the Annual General Meeting.

(v) Segment reporting -

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the Group are considered as one operating segment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Impairment losses on loans and receivables:

The Company reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of income, the Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the loans resulting from adverse change in the payment status of the borrower or national and economic conditions that correlate with defaults on loans in the Company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

ii. Income taxes:

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain during the ordinary course of business. In cases of such uncertainty, the Group recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Fair value of financial assets:

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions (note 33).

4. NET INTEREST INCOME:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Interest income				
Investment securities	846,490	800,257	776,666	739,726
Loans and advances	205,186	221,459	205,186	221,459
	1,051,676	1,021,716	981,852	961,185
Interest expense				
Finance charges	30,858	29,048	30,788	29,045
Repurchase agreements	708,367	525,366	689,521	511,104
Commercial paper	45,438	28,799	45,438	28,799
Other	26,561	24,860	26,554	24,852
	811,224	608,073	792,301	593,800
	240,452	413,643	189,551	367,385

5. FEES AND COMMISSIONS:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Brokerage fees and commissions	85,213	86,661	85,213	86,661
Structured financing fees	2,861	4,590	2,861	4,590
Portfolio management	18,017	20,529	18,017	20,529
	106,091	111,780	106,091	111,780

6. DIVIDEND INCOME:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trading securities	572	8,975	228,462	8,975
Securities classified in other comprehensive income	108,884	83,629	7,736	21,895
	109,456	92,604	236,198	30,870

7. NET TRADING GAINS:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Equities – trading securities	2,153	3	(1)	1,458
Fixed income - trading securities	209,251	159,010	204,791	129,192
	211,404	159,013	204,790	130,650

8. SALARIES, STATUTORY CONTRIBUTIONS AND STAFF COSTS:

	2014 $'000	2013 $'000
Wages and salaries	309,048	277,302
Profit share and bonus	64,000	8,400
Statutory contributions	34,866	26,884
Pension contributions	14,905	10,708
Training and development	4,440	7,647
Meal allowance	379	376
Staff welfare	15,654	8,146
	443,292	339,463

The number of employees at year end was 110 (2013 – 110).

9. EXPENSES BY NATURE:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Sales, marketing and public relations	80,509	48,822	80,509	48,822
Auditors' remuneration	4,790	4,440	4,100	3,800
Computer expenses	16,344	15,267	16,344	15,267
Bad debts written off	4,215	3,881	4,215	3,881
Depreciation and amortization	17,968	15,682	17,968	15,682
Provision for credit losses	71,466	(6,406)	3,430	(6,406)
Insurance	9,701	8,841	9,701	8,841
Licensing fees	44,638	36,956	44,638	36,956
Operating lease rentals	4,027	7,346	4,027	7,346
Other operating expenses	70,505	51,348	66,250	51,347
Printing, stationery and office supplies	7,143	10,380	7,143	10,380
Legal and professional fees	57,749	18,485	33,124	17,543
Repairs and maintenance	11,292	10,951	11,292	10,951
Salaries, statutory contributions and staff costs (note 8)	443,292	339,463	443,292	339,463
Security	8,381	6,876	8,381	6,876
Traveling and motor vehicles expenses	54,732	47,368	53,484	47,368
Assets tax	23,799	22,614	23,799	22,614
Utilities	39,809	39,016	39,809	39,016
	970,360	681,330	871,506	679,747
Write-off – National Debt Exchange Programme	-	337,504	-	337,504

During 2013, the Government of Jamaica (GOJ) announced its Debt Exchange Programme (NDX), wherein an exchange of approximately $860 billion local fixed rate and USD denominated bonds were exchanged for new bonds with extended maturities and reduced interest rates. The objective of the programme was to secure an agreement with the International Monetary Fund (IMF) and resulted in a reduction in the Government's debt service costs as well as extend the maturities of the bonds.

The company participated in the Debt Exchange Programme (NDX) and submitted $4.09 billion in securities for exchange. This exchange transaction resulted in a write-off of unamortized premiums of $337,504,000 in the Company's income statement.

10. TAXATION:

Taxation is based on the operating results for the year, adjusted for taxation purposes, and is made up as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current year income tax at 33 1/3%	-	-	-	-
Current year income tax at 1%	1,434	1,709	-	-
Deferred tax credit (Note 19)	(47,875)	(126,044)	(47,717)	(126,561)
Taxation credit	(46,441)	(124,335)	(47,717)	(126,561)

(a) Reconciliation of theoretical tax charge that would arise on profit before taxation using the applicable tax rate to actual tax charge.

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Profit /(Loss) before taxation	679,639	(21,992)	97,902	(366,943)
Tax calculated at a tax rate of 33 1/3%	226,546	(7,331)	32,634	(122,314)
Adjustments for the effects of:				
Expenses not deductible for tax	7,933	8,981	7,933	8,981
Income not subject to tax	(204,059)	(4,660)	(80,200)	(4,043)
Income from subsidiary taxed at 1%	(32,441)	(81,254)	-	-
Share of profit of associate shown net of tax	(40,436)	(34,214)	-	-
Net effect of other charges and allowances	(3,984)	(5,857)	(8,084)	(9,185)
Taxation credit	(46,441)	(124,335)	(47,717)	(126,561)

(b) Subject to agreement with Tax Administration Jamaica, the Company has tax losses of approximately $730,906,000 (2013 - $670,162,000) available for set-off against future taxable profits.

10. TAXATION (CONT'D):

(c) Under the Provisional Collection of Tax Act, the Minimum Business Tax Order, 2014, enacted a new minimum tax of $60,000 per annum commencing in the year of assessment 2014. The Minimum Business Tax paid can be credited towards the Income Tax Payable for the year of assessment, provided that the income tax liability is greater than the minimum tax. This tax has been paid by the Company and has been included in other operating expenses in these financial statements. No reclassification has been deemed necessary due to the insignificance of the amount.

11. NET PROFIT/(LOSS):

	2014 $'000	2013 $'000
Dealt with in the financial statements of:		
The Company	145,619	(240,382)
Dividend from subsidiary eliminated on consolidation	(227,890)	-
Subsidiary	808,351	342,725
	726,080	102,343

12. EARNINGS PER STOCK UNIT:

Basic earnings-per-stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year.

	2014	2013
Net profit attributable to stockholders ($'000)	726,080	102,343
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Basic earning per stock unit	$0.60	$0.09
Fully diluted earning per stock unit	$0.60	$0.09

13. CASH RESOURCES:

	Group		Company	
		(Restated)*		(Restated)*
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current accounts – Jamaican dollar	199,093	36,699	199,083	36,689
Current accounts – foreign currencies	1,989,251	728,859	1,961,879	658,999
Jamaican dollar deposits	1,420	1,358	1,420	1,358
Cash in hand	2,135	1,560	2,135	1,560
	2,191,899	768,476	2,164,517	698,606

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	Group		Company	
		(Restated)*		(Restated)*
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash resources	2,191,899	768,476	2,164,517	698,606
Bank overdraft	(11,469)	(16,462)	(11,469)	(16,462)
	2,180,430	752,014	2,153,048	682,144

The bank overdraft resulted from un-presented cheques at year-end. The National Commercial Bank Jamaica Limited (NCB) holds as security, Government of Jamaica Global Bonds with a nominal value of US$319,000 (2013: US$319,000), to cover its overdraft facility of J$120,000,000. NCB also holds as security Government of Jamaica Benchmark Note with a nominal value of J$6,000,000 or lien over idle cash balances (2013: J$6,000,000) to cover 10% of the uncleared effects limit of J$60,000,000 i.e. J$6,000,000.

*See note 2

14. INVESTMENT SECURITIES:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Fair value through profit or loss				
Debt securities				
- Government of Jamaica	33,442	30,420	33,442	30,420
- Foreign government	212,438	198,875	212,438	198,875
- Corporate	404,838	862,472	404,838	862,472
Equities	24,034	14,135	24,034	14,135
	674,752	1,105,902	674,752	1,105,902
Financial instruments at amortized cost				
Debt securities				
- Government of Jamaica	4,934,730	4,589,463	4,934,730	4,589,463
- Foreign government	285,506	264,725	285,506	158,730
- Corporate	6,647,012	6,687,918	5,301,351	5,204,335
	11,867,248	11,542,106	10,521,587	9,952,528
Equity securities at fair value through other comprehensive income	2,913,348	3,001,692	47,108	39,405
Less: provision for impairment	(86,829)	(40,705)	-	-
	2,826,519	2,960,987	47,108	39,405
Total	15,368,519	15,608,995	11,243,447	11,097,835

The Government and Corporate bonds are used as collateral for the Company's margin and term loans received from Morgan Stanley and Oppenheimer and Co. Inc. (note 24).

15. REVERSE REPURCHASE AGREEMENTS:

The Company enters into collateralised repurchase and reverse repurchase agreements which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its contractual obligations. At 31 December 2014 the Company held J$1,490,550,000 (2013: J$387,701,000) of securities, representing Government of Jamaica debt securities, as collateral for repurchase and reverse repurchase agreements.

16. PROMISSORY NOTES:

	2014 $'000	2013 $'000
Gross loans	936,931	1,345,512
Specific allowance for impairment	(167,109)	(191,857)
	769,822	1,153,655

The movement in the allowance for impairment determined under the requirements of IFRS is as follows:

	2014 $'000	2013 $'000
Balance at beginning of year	191,857	206,253
Bad debt write off	(28,178)	(7,990)
Net increase/ (write back) in provision	3,430	(6,406)
Balance at end of year	167,109	191,857

This represents Jamaican and United States dollar promissory notes from customers. These are hypothecated against balances held for the customers and registered mortgages and other properties.

17. DUE FROM/(TO) SUBSIDIARY:

This represents amount due from/(to) Mayberry West Indies Bank Limited (formerly Mayberry West Indies Limited) for transactions done on its behalf.

18. LOANS AND OTHER RECEIVABLES:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Client receivables	2,682,330	2,221,576	2,682,330	2,221,576
Client margins	451,305	399,857	451,305	399,857
Withholding tax recoverable	220,303	217,083	220,303	217,083
Advance on corporation tax	82,859	82,859	82,859	82,859
Other receivables	179,242	234,530	153,450	164,211
	3,616,039	3,155,905	3,590,247	3,085,586
Less: Provision for impairment loss	-	(32,000)	-	-
	3,616,039	3,123,905	3,590,247	3,085,586

Client margins are secured against their equity portfolios held at the Jamaica Central Securities Depository.

19. DEFERRED TAXATION:

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 33 1/3% for the Company and 1% for its subsidiary, Mayberry West Indies Bank Limited (formerly Mayberry West Indies Limited). The movement in the net deferred income tax balance is as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Net asset at beginning of year	147,349	23,445	146,351	22,189
Deferred tax credit (note 10)	46,441	126,044	47,717	126,561
Deferred tax credit/(charge) on investment securities	1,131	(2,140)	(1,722)	(2,399)
Net asset at end of year	194,921	147,349	192,346	146,351

19. DEFERRED TAXATION (CONT'D):

Deferred income tax assets are due to the following items:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Deferred income tax assets:				
Interest payable	32,412	22,315	32,398	22,309
Investment securities				
- trading	-	30,135	-	30,135
- Other comprehensive income	14,976	15,279	12,194	13,916
Provisions	31,127	6,703	31,127	6,703
Tax losses carried forward	243,732	212,591	243,364	212,224
	322,247	287,023	319,083	285,287
Deferred income tax liabilities:				
Property, plant and equipment	9,701	6,488	9,701	6,488
Investment securities				
- trading	44,278	-	44,278	-
Unrealized foreign exchange gain	8,396	59,356	8,021	58,880
Interest receivable	64,951	73,830	64,737	73,568
	127,326	139,674	126,737	138,936

Deferred income taxes are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable (Note 10).

20. PROPERTY, PLANT AND EQUIPMENT:

	Leasehold Improvements $'000	Computer Equipment $'000	Office Equipment $'000	Furniture, Fixtures & Fittings $'000	Motor Vehicles $'000	Total $'000
Cost -						
At 1 January 2013	77,213	102,756	20,525	40,971	12,584	254,049
Additions	-	7,900	2,658	11,749	8,034	30,341
At 31 December 2013	77,213	110,656	23,183	52,720	20,618	284,390
Additions	-	18,017	349	8,235	3,150	29,751
At 31 December 2014	77,213	128,673	23,532	60,955	23,768	314,141
Accumulated Depreciation -						
At 1 January 2013	14,783	87,312	19,514	28,051	11,183	160,843
Charge for the year	1,544	5,338	417	4,527	3,856	15,682
At 31 December 2013	16,327	92,650	19,931	32,578	15,039	176,525
Charge for the year	1,544	6,921	846	5,629	3,028	17,968
At 31 December 2014	17,871	99,571	20,777	38,207	18,067	194,493
Net Book Value -						
31 December 2014	59,342	29,102	2,755	22,748	5,701	119,648
31 December 2013	60,886	18,006	3,252	20,142	5,579	107,865

21. INVESTMENT IN ASSOCIATE:

The balance represents the Group's investment in Access Financial Services Limited (Access) (note 1). The balance at year end comprises:-

	2014 $'000	2013 $'000
Balance at beginning of the year	262,273	269,989
Sale of shares during the year	(344,382)	(2,303)
Share of profit	121,307	102,643
Share of dividend paid	(39,198)	(108,056)
	-	262,273

On 30 December 2014, the Group sold its holdings in Access and received proceeds totaling $935,377,000 and recorded a net gain of $590,995,000.

The assets, liabilities, revenues and results of associate for the year ended 31 December 2014 are summarised as follows:

	2014 $'000	2013 $'000
Assets	-	1,271,486
Liabilities	-	(665,927)
Revenues	-	780,505
Net Profit	-	270,112

22. INVESTMENT IN SUBSIDIARY:

This represents the Company's equity investment in Mayberry West Indies Bank Limited (formerly Mayberry West Indies Limited).

23. OTHER ASSETS:

During the year the Company foreclosed on certain loans which have been outstanding in its portfolio for a protracted period, after exhausting other legal remedies. This amount represents the fair value of the properties, less cost to sell. The Company assesses the fair value of the properties based on independent appraisal and expected realisable value.

	2014 $'000	2013 $'000
Balance at beginning of the year	272,055	8,432
Foreclosure of loans	262,470	263,623
Unrealized gain on revaluation	164,684	-
	699,209	272,055

Some of these properties are used as collateral for the company's commercial paper (note 24).

24. LOANS

	2014 $'000	(Restated)* 2013 $'000
Demand loans -		
Oppenheimer & Co. Inc.	1,257,473	1,221,642
Deutsche Bank Alex. Brown	-	12,897
Morgan Stanley	737,295	300,747
Term loans -		
Commercial Paper (Unsecured)	237,138	319,911
Commercial Paper (Secured)	616,509	-
	2,848,415	1,855,197

The demand loans attract interest at 2.11% and 0.92% per annum respectively; (2013 – 2.07% per annum - Oppenheimer & Co. Inc., 1.10% per annum - Deutsche Bank Alex. Brown, 0.92% per annum – Morgan Stanley). The collaterals for the demand loans are investment securities which were purchased with the proceeds of the loans received from Morgan Stanley and Oppenheimer & Co. Inc. (note 14).

The Unsecured Commercial Paper attracts interest at 9.5% per annum (2013: 8%).

The Secured Commercial Paper is backed by real estate and attracts a weighted average rate of interest at 11.91% per annum.

25. ACCOUNTS PAYABLE:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Accounts payable	101,887	26,414	101,701	26,343
Client payable	3,254,575	2,612,741	3,254,575	2,612,741
	3,356,462	2,639,155	3,356,276	2,639,084

26. SHARE CAPITAL:

	2014 $'000	2013 $'000
Authorized – 2,120,000,000 Ordinary Shares		
- 380,000,000 Redeemable Cumulative Preference Shares		
Issued and fully paid -		
1,201,149,291 ordinary shares	1,582,381	1,582,381

* See note 2

27. FAIR VALUE RESERVES:

This represents net unrealised gains on the revaluation of equity securities. The fair value through other comprehensive income securities are based on short term fluctuations in market prices.

28. OTHER RESERVES:

	2014 $'000	2013 $'000
Capital redemption reserve fund	51,343	501,343
Stock option reserve	26,596	26,596
	77,939	527,939

Capital Redemption Reserve Fund:

Consequent on the approval of Special Resolution at the annual general meeting held on 18 June 2014, for the transfer of $450,000,000 from the Capital Redemption Reserve Fund to the Retained Earnings, the Company transferred $450,000,000 to retained earnings during the year.

29. RETAINED EARNINGS:

	2014 $'000	2013 $'000
Reflected in the financial statements of:		
The Company	410,208	(41,273)
Subsidiary	2,413,279	1,864,001
	2,823,487	1,822,728

30. RELATED PARTY TRANSACTIONS AND BALANCES:

The following are the balances and transactions carried out with related parties:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Loans and other receivables:				
Subsidiary	-	-	427,994	678,348
Associate	-	84,283	-	84,283
Companies controlled by directors and related by virtue of common directorships	280,313	360,772	280,313	360,772
Directors and key management personnel	162,994	156,427	162,994	156,427
Payables:				
Companies controlled by directors and related by virtue of common directorships	249,320	266,975	249,320	266,975
Directors and key management personnel	65,295	83,054	65,295	83,054
Subsidiary	-	8,755	802,747	8,755
Associate	-	22,195	-	22,195
Key Management Compensation:				
Key management includes directors (executive and non-executive) and Senior Vice Presidents				
Directors' emoluments:				
Fees	25,679	22,849	25,679	22,849
Key management remuneration	69,424	68,391	69,424	68,391
Other key management personnel	16,992	19,662	16,992	19,662
Other operating expenses:				
Companies controlled by directors and related by virtue of common directorships	33,558	2,664	33,558	2,664

31. DIVIDENDS DECLARED:

	Company	
	2014 $'000	2013 $'000
Final dividend to Ordinary Shareholders – 12 cents per share (2013 – Nil)	144,138	-
	144,138	-

The dividends paid for 2014 represented dividend per stock unit of $0.12 (2013 – Nil).

32. FINANCIAL RISK MANAGEMENT:

Risk Management Framework-

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Assets and Liabilities Committee (ALCO) which is responsible for developing and monitoring the Group's risk management policies in their specified areas.

ALCO places trading limits on the level of exposure that can be taken and monitors risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop disciplined and constructive control environment, in which all employees understand their roles and obligations. This is supplemented by the Revenue Committee which assesses the performance of each portfolio on a weekly basis.

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by both the Compliance Unit and Internal Audit. The Compliance Unit and Internal Audit undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the Audit Committee, respectively.

By its nature, the Group's activities are principally related to the use of financial instruments. The Company accepts funds from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Company seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The Company also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

Risk Management Framework (cont'd) -

The Group also trades in financial instruments where it takes positions to take advantage of short-term market movements in equity and bond prices and in foreign exchange and interest rates.

(a) Liquidity risk -

The Company is exposed to daily calls on its available cash resources from maturing repurchase agreements and loan draw downs. The Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of re-investment of maturing funds can be predicted with a high level of certainty. The Company's treasury and securities department seeks to have available a minimum proportion of maturing funds to meet such calls. The Company's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand. Daily reports cover the liquidity position of the Company as well as any exceptions and remedial actions taken.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company. It is unusual for the Company ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can increase the risk of loss. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and exposure to changes in interest rates and exchange rates.

The key measure used by the Company for managing liquidity risk is the ratio of liquid assets to securities sold under repurchase agreements and loans. For this purpose liquid assets are considered as including cash and cash equivalents, investment grade securities, excluding equities, for which there is an active and liquid market and loans and other receivables. The Group's ratio of liquid assets to securities sold under repurchase agreements and loans at the reporting date and during the reporting period was as follows:

	2014	2013
At 31 December	1.21:1	1.17:1
Average for the period	1.16:1	1.18:1
Maximum for the period	1.21:1	1.20:1
Minimum for the period	1.13:1	1.16:1

The tables below present the undiscounted cash flows (both interest and principal cash flows) to settle financial liabilities, based on contractual repayment obligations. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(a) Liquidity risk (cont'd) -

	Group					
	2014					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities						
Securities sold under repurchase agreements	5,655,451	3,781,444	1,041,127	259,585	3,429,746	14,167,353
Interest payable	1,335	96,899	-	-	-	98,234
Loans	-	-	853,647	1,994,768	-	2,848,415
Other liabilities	3,356,462	-	-	-	-	3,356,462
Total liabilities (contractual maturity dates)	9,013,248	3,878,343	1,894,774	2,254,353	3,429,746	20,470,464

	2013 (Restated)*					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities						
Securities sold under repurchase agreements	9,933,370	3,142,978	627,700	14,914	11,728	13,730,690
Interest payable	-	67,102	-	-	-	67,102
Loans	-	-	-	1,855,197	-	1,855,197
Other liabilities	2,639,155	-	-	-	-	2,639,155
Total liabilities (contractual maturity dates)	12,572,525	3,210,080	627,700	1,870,111	11,728	18,292,144

*See note 2

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(a) Liquidity risk (cont'd) -

	Company					
	2014					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities						
Securities sold under repurchase agreements	5,657,003	3,781,444	1,048,388	259,585	2,460,182	13,206,602
Interest payable	-	97,204	-	-	-	97,204
Loans	-	-	853,647	1,994,768	-	2,848,415
Due to subsidiary	365,940	-	-	-	-	365,940
Other liabilities	3,356,276	-	-	-	-	3,356,276
Total liabilities (contractual maturity dates)	9,379,219	3,878,648	1,902,035	2,254,353	2,460,182	19,874,437

	2013 (Restated)*					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities						
Securities sold under repurchase agreements	8,900,549	3,142,978	627,700	14,914	11,728	12,697,869
Interest payable	-	66,933	-	-	-	66,933
Loans	-	-	-	1,855,197	-	1,855,197
Other liabilities	2,639,084	-	-	-	-	2,639,084
Total liabilities (contractual maturity dates)	11,539,633	3,209,911	627,700	1,870,111	11,728	17,259,083

*See note 2

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Market risk -

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market. The Group manages this risk through extensive research and monitors the price movement of securities on the local and international markets. The Group's portfolio is balanced with respect to the duration of the securities included in order to minimize exposure to volatility, based on projected market conditions.

Management of market risks

The Group separates its exposure to market risk between trading and non-trading portfolios. The trading portfolios are held by the Company and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. The Group's foreign exchange positions relating to Foreign Currency Trading are treated as part of the Group's trading portfolios for risk management purposes.

The Group's market risk is monitored on a daily basis by its Compliance Unit, which is responsible for the development of risk management policies (subject to review and approval by ALCO) and for the daily review of their implementation.

Exposure to market risks

The principal tool used to measure and control market risk exposure is the Value at Risk (VaR). A portfolio VaR is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 95 percent confidence level and assumes a 10 day holding period. The VaR model used is based on historical simulation, taking account of market data from the previous three years, and observed relationships between different markets and prices. The model generates a wide range of plausible future scenarios for market price movements.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

Exposure to market risks (cont'd) -

(b) Market risk (cont'd) -

A summary of the VaR position of the Group's portfolios at period end and during the period is as follows:

	2014			
	31 December	**Average**	**Maximum**	**Minimum**
	$'000	**$'000**	**$'000**	**$'000**
Foreign Currency Risk	5,270	16,028	38,423	3,008
Interest Rate Risk				
Domestic securities – amortized cost	11,309	9,876	11,309	8,646
Global securities – amortized cost	13,471	15,357	19,186	12,658
Global securities - trading	5,025	6,934	9,712	220
Other Price Risk (Equities)				
Domestic securities - other comprehensive income	51	1,087	3,361	207
Domestic securities - trading	2,236	3,661	10,933	1,356

32. FINANCIAL RISK MANAGEMENT (CONT'D):

Exposure to market risks (cont'd) -

(b) Market risk (cont'd) -

	2013			
	31 December	Average	Maximum	Minimum
	$'000	$'000	$'000	$'000
Foreign Currency Risk	1,701	2,138	2,969	1,701
Interest Rate Risk				
Domestic securities – amortized cost	13,260	15,270	19,832	13,260
Global securities – amortized cost	14,744	16,706	19,607	14,744
Global securities – trading	221,281	204,610	221,281	187,180
Other Price Risk (Equities)				
Domestic securities – other comprehensive income	3,978	14,586	43,010	983
Domestic securities – trading	3,913	1,433	4,036	606

The following table summarizes the Group's exposure to interest rate risk. Included in the table are the Company's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Interest rate risk -

	Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash resources	2,191,899	-	-	-	-	-	2,191,899
Investment securities at amortized cost	854,963	1,271,584	259	2,916,183	6,824,259	-	11,867,248
Investment securities - FOCI[(1)]	-	-	-	-	-	2,826,519	2,826,519
Investment securities - FVPL[(2)]	-	-	418	179,642	470,658	24,034	674,752
Reverse repurchase agreements	1,086,227	114,323	290,000	-	-	-	1,490,550
Promissory notes	769,822	-	-	-	-	-	769,822
Interest receivable	104,443	72,902	37,980	-	-	-	215,325
Loans and other receivables	3,462,589	-	-	-	-	153,450	3,616,039
Other	-	-	-	-	-	1,013,778	1,013,778
Total assets	8,469,943	1,458,809	328,657	3,095,825	7,294,917	4,017,781	24,665,932
Liabilities							
Bank overdraft	11,469	-	-	-	-	-	11,469
Securities sold under repurchase agreements	5,655,451	3,781,444	1,041,127	259,585	3,429,746		14,167,353
Interest payable	1,335	96,899	-		-	-	98,234
Loans	-	-	853,647	1,994,768	-	-	2,848,415
Other	3,356,462	-	-	-	-	-	3,356,462
Total liabilities	9,024,717	3,878,343	1,894,774	2,254,353	3,429,746	-	20,481,933
Total interest rate sensitivity gap	(554,774)	(2,419,534)	(1,566,117)	841,472	3,865,171	4,017,781	4,183,999
Cumulative interest rate sensitivity gap	(554,774)	(2,974,308)	(4,540,425)	(3,698,953)	166,218	4,183,999	
As at 31 December 2013: (Restated)*							
Total Assets	5,970,551	1,865,458	170,148	605,056	9,555,599	3,912,013	22,078,825
Total Liabilities	12,588,987	3,210,080	627,700	1,870,111	11,728	-	18,308,606
Total Interest rate sensitivity gap	(6,618,436)	(1,344,622)	(457,552)	(1,265,055)	9,543,871	3,912,013	3,770,219
Cumulative interest rate sensitivity gap	(6,618,436)	(7,963,058)	(8,420,610)	(9,685,665)	(141,794)	3,770,219	

1. Fair value through other comprehensive income - FOCI
2. Fair value through Profit or Loss - FVPL

***See note 2**

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Interest rate risk (cont'd) -

	Company						
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Cash resources	2,164,517	-	-	-	-	-	2,164,517
Investment securities at amortized cost	854,963	1,271,584	259	2,687,542	5,707,239	-	10,521,587
Investment securities-FOCI[(1)]	-	-	-	-	-	47,108	47,108
Investment securities-FVPL[(2)]	-	-	418	179,642	470,658	24,034	674,752
Reverse repurchase agreements	1,086,227	114,323	290,000	-	-	-	1,490,550
Promissory notes	769,822	-	-	-	-	-	769,822
Interest receivable	97,940	59,819	36,470	-	-	-	194,229
Investment in subsidiary	-	-	-	-	-	1,468,027	1,468,027
Loans and other receivable	3,436,797	-	-	-	-	153,450	3,590,247
Other	-	-	-	-	-	1,011,203	1,011,203
Total assets	8,410,266	1,445,726	327,147	2,867,184	6,177,897	2,703,822	21,932,042
Liabilities							
Bank overdraft	11,469	-	-	-	-	-	11,469
Securities sold under repurchase agreements	5,657,003	3,781,444	1,048,388	259,585	2,460,182	-	13,206,602
Interest payable		97,204	-		-	-	97,204
Loans	-	-	853,647	1,994,768	-	-	2,848,415
Due to Subsidiary	365,940						365,940
Other	3,356,276	-	-		-	-	3,356,276
Total liabilities	9,390,688	3,878,648	1,902,035	2,254,353	2,460,182	-	19,885,906
Total interest rate sensitivity gap	(980,422)	(2,432,922)	(1,574,888)	612,831	3,717,715	2,703,822	2,046,136
Cumulative interest sensitivity gap	(980,422)	(3,413,344)	(4,988,232)	(4,375,401)	(657,686)	2,046,136	
As at 31 December 2013: (Restated)*							
Total assets	5,863,360	1,839,634	170,148	595,257	7,975,820	2,872,537	19,316,756
Total liabilities	11,556,095	3,209,911	627,700	1,870,111	11,728	-	17,275,545
Total interest rate sensitivity gap	(5,692,735)	(1,370,277)	(457,552)	(1,274,854)	7,964,092	2,872,537	2,041,211
Cumulative interest sensitivity gap	(5,692,735)	(7,063,012)	(7,520,564)	(8,795,418)	(831,326)	2,041,211	

1. Fair value through other comprehensive income - FOCI
2. Fair value through Profit or Loss - FVPL

*See note 2

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Interest rate risk (cont'd) -

The table below summarises the effective interest rate by major currencies for financial instruments of the Group and the Company.

	2014		
	J$	US$	EURO
	%	%	%
Assets			
Investment securities	8.41	6.12	7.38
Reverse repurchase agreements	8.25	2.46	-
Promissory notes	10.22	6.25	-
Liabilities			
Securities sold under repurchase agreements	6.86	2.22	-
Loans	-	2.16	-

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Interest rate risk (cont'd) -

The management of interest rate risk is supplemented by monitoring the sensitivity of the Group's financial assets to various standard and non-standard interest rate scenarios. Standard scenarios that are considered include a 250 basis point (bp) parallel rise and a 100 basis point (bp) parallel fall in the yield curve applicable to Government of Jamaica local instruments and a 200 bp parallel rise and a 50 basis point (bp) parallel fall in the yield curves applicable to Government of Jamaica global bonds and other sovereign bonds. An analysis of the Group's sensitivity to an increase or decrease in market interest rates and the likely impact on equity and statement of income (fair value through profit or loss account instruments), assuming no asymmetrical movement in the zero coupon yield curves, is as follows:

	2014					
	Daily Return	250 bp parallel increase	100 bp parallel decrease	Daily return (Globals)	200 bp parallel increase	50 bp parallel decrease
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
At 31 December 2014						
Equity						
Global - Amortised	-	-	-	539	(19,221)	5,247
Statement of Income						
Domestic -Amortised	2,490	(97,164)	40,545	-	-	-
Globals – Trading	-	-	-	477	(77,812)	18,394

	2013					
	Daily Return	250 bp parallel increase	100 bp parallel decrease	Daily return (Globals)	200 bp parallel increase	50 bp parallel decrease
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
At 31 December 2013						
Equity						
Global - Amortised	-	-	-	(993)	(25,507)	(4,015)
Statement of Income						
Domestic -Amortised	17	(44,125)	16,804	-	-	-
Globals – Trading	-	-	-	202	(5,660)	1,162

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Currency risk -

The Group takes on exposure to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows.

Net exposure is kept to an acceptable level by matching foreign assets with liabilities as far as possible. The following foreign currency balances are included in these financial statements:

	2014			
	GBP	US$	CAN$	EURO
	'000	$'000	$'000	'000
Assets				
Cash resources	161	15,629	383	801
Investment securities	-	61,043	-	4
Reverse repurchase agreements	-	10,501	-	-
Promissory notes	-	16,217	-	-
Interest receivable	-	951	-	-
Loans and other receivables	-	6	-	-
Total	161	104,347	383	805
Liabilities				
Securities sold under repurchase agreements	64	66,027	40	88
Loans and other payables	32	28,823	173	196
Interest payable	-	432	-	-
Total	96	95,282	213	284
Net position	65	9,065	170	521
As at 31 December 2013				
Total Assets	413	89,901	648	528
Total Liabilities	82	89,099	230	10
Net Position	331	802	418	518

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Currency risk (cont'd) -

Sensitivity analysis

Changes in the exchange rates of the Jamaican dollar (JA$) to the following foreign currencies would have the effects as described below:

Currency	Change in Currency rate	Effect on profit before taxation	Change in Currency rate	Effect on loss before taxation
	2014	2014	2013	2013
	%	J$'000	%	J$'000
GBP	-10	1,149	-15	8,626
GBP	+1	(115)	+1	(575)
US$	-10	103,634	-15	12,751
US$	+1	(10,363)	+1	(850)
CAN$	-10	1,651	-15	6,168
CAN$	+1	(165)	+1	(411)
EURO	-10	7,245	-15	11,377
EURO	+1	(725)	+1	(758)

The analysis assumes that all other variables, in particular interest rates, remain constant. It is performed on the basis of 10% weakening and 1% strengthening (2013 – 15% weakening and 1% strengthening) in exchange rates.

(e) Credit risk -

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers, promissory notes and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Credit risk (cont'd) -

The Board of Directors has delegated responsibility for the management of credit risk to its ALCO and its Compliance Unit. A separate Structured Financing Department, reporting to the Revenue Committee, is responsible for oversight of the Company's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorization structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Larger facilities require approval by the Board of Directors as appropriate.

- Reviewing and assessing credit risk. The Revenue Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

- Developing and maintaining the Group's risk grading in order to categorise exposures according to the degree of risk of the financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of five grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive as appropriate.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Board of Directors on the credit quality of loan portfolios and appropriate corrective actions taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Each business unit is required to implement credit polices and procedures, with credit approval authorities delegated by the Board of Directors. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and credit processes are undertaken by Internal Audit.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Credit risk (cont'd) -

	Promissory Notes		Loans and Other Receivables	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Carrying amount	769,822	1,153,655	3,616,039	3,123,905
Past due but not impaired				
Grade 1-3 - Low - fair risk	973	2,311	3,590,247	3,123,905
Grade 4 – Medium risk	437,028	127,058	25,792	-
Grade 5 – Medium - high risk	226,492	453,655	-	-
Carrying amount	664,493	583,024	3,616,039	3,123,905
Past due comprises:				
30 – 60 days	3,274	35,898	3,163,162	2,906,822
60 – 90 days	126,867	9,450	-	-
90 – 180 days	7,795	173,058	-	-
180 days +	526,557	364,618	452,877	217,083
Carrying amount	664,493	583,024	3,616,039	3,123,905
Neither past due nor impaired				
Grade 1-3 - Low - fair risk	12,687	2,642	-	-
Grade 4 – Medium – high risk	92,642	536,588	-	-
Carrying amount	105,329	539,230	-	-
Includes accounts with renegotiated terms	-	31,401	-	-
Total carrying amount	769,822	1,153,655	3,616,039	3,123,905

Exposure to credit risk is also managed in part by obtaining collateral, corporate and personal guarantees. It is the policy of the Group to obtain or take possession of or register lien against securities. The Group monitors the market value of the underlying securities which collateralize the related receivable including accrued interest and request additional collateral where deemed appropriate. Other than exposure to Government of Jamaica securities, there is no significant concentration of credit risk.

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Credit risk (cont'd) -

An estimate of fair value of collateral held against promissory notes is shown below:

	Promissory Notes	
	2014	2013
	$'000	$'000
Against past due but not impaired		
Property	517,749	699,849
Debt securities	454,496	-
Equities	-	-
Other	131,427	75,031
Against neither past due nor Impaired		
Property	109,000	247,059
Debt securities	-	217,209
Equities	-	-
Other	28,960	106,363
Total	1,241,632	1,345,511

32. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Credit risk (cont'd) -

The Group monitors concentrations of credit risk by sector and geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

	Promissory Notes		Loans and Other Receivables	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Carrying amount	769,822	1,153,655	3,616,039	3,123,905
Concentration by sector				
Corporate	483,882	739,173	-	-
Retail	285,940	414,482	3,616,039	3,123,905
Total	769,822	1,153,655	3,616,039	3,123,905

(f) Settlement risk -

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Company mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

(g) Regulatory capital management -

The Company's lead regulator, Financial Services Commission (FSC), sets and monitors capital requirements. The FSC requires the Company to maintain a minimum of 10% capital to total risk weighted assets. At year end the Company's capital to total risk weighted assets was 11.22% (2013: 11.73%).

32. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(g) **Regulatory capital management (cont'd) -**

	2014 $'000	2013 $'000
Tier 1 Capital		
Ordinary share capital	1,582,381	1,582,381
Other reserve	77,939	527,939
Retained earnings	410,208	(41,273)
	2,070,528	2,069,047
Less: Fair value reserve (negative balances only)	(24,392)	(27,836)
Total Tier 1 Capital	2,046,136	2,041,211
Tier 2 Capital		
Other reserve	-	-
Total Regulatory Capital	2,046,136	2,041,211
Risk Weighted Assets	18,234,531	17,406,491
Capital Ratio to Risk Weighted Assets Ratio	11.22%	11.73%

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Company has complied with all imposed capital requirements throughout the period. There have been no material changes in the management of capital during the period.

Capital Allocation

Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, availability of management and otherresources, and the fit of the activity with the Company's longer term strategic objectives. Capital management and allocation are reviewed regularly by the Board of Directors.

33. FAIR VALUES OF FINANCIAL INSTRUMENTS:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value of a financial instrument. However, market prices are not available for a number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the end of the reporting period.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows or other recognized valuation techniques.

(ii) The fair values of liquid assets and other assets maturing within one year are assumed to approximate their carrying amount. This assumption is applied to liquid assets and short term elements of all financial assets and financial liabilities.

(iii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.

(iv) The fair values of fixed rate loans are estimated by comparing market interest rates when the loans were granted with the current market rate offered on similar loans. For match-funded loans the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken to account in determining gross fair values as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both book and fair values.

(v) Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

The Group uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

The following table shows an analysis of financial instruments held at the date of the statement of financial position that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels of the fair value hierarchy:

	Group			
	Level 1	Level 2	Level 3	Total
31 December 2014	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
- Government of Jamaica	33,442	-	-	33,442
- Foreign government	212,438	-	-	212,438
- Corporate bonds	404,838	-	-	404,838
Quoted equity securities	1,670,699	-	-	1,670,699
Unquoted equity securities	-	-	1,179,854	1,179,854
	2,321,417	-	1,179,854	3,501,271

	Group			
	Level 1	Level 2	Level 3	Total
31 December 2013	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
- Government of Jamaica	30,420	-	-	30,420
- Foreign government	198,875	-	-	198,875
- Corporate bonds	862,472	-	-	862,472
Quoted equity securities	1,749,143	-	-	1,749,143
Unquoted equity securities	-	-	1,225,979	1,225,979
	2,840,910	-	1,225,979	4,066,889

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

	Company			
	Level 1	Level 2	Level 3	Total
31 December 2014	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
- Government of Jamaica	33,442	-	-	33,442
- Foreign government	212,438	-	-	212,438
- Corporate bonds	404,838	-	-	404,838
Quoted equity securities	71,142	-	-	71,142
	721,860	-	-	721,860

	Company			
	Level 1	Level 2	Level 3	Total
31 December 2013	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
- Government of Jamaica	30,420	-	-	30,420
- Foreign government	198,875	-	-	198,875
- Corporate bonds	862,472	-	-	862,472
Quoted equity securities	53,540	-	-	53,540
	1,145,307	-	-	1,145,307

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

As at 31 December 2014, the fair value of the financial instruments valued at amortized cost is detailed below:

	Group $'000		Company $'000	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fair value of financial instruments at amortized cost	11,867,248	11,896,683	10,521,587	10,540,553

34. PENSION SCHEME:

The Company operates a defined contribution pension scheme for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries and an option for employees to contribute an additional 5%. The Company's contribution for the year amounted to $14,905,676 (2013: $10,708,000).

35. FUNDS UNDER MANAGEMENT:

The Company provides custody, investment management and advisory services for both institutions and individuals which involve the Company making allocation and purchases and sales decisions in relation to quoted shares and government financial instruments on a non-recourse basis. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the end of the reporting period, the Company had financial assets under management of approximately $11,160,371,564 (2013: $9,518,754,000).

36. SEGMENT INFORMATION:

The Company is a licensed Securities Dealer (note 1).

Based on the information presented to and reviewed by the CODM, the entire operations of the Group are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the two years ended 31 December 2014, can be found in the consolidated statement of income. There are no differences in the measurement of the reportable segment results and the Group's results.

Details of the segment assets and liabilities for the two years ended 31 December 2014, can be found in the consolidated statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the Group's assets and liabilities.

Entity-wide disclosure:

The revenue from operations can be found in the consolidated statement of income.

37. OPERATING LEASE PAYMENTS:

The Company, in the ordinary course of business entered into operating lease arrangements for motor vehicles. Future payments under the lease commitments are as follows:

	2014 $'000	2013 $'000
2014	-	23,233
2015	8,162	4,659
2016	3,506	-
2017	3,506	-
2018	584	-
	15,758	27,892

NOTES

FORM OF PROXY

I/We……………………………………………………………………………………

Of ………………………………………..…………………………………………….

Being a member(s) of Mayberry Investments Limited hereby appoint

………………………………………....…………………………………………….

or failing him or her ………………..……………………………………………

of ……………………………………….....…………………………………………

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the above-named Company to be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 on Wednesday, 17 June 2015 at 4:00 p.m. and at any adjournment thereof.

		FOR	AGAINST
Resolution 1	To receive reports and audited accounts		
Resolution 2	To re-elect Mr. Christopher Berry a Director		
Resolution 3	To re-elect Mr. Gary Peart a Director		
Resolution 4	To re-elect Mr. Benito Palomino a Director		
Resolution 5	To fix the remuneration of the Directors		
Resolution 6	To re-appoint the Auditors and fix their remuneration		
Resolution 7	To reorganise the holding in Mayberry West Indies Bank Limited		

Date this…………………………..day of ………………………2015

Place
$100
Stamp
Here

…………………………………………………………………..
Signature

…………………………………………………………………
Signature

In the case of a Body corporate, this form should be executed under Seal in accordance with the Company's Articles of Association.

To be valid this proxy must be signed, duly stamped and deposited with the Corporate Secretary of the Company at 1 ½ Oxford Road, Kingston 5, not less than 48 hours before the time appointed for holding the meeting.

A proxy need not be a member of the Company.