



**MAYBERRY**  
INVESTMENTS LIMITED  
Established 1985

# Q3 2024

## INTERIM FINANCIAL REPORT NINE MONTHS ENDED 30 SEPTEMBER 2024



# CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

## Economic and Business Environment

In Q2 2024, the Jamaican economy expanded by 0.2%, when compared to the similar quarter of 2023. Growth was primarily driven by expansions in Agriculture, Forestry & Fishing (3.4%), Mining & Quarrying (4.0%) and Manufacturing (1.8%), although offset by a decline in Construction (1.9%). For July to September 2024, the Planning Institute of Jamaica (PIOJ) noted the economic growth prospects for Jamaica are negative, largely associated with the adverse impact of Hurricane Beryl on production activities. As such, it is anticipated that the economy will contract within the range of -0.1% to -1.0% compared to the same period in 2023. This decline is expected to be attributable to the contraction in the Agriculture, Mining & Quarrying, Electricity & Water, Hotels & Restaurants Industries. Significant agricultural damage, widespread power outages and infrastructure damage, reduced capacity utilization rates and reduced stopover arrivals in tandem with moderating unemployment and exports damper prospects of increased value added in the economy.

The point-to-point inflation rate as of August 2024 was 6.5%, while the rate for the month of August was 2.4%. The main driver of the monthly increase was a 4.1% increase in the index of the 'Food and Non-Alcoholic Beverages' division, influenced mainly by the 'Vegetables, tubers, plantains, cooking bananas and pulses' class rising by 15.5%. This was attributed to increased prices for certain agricultural products, primarily vegetables, due to reduced supplies caused by Hurricane Beryl's impact. Additionally, a 3.7% increase in the index for the 'Housing, Water, Electricity, Gas and Other Fuels' division also contributed to the rise in the inflation rate, owing to higher electricity prices. However, the inflation rate was slightly tempered by the index for the 'Transport' division, which fell by 0.2% due to lower petrol prices.

The Bank of Jamaica's Monetary Policy Committee (MPC) decided to lower the policy interest rate by 25 basis points to 6.5%, maintain relative stability in the foreign exchange market, and manage domestic liquidity accordingly during its meetings on September 26 and 27, 2024. Recent data showed an outlier with headline inflation at 6.5% in August, higher than the 5.1 % at July 2024, subsequently falling outside of the Bank's target range of 4.0 to 6.0. Notably, the measure of core inflation that excludes the prices of agricultural food products and fuel remained at 4.3. The Bank expects headline inflation to return to its target range sooner than previously forecast, aided by lower-than-expected impacts of Hurricane Beryl on agricultural supplies and declining international commodity prices. Additionally, domestic demand and wage pressures are moderating due to past monetary policies. Inflation is expected to remain above the target for the next two to three months, but long-term expectations suggest it will stabilize within the Bank's range. However, hurricane season poses a risk to this forecast. Future interest rate adjustments will be gradual and dependent on economic data, and the MPC is reviewing its monetary policy tools to improve their effectiveness.

The Jamaican dollar closed September 2024 at \$158.70 relative to \$156.42 as at the end of January 2024, depreciating against the U.S dollar by \$2.28 or 1.46% year to date. Bank of Jamaica Foreign Exchange Intervention Trading Tool (B-FXITT) sales of US\$400 million between July 9 through to September 23 alleviated demand pressure.



The JSE Main Market index rose by 5,826.44 points or 1.86% to 318,325.69 points at the end of September 2024. The JSE Junior Market index rose by 179.96 points or 4.93% closing at 3,829.08 points at the end of September 2024. Additionally, year to date, the JSE Main Market index fell by 2.9%, while the JSE Junior Market index fell by 0.33%.

## Financial Highlights

The Company reported net loss of \$231.7 million for the nine months ended September 30, 2024, compared to a loss of \$510 million for the corresponding period in 2023. This performance was primarily attributable to higher operating income by \$461.5 million or 52% due primarily to an increase in net interest income by \$322 million or 129%. Total operating expenses for the nine months period increased by \$199 million or 15% when compared to the comparative period in 2023. This resulted in a loss per share (LPS) of \$0.19 (2023: (LPS) \$0.42).

For the period July to September 2024, the Company reported a net profit of \$36.7 million, compared to a loss of \$83.2 million for the corresponding period in the prior year. Total operating income increased by \$241 million or 72.5% to \$573 million, when compared to \$332 million for the corresponding quarter in 2023. Total operating expenses increased by 34% for the three-month period when compared to the similar quarter in 2023. This resulted in an earnings per share (EPS) of \$0.03 (2023: (LPS) \$0.07).

## Financial Performance

### Net Interest Income

For the nine months ended September 30, 2024, net interest income grew by \$322 million or 129% to \$572.6 million, when compared to the corresponding period in 2023. The results reflect significant growth in interest income from margin loans and bonds which grew by 45% and 16% respectively year over year related to creditable growth in the respective asset portfolios. Investment securities grew by 55% and loans and advances grew by 5% year over year. Higher interest costs of \$120 million or 9.5% year over year, reflect the growth in securities sold under repurchase agreements by 13% and average borrowings over the period to fund operations.

Net interest income for the quarter ended September 2024, amounted to \$133 million representing an increase of \$4.5 million or 3.5% over the corresponding quarter in 2023. The performance is mainly attributed to the increased uptake of our loan products compared to Q3 September 2023. Interest expense increased by \$18.1 million or 4% for the quarter driven mainly by growth in securities sold under repurchase agreements.



## Consulting Fees and Commissions

The Company reported consulting fees & commission income of \$570.7 million for the nine months ended September 30, 2024, an increase of \$193 million or 51% over the comparative period on account of increased transaction volumes including the successful execution of several major private and public equity and debt raises for our customers.

For the quarter ended September 30, 2024, the Company reported consulting fees & commission income of \$347 million an increase of \$248 million or 251% over the comparative period.

Significant contributors to the quarter were:

- Brokerage fees increased by \$89 million or 255% on account of increased earnings from selling fees equity and corporate advisory transactions during the period,
- Equity commission was higher by \$75 million or 418% based on increased volumes and value of equity trades over the comparative period in 2023,
- Fixed income fees were higher by \$16 million or 126%.

## Other Operating Income

Other operating income for the nine months ended September 30, 2024, was lower by \$54 million or 21% compared to the corresponding prior year period, due primarily to lower dividend income by 74% and net trading gains by \$41.2 million or 77%.

For the three months ended September 30, 2024, other operating income grew by \$11.8 million or 11% when compared with the corresponding quarter in 2023. Notable variances for the quarter include:

- Dividend income increased by 151% or \$2.9 million to \$4.8 million. Some corporates paid lower dividends during the period connected to the Hurricane Beryl impact on earnings,
- Gains from investment activities totaled \$7.4 million compared to losses of \$9.6 million for the prior period, due to the prevailing local and international market conditions in the equities and bond markets. With two successive interest rate reductions announced by the Monetary Policy Committee (MPC) in recent months, the local outlook for portfolio improvement is positive in the medium term,
- Net foreign exchange gains of \$66.4 million compared to gains of \$71 million for 2023 primarily due to unrealized losses on the revaluation of foreign currency balance sheet positions. Cambio gains increased by 12% resulting from improved cambio volumes and spreads.



## Operating Expenses

Total operating expenses for the quarter and nine months ended September 2024 reflected increases attributed primarily to higher depreciation and amortisation expenses on the implementation of several phases of the Company's new proprietary operating systems in January 2024 and an increase in employee compensation costs due primarily to inflation adjustments. The new proprietary software is expected to transform the customer service experience and operational efficiency of the company and is integral to our digitization strategy.

For the quarter, higher provision for credit losses of \$17.5 million reported reflect net reductions in ECL provisions for credit facilities due to the review and reassessment of Probability of Default(PD) and Loss Given Default(LGD) parameters.

## Summary of Financial Position

### Assets and Liabilities

Total assets as at September 30, 2024 declined by 6.4% from the \$40.4 billion reported as at December 31, 2023. The \$2.6 billion decrease was mainly attributable to a reduction in balances due from related companies by \$5 billion or 63% attributable to the repayment of debt. This was offset by an increase in investment securities of \$2 billion or 55% over the period as the company reinvested available liquidity.

Total liabilities decreased by \$2.4 billion or 7.2% over December 2023. This reduction was mainly due to a 15% decrease in loans payable over the period reflecting net repayments in addition to a 7% or \$1.5 billion reduction in client balances held when compared to December 2023.

Mayberry's capital base remains strong with total shareholders' equity valued at \$6.4 billion This resulted in a net book value per share of \$5.34 (Dec. 2023: \$5.48).



## Capital Adequacy and Liquidity

The Company's regulatory capital base continues to be robust and compliant with regulatory benchmarks. As at September 30, 2024, the capital to risk-weighted asset ratio of 17.7% exceeds the established minimum of 10% set by the Financial Services Commission (FSC). In addition, Tier one Capital is 99% of the Company's overall capital base and exceeds the regulatory minimum of 50% established by the FSC.

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 Company's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand.



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**Gary Peart**  
**Chief Executive Officer**



## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	Unaudited Sept. 30, 2024 \$' 000	Unaudited Sept. 30, 2023 \$' 000	Audited Dec. 31, 2023 \$' 000
<b>Assets</b>			
Cash resources	2,543,776	3,889,638	3,604,504
Investment securities	5,681,421	3,173,366	3,662,388
Reverse repurchase agreements	3,265,480	5,973,043	3,615,228
Promissory notes	5,148,924	3,374,585	4,398,562
Interest receivable	521,281	317,171	-
Due from related companies	3,006,341	4,844,265	8,050,147
Externally funded loans	2,035,114	1,822,227	2,056,593
Loans and other receivables	10,596,083	7,668,940	10,133,864
Deferred tax asset	1,148,464	443,387	1,148,464
Property, plant and equipment	194,816	172,086	168,763
Investment properties	2,113,472	2,027,738	2,113,472
Right of use assets	51,826	57,365	53,119
Taxation recoverable	194,434	194,434	194,434
Investments in subsidiaries	-	1,092,779	-
Intangibles	1,345,004	1,179,634	1,242,262
<b>Total Assets</b>	<b>37,846,436</b>	<b>36,230,658</b>	<b>40,441,800</b>
<b>Liabilities</b>			
Bank overdraft	810,600	1,777,458	994,193
Securities sold under repurchase agreements	7,921,074	6,238,748	7,009,170
Interest payable	86,348	124,397	-
Loans	10,200,215	10,516,691	11,967,843
Externally funded loans	2,128,820	1,820,659	2,056,593
Lease liabilities	71,355	73,910	69,787
Accounts payable	10,209,854	10,632,607	11,759,700
<b>Total Liabilities</b>	<b>31,428,266</b>	<b>31,184,470</b>	<b>33,857,287</b>
<b>Equity</b>			
Share capital	1,582,382	1,582,382	1,582,382
Fair value reserves	392,980	220,347	327,663
Other reserves	77,939	77,939	77,939
Retained earnings	4,364,869	3,165,520	4,596,529
<b>Total Equity</b>	<b>6,418,170</b>	<b>5,046,188</b>	<b>6,584,513</b>
<b>Total Equity and Liabilities</b>	<b>37,846,436</b>	<b>36,230,658</b>	<b>40,441,800</b>
<b>Net Book Value per Stock Unit :</b>	<b>\$5.34</b>	<b>\$4.20</b>	<b>\$5.48</b>

Approved by the Board of Directors for issue on October 23, 2024 and signed on its behalf by:

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**Christopher Berry**  
Chairman



**Gary Peart**  
Chief Executive Officer/Director








**STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Unaudited 3 Months Ended Sept. 30, 2024 \$'000	Unaudited 3 Months Ended Sept. 30, 2023 \$'000	Unaudited 9 Months Ended Sept. 30, 2024 \$'000	Unaudited 9 Months Ended Sept. 30, 2023 \$'000	Audited Dec. 31, 2023 \$'000
<b>Net Interest Income and Other Revenues</b>					
Interest income	591,204	568,602	1,955,991	1,514,166	2,062,748
Interest expense	(457,750)	(439,687)	(1,383,379)	(1,263,704)	(1,740,279)
Net interest income	133,455	128,915	572,612	250,462	322,469
Consulting fees and commissions	347,064	98,966	570,681	377,595	521,203
Dividend income	4,861	1,938	12,346	48,086	848,142
Net trading gains	(1,457)	24,707	12,009	53,285	96,945
Net unrealised gains on investment revaluation	7,442	(9,559)	13,693	11,934	13,830
Net foreign exchange gains	66,388	70,750	114,731	134,194	202,234
Other income	15,070	16,263	45,645	4,707	63,736
Unrealised gains on investment properties	-	-	-	-	85,734
	<b>572,823</b>	<b>331,980</b>	<b>1,341,717</b>	<b>880,265</b>	<b>2,154,293</b>
<b>Operating Expenses</b>					
Salaries, statutory contributions and other staff costs	240,665	153,955	680,625	604,500	800,581
Provision for credit losses	28,631	11,138	36,581	47,069	(59,669)
Operational losses	2,693	0	2,859	186	-
Depreciation and amortisation	36,800	11,024	110,449	33,865	45,130
Other operating expenses	227,326	225,218	742,862	688,725	1,047,592
	<b>536,115</b>	<b>401,335</b>	<b>1,573,376</b>	<b>1,374,344</b>	<b>1,833,634</b>
<b>Profit/(Loss) before Taxation</b>	<b>36,708</b>	<b>(69,355)</b>	<b>(231,660)</b>	<b>(494,079)</b>	<b>320,659</b>
Taxation credit/(charge)		(13,827)	-	(15,939)	593,632
<b>Net Profit/(Loss) for the Year</b>	<b>36,708</b>	<b>(83,182)</b>	<b>(231,660)</b>	<b>(510,018)</b>	<b>914,291</b>
<b>Other Comprehensive Income Net of Taxation:</b>					
<b>Item that will not be reclassified to profit or loss</b>					
Net unrealized gains/(losses) on financial instruments - FVOCI	(28,899)	(159,165)	65,317	(128,076)	(14,059)
<b>Total Comprehensive Income/(Loss) for the Year</b>	<b>7,809</b>	<b>(242,347)</b>	<b>(166,342)</b>	<b>(638,094)</b>	<b>900,232</b>
Number of shares in issue - '000	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149
<b>Earnings/(Loss) per share</b>	<b>\$0.03</b>	<b>(\$0.07)</b>	<b>(\$0.19)</b>	<b>(\$0.42)</b>	<b>\$0.76</b>



**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024  
UNAUDITED**

	<b>Share Capital</b>	<b>Fair Value Reserve</b>	<b>Other Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>
<b>Balance at January 1, 2023</b>	1,582,382	348,423	77,939	4,035,881 	6,044,625
<i>Total comprehensive income for the year</i>					-
Net loss	-	-	-	(510,017)	(510,017)
Other comprehensive loss	-	(128,076)	-	-	(128,076)
Ordinary dividends paid	-			(360,344)	(360,344)
<b>Balance at September 30, 2023</b>	 1,582,382	220,347	77,939	3,165,520	5,046,188
<b>Balance at January 1, 2024</b>	1,582,382	327,663	77,939	4,596,529	6,584,513
<i>Total comprehensive income for the year</i>					-
Net loss	-			(231,660)	(231,660)
Other comprehensive Income	-	65,317	-	-	65,317
<b>Balance at September 30, 2024</b>	 1,582,382	 392,980	 77,939	4,364,869	6,418,170



## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Unaudited Sept. 30, 2024 \$'000	Unaudited Sept. 30, 2023 \$'000	Audited Dec. 31, 2023 \$'000
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) before taxation	(231,660)	(494,078)	320,659
<b>Adjustments for items not affecting cash</b>	<b>(586,939)</b>	<b>(644,931)</b>	<b>(727,441)</b>
<b>Changes in operating assets and liabilities</b>			
Loans and other receivables	(384,939)	(1,432,761)	(3,834,651)
Investments	(2,763,715)	(14,119)	(279,140)
Promissory notes	(898,290)	5,567	(33,849)
Reverse repurchase agreements	435,352	(1,618,023)	687,699
Due from related companies	5,043,806	(3,189,402)	(6,395,284)
Accounts payable	(1,477,620)	(143,342)	776,003
Securities sold under resale agreements	1,051,521	1,464,301	2,095,108
Loans	(992,672)	(1,312,333)	135,426
	<b>(573,496)</b>	<b>(6,885,043)</b>	<b>(7,576,129)</b>
Interest received	1,686,302	1,323,451	1,940,843
Interest paid	(1,436,647)	(1,234,135)	(1,655,115)
<b>Cash provided by/(used in) operating activities</b>	<b>(323,841)</b>	<b>(6,795,727)</b>	<b>(6,969,742)</b>
<b>Cash Flows from Investing Activities</b>			
Additions to property, plant and equipment	(57,627)	(31,712)	(17,231)
Additions to intangible assets	(181,617)	(201,433)	(269,529)
Right of use asset	1,293	12,709	-
<b>Cash (used in)/provided by Investing Activities</b>	<b>(237,951)</b>	<b>(220,436)</b>	<b>(286,760)</b>
<b>Cash Flows from Financing Activities</b>			
Loans received	2,061,270	6,893,179	7,883,446
Loans repaid	(3,143,871)	(624,950)	(1,028,195)
Dividend payment	-	(360,345)	(360,344)
Lease principal payment	1,568	(9,735)	(13,858)
<b>Cash (used in)/provided by Financing Activities</b>	<b>(1,081,033)</b>	<b>5,898,149</b>	<b>6,481,049</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,642,826)	(1,118,012)	(775,453)
Exchange gain/(loss) on foreign cash balances	-	-	15,218
Cash and cash equivalents at beginning of year	4,367,667	4,367,667	4,367,666
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>2,724,841</b>	<b>3,249,655</b>	<b>3,607,431</b>
Cash resources	2,543,776	3,889,638	3,604,504
Reverse Repo with OM 90 Days	991,665	1,137,475	997,120
Bank overdraft	(810,600)	(1,777,458)	(994,193)
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>2,724,841</b>	<b>3,249,655</b>	<b>3,607,431</b>



# Notes to Statements

## 1. Identification and Principal Activities

Mayberry Investments Limited (“the Company”) is a company limited by shares, incorporated and domiciled in Jamaica. The registered office of the company is located at 1 ½ Oxford Road, Kingston 5. The Company is now a 100% owned subsidiary of Mayberry Holdings Limited. This became effective December 31, 2023, with the completion of the Mayberry Group of companies’ reorganization. The ultimate parent company is Mayberry Group Limited incorporated in Saint Lucia.

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 activities of the Company comprise 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.

## 2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim financial statements should be read in conjunction with the Company’s last annual audited financial statements as at and for the year ended December 31, 2023 (‘last financial statements’) which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act. These interim financial statements are presented in Jamaica dollars, which is the Company’s functional currency.

## 3. Material accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Company’s financial statements as at and for the year ended December 31, 2023, which was prepared in accordance with International Financial Reporting Standards (IFRS).



## Top Ten Shareholders as at September 30, 2024

<u>Name</u>	<u>Ordinary Stock Units</u>	<u>% Ownership</u>
Mayberry Holdings Limited	1,201,149,290	100%

## Shareholdings of Directors and Senior Management

<u>Directors</u>	<u>Direct</u>	<u>Connected Persons</u>
Christopher Berry	-	-
Konrad Berry	-	-
Gary Peart	-	-
Erwin Angus	-	-
Gladstone Lewars	-	-
Alok Jain	-	-
Walter Scott	-	-
 <u>Company Secretary</u>		
Janene Shaw	-	-
 <u>Managers</u>		
Kayree Berry-Teape	-	-
Andrea HoSang	-	-
Kristen Raymore-Reynolds	-	-
Dan H. Theoc	-	-
Karen Mitchell	-	-
Josephine Bennett-Darmand	-	-
Rachel Kirlew	-	-
Damian Whyllie	-	-
Okelia Parredon	-	-