

Q2 2021

UNAUDITED FINANCIAL RESULTS



MAYBERRY
INVESTMENTS LIMITED

1985 - 2021

36

CELEBRATING 36 YEARS





CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

INTERIM REPORT FOR THE PERIOD APRIL TO JUNE 30, 2021.

PERFORMANCE HIGHLIGHTS

**TOTAL COMPREHENSIVE
INCOME**

371%

INCREASE OVER Q2 2020

Q2 2021: \$3.1B

Q2 2020: \$0.65B

**NET BOOK VALUE
PER SHARE**

52%

INCREASE OVER Q2 2020

Q2 2021: \$11.87

Q2 2020: \$7.83

TOTAL ASSETS

25%

INCREASE OVER Q2 2020

Q2 2021: \$34.7B

Q2 2020: \$27.9B

TOTAL EQUITY

45%

INCREASE OVER Q2 2020

Q2 2021: \$18.6B

Q2 2020: \$12.8B



Results for the Unaudited 2nd Quarter for the months April to June 2021.

Operating Environment

The Jamaican economy contracted by 6.7% year-on-year in the first quarter of 2021, a fifth consecutive period of contraction primarily reflecting the continued negative impact of the novel Coronavirus (COVID-19). This downward movement resulted from a 9.9% decline in the Services Industries, while the Goods Producing Industries expanded by 2.6%. The negative impact of the virus was also reflected on the employed labour force, which fell by 5.9% in January 2021, as indicated by the Labour Force Survey.

The inflation rate for May 2021 was 1.2%, primarily attributed to the 3.4% rise in the index for the heavily weighted 'Housing, Water, Electricity, Gas and Other Fuels' division. The inflation rate for the calendar year-to-date was 1.7%, while the point-to-point rate was 5.0%.

The exchange rate since the start of 2021 devalued by 4.1% or \$5.87 to \$148.52 as at June 30, 2021, while the movement year on year reflects a devaluation of 6.1% from \$140.01 as of June 30, 2020. For the period January to June 2021, the JSE Main Market Index reflected an advance of 29,949.24 points or 7.6% from 395,614.93 to 425,564.15 points. However, compared to June 2020 on a year-on-year basis, the June 2021 index improved by 41,808.35 or 10.9%. The JSE Junior Market reported similar trends, as it ended June 2021 at 3,370.59 points compared to 2,592.24 points for June 2020; a year-on-year increase of 30%.

With this continued improvement of prices in the equities market, Mayberry Group posted improved total comprehensive income of \$3.1 billion for the second quarter (Q2) June 2021 compared to \$654 million in the second quarter of 2020.





Performance for the 2nd Quarter ended June 30, 2021

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 30 June 2021 (\$'000)	Quarter ended 30 June 2020 (\$'000)	Change (\$'000)	% Change
Net Interest Income and Other Revenues	\$526,467	\$359,703	\$166,764	46.4%
Operating Expenses	\$459,283	\$352,465	\$106,818	30.3%
Profit before Taxation	\$67,184	\$7,238	\$59,945	828.2%
Net Profit/(Loss)	\$67,184	(\$3,955)	\$71,139	1798.6%
Net Profit Attributable to Shareholders	\$11,005	\$8,863	\$2,142	24.2%
Other Comprehensive Income	\$3,013,963	\$658,316	\$2,355,648	357.8%
Total Comprehensive Income	\$3,081,147	\$654,360	\$2,426,787	370.9%
Earnings Per Share(EPS)	\$0.009	\$0.007	\$0.002	24.2%

Mayberry Group recorded significant growth in total comprehensive income of \$2.4 billion for Q2 2021 when compared to Q2 2020 attributable to the increase in financial reserves following price appreciations for strategic stocks held in the equity investment portfolios.

The Group also recorded net profit of \$67.2 million for the second quarter compared to a loss of \$4 million for the corresponding Q2 of 2020. This performance continues to reflect signs of investor confidence returning to the local financial market. For Q2 2021, net interest income and other revenues grew by 46%. However, the performance was somewhat modulated by lower dividend income, reduced foreign exchange gains and fees and commissions over the comparative period. Fees and commissions were lower than that of the corresponding quarter in 2020, due to the timing associated with 2021 deals in the pipeline which are projected for later in the year. Net profit attributable to shareholders was \$11 million for Q2 2021, compared to \$8.9 million in the prior year, resulting in an earnings per share (EPS) of \$0.009 for Q2 2021 (Q2 2020: \$0.007).





Notably, revenue lines that experienced growth during the quarter were as follows: -

- Interest income of \$199 million increased by \$6.3 million, Q2 2021 over Q2 2020. This movement resulted from increased revenue on repurchase agreements and the strong take up on customer loans;
- Overall net trading gains were higher by \$86.5 million, mainly attributed to trading on the bond portfolio;
- Unrealized gain on investment revaluation of J\$237 million for Q2 2021 increased by \$299.7 million. This mainly resulted from the revaluation of all equities classified as fair value through Profit or Loss (FVPL), on the subsidiary Company, Mayberry Jamaican Equities Limited (MJE).

Conversely, the following revenues declined:

- Fees and commission income of \$76 million for April to June 2021 was lower by 34% over the corresponding period in 2020, however, growth in revenues for this segment is expected to accelerate for the remaining two quarters in the year;
- Dividend income of \$85 million decreased by \$164 million for Q2 2021 over Q2 2020 reflecting overall higher payouts in 2020;
- Net foreign exchange gains of \$34 million in Q2 2021 decreased by \$12 million over Q2 2020 due mainly to unrealized foreign exchange losses booked during the quarter. The Cambio business recorded revenues of \$87 million, which was \$9.3 million lower when compared to the corresponding quarter in 2020.

Operating expenses for Q2 2021 increased by \$106.8 million, moving from \$352.5 million in Q2 2020 to \$459.3 million in the current period under review. The increase was driven by higher expenditure in core support areas of the business, namely computer licensing fees, management fees, sales and marketing, donations, insurance and IT consulting fees.





Subsidiary Highlights

Mayberry Jamaican Equities (MJE) purchased stocks for April to June 2021, valuing J\$126.8 million compared to J\$129.7 million for the corresponding period in 2020. The Company continues to invest in key Jamaican stocks to enhance and diversify its portfolio to deliver sustainable growth in the long-term.

Dividend paid by MJE – Q2 2021

Following the approval by the Board of Directors of Mayberry Jamaican Equities Limited on May 3, 2021, an ordinary dividend of J\$0.06 per share was paid on May 31, 2021, to its shareholders on record as at May 17, 2021.

Summary of Financial Position

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 June 2021 (\$'000)	Quarter ended 30 June 2020 (\$'000)	Change (\$'000)	% Change
Total Assets	\$34,726,726	\$27,868,727	\$6,857,998	24.6%
Total Liabilities	\$16,150,269	\$15,095,550	\$1,054,719	7.0%
Equity Attributable to Shareholders of Parent	\$14,261,276	\$9,410,806	\$4,850,469	51.5%
Total Equity	\$18,576,457	\$12,773,177	\$5,803,280	45.4%
Net Book Value Per Share	\$11.87	\$7.83	\$4.04	51.5%

Assets & Liabilities

Total assets as of June 30, 2021 amounted to \$34.7 billion compared to \$27.9 billion for the corresponding period ended June 30, 2020. The increase in asset balances was primarily due to an increase in investment securities of \$4.1 billion, reverse repurchase agreements of \$833 million and promissory notes of \$209 million. The positive movement in asset balances also reflected an increase in loans and other receivables of \$1.4 billion and other assets of \$542 million.

Total liabilities at June 30, 2021 for the Group, were \$16.2 billion, an increase of \$1.1 billion or 7% over the 2020 corresponding period, driven mainly by growth in securities sold under repurchase agreements.



Shareholders' Equity

Mayberry Group's capital base showed significant growth with total shareholders' equity of \$18.6 billion at the end of June 30, 2021 compared to \$12.8 billion for the prior period in 2020. The year-on-year increase of \$5.8 billion was driven by the increase in fair value reserves and retained earnings. This resulted in a book value per share of \$11.87 (2020: \$7.83).

Capital Adequacy

Our capital base continues to be robust and compliant with our regulatory benchmarks. Our Q2 2021 capital to risk-weighted asset ratio of 21.7% improved from 17.6% for Q2 2020 and complied with the established minimum of 10% set by the Financial Services Commission (FSC).

In addition, our tier one capital is 98% of the overall capital of the Company and exceeds the regulatory minimum of 50% established by the FSC.

We wish to thank our Shareholders, Clients, Directors, Management and Staff for their contribution during this period.



Gary Peart
Chief Executive Officer





CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2021

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2021	3 Months ended 30 June 2020	6 Months ended 30 June 2021	6 Months ended 30 June 2020	12 Months ended 31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Interest Income and Other Revenues					
Interest income	199,675	193,340	396,519	341,213	679,932
Interest expense	(145,445)	(135,059)	(280,244)	(272,118)	(484,990)
Net interest income	54,231	58,281	116,275	69,095	194,942
Fees and commission income	75,832	115,057	193,532	244,789	350,659
Dividend income	85,354	249,362	204,294	258,116	338,582
Net trading gains/(loss)	39,390	(47,135)	58,785	(27,205)	169,118
Net foreign exchange gain	33,576	45,626	95,271	114,208	233,076
Unrealized gain/(loss) on investment revaluation	236,888	(62,768)	508,721	(1,194,001)	(1,145,692)
Unrealized gain on other assets	-	-	-	-	536,149
Other income	1,196	1,281	35,340	3,349	6,252
	526,467	359,703	1,212,218	(531,649)	683,086
Operating Expenses					
Salaries, statutory contributions and staff costs	157,088	156,248	302,523	327,199	652,135
Provision for credit losses	11,135	7,500	22,235	15,000	(82,557)
Depreciation and amortization	13,852	15,973	27,698	32,061	57,072
Other operating expenses	277,207	172,744	427,878	344,802	837,279
	459,283	352,465	780,335	719,062	1,463,929
Operating profit/(loss) before asset tax	67,184	7,238	431,883	(1,250,711)	(780,843)
Asset tax	-	-	-	37,221	-
Profit/(Loss) before taxation	67,184	7,238	431,883	(1,287,932)	(780,843)
Taxation credit/(charge)	-	11,194	-	(615)	82,080
NET PROFIT/(LOSS)	67,184	(3,955)	431,883	(1,287,317)	(698,763)
<i>Net Profit/(Loss) attributable to:</i>					
- Mayberry Investments Ltd.	11,005	8,863	288,929	(962,007)	(352,909)
- Non Controlling Interests	56,179	(12,818)	142,954	(325,311)	(345,854)
OTHER COMPREHENSIVE INCOME					
Financial Reserve	(17,783)	(51,254)	(37,299)	(238,996)	
Net unrealized gains/(loss) on financial instruments - FVOCI	3,031,746	709,569	2,536,096	(5,310,506)	(4,283,711)
Other Comprehensive Income(Net of Tax):	3,013,963	658,316	2,498,797	(5,549,502)	(4,283,711)
TOTAL COMPREHENSIVE INCOME/(LOSS)	3,081,147	654,360	2,930,681	(6,836,820)	(4,982,474)
Number of shares in issue	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149
Earnings per share	\$0.009	\$0.007	\$0.24	(\$0.80)	(\$0.29)

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2020



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	UNAUDITED JUNE 2021 \$'000	UNAUDITED JUNE 2020 \$'000	AUDITED DECEMBER 2020 \$'000	UNAUDITED JUNE 2021 VS AUDITED DEC. 2020 CHANGE \$	UNAUDITED JUNE 2021 VS AUDITED DEC. 2020 CHANGE %
ASSETS:					
Cash resources	1,452,996	1,635,368	1,634,200	(181,204)	(11.1%)
Investment securities	21,417,727	17,358,756	19,213,566	2,204,161	11.5%
Reverse repurchase agreements	3,653,031	2,819,713	2,526,121	1,126,910	44.6%
Promissory notes	2,289,063	2,080,195	4,009,504	(1,720,441)	(42.9%)
Interest receivable	44,132	47,893	38,500	5,632	14.6%
Loans and other receivables	4,295,904	2,860,965	3,218,480	1,077,424	33.5%
Taxation recoverable	2,804	2,277	2,610	194	7.4%
Other assets	1,292,944	750,931	1,279,291	13,653	1.1%
Property, plant and equipment	119,488	132,327	122,229	(2,741)	(2.2%)
Right of use asset	106,675	123,286	114,701	(8,026)	(7.0%)
Intangible asset	51,961	57,015	53,944	(1,983)	(3.7%)
TOTAL ASSETS	34,726,726	27,868,727	32,213,146	2,513,580	7.8%
LIABILITIES AND EQUITY:					
LIABILITIES :					
Bank overdraft	859,082	229,495	255,976	603,106	235.6%
Securities sold under repurchase agreements	4,132,781	3,180,754	3,593,212	539,569	15.0%
Interest payable	230,490	216,587	219,024	11,466	5.2%
Due to related party	-	4,642	-	-	0.0%
Loans	6,880,344	6,891,970	7,464,485	(584,141)	(7.8%)
Accounts payable	3,849,302	4,182,325	5,057,478	(1,208,176)	(23.9%)
Lease liability	118,096	145,754	128,579	(10,483)	(8.2%)
Deferred taxation	80,173	244,023	85,731	(5,558)	(6.5%)
Taxation payable	-	-	66	(66)	(100.0%)
TOTAL LIABILITIES	16,150,269	15,095,550	16,804,551	(654,282)	(3.9%)
STOCKHOLDERS' EQUITY					
Ordinary share capital	1,582,381	1,582,381	1,582,381	-	0.0%
Fair value and other reserves	5,797,890	2,386,748	3,935,851	1,862,039	47.3%
Capital redemption reserve	51,343	51,343	51,343	-	0.0%
Other reserves	26,596	26,596	26,596	-	0.0%
Retained earnings	6,803,065	5,363,739	6,010,721	792,344	13.2%
Equity attributable to the shareholders of the parent	14,261,276	9,410,806	11,606,892	2,654,384	22.9%
Non-Controlling interests	4,315,181	3,362,371	3,801,703	513,478	13.5%
TOTAL STOCKHOLDERS' EQUITY	18,576,457	12,773,177	15,408,595	3,167,862	20.6%
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	34,726,726	27,868,727	32,213,146	2,513,580	7.8%

	2021	2020	2020
Net Book Value per Stock Unit :	\$11.87	\$7.83	\$9.66

Approved by the Board of Directors for issue on July 19, 2021 and signed on its behalf by:

DocuSigned by:

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Christopher Berry
Chairman

Gary Peart
Chief Executive Officer/Director



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2021	3 Months ended 30 June 2020	6 Months ended 30 June 2021	6 Months ended 30 June 2020	12 Months ended 31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) for the period	67,184	(3,955)	431,883	(1,287,317)	(698,763)
Other comprehensive income for the period net of tax: Items that will or maybe classified to the statement of income					
Unrealized gains/(loss) on financial instruments	3,013,963	658,316	2,498,797	(5,549,502)	(4,283,711)
Total comprehensive income/(loss) attributable to stockholders	3,081,147	654,360	2,930,681	(6,836,820)	(4,982,474)
Total comprehensive income/(loss) attributable to:					
- <i>Mayberry Investments Ltd.</i>	2,147,199	468,809	2,053,461	(5,024,258)	(3,398,080)
- <i>Non Controlling Interests</i>	933,948	185,552	877,219	(1,812,562)	(1,584,394)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(UNAUDITED)

	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Earnings	Non-Controlling Interest	Total
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Balance at January 1, 2020	120,115	1,462,266	7,415,719	77,939	6,372,032	4,780,677	20,228,747
Total comprehensive income for the year			-		-		-
Net profit					(962,007)	(325,311)	(1,287,317)
Other comprehensive income			(4,062,251)			(1,487,251)	(5,549,502)
Ordinary dividends paid					(19,827)		(19,827)
Realized gains / (loss) on fair value instruments transferred to retained earnings			(150,541)		150,541		-
Change in ownership interest in subsidiary			(816,179)		(177,000)	394,256	(598,923)
Balance at June 30, 2020	120,115	1,462,266	2,386,747	77,939	5,363,739	3,362,371	12,773,177
Balance at January 1, 2021	120,115	1,462,266	3,935,851	77,939	6,010,721	3,801,703	15,408,595
Total comprehensive income for the year			2,053,461				2,053,461
Net profit					288,929	142,954	431,883
Other comprehensive income						877,219	877,219
Ordinary dividends paid					(20,862)		(20,862)
Realized gains / (loss) on fair value instruments transferred to retained earnings			(88,765)		88,765		-
Translation adjustment					54,669		54,669
Realized gain/(loss) on partial disposal of subsidiary					(1,222,732)		(1,222,732)
Change in ownership interest in subsidiary			(102,657)		1,603,575	(506,695)	994,223
Balance at June 30, 2021	120,115	1,462,266	5,797,890	77,939	6,803,065	4,315,181	18,576,457



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	Unaudited 6 Months ended 30 June 2021 \$'000	Unaudited 6 Months ended 30 June 2020 \$'000	Audited Year ended 31 December 2020 \$'000
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	431,883	(1,287,932)	(780,843)
Adjustments to reconcile profit to net cash used in operating activities:			
Provision for credit losses	22,235	15,000	(82,557)
Gain on disposal of property, plant and equipment	200	-	-
Depreciation and amortization	27,698	32,061	29,408
Intangible - amortization	-	-	4,159
Right of use assets - amortization	-	-	18,758
Interest income	(396,519)	(341,213)	(679,932)
Interest expense	280,244	272,000	484,990
Interest expense - Right of use	-	10,173	10,600
Unrealized fair value gain/(loss) on investment revaluation	(508,721)	1,194,001	1,145,692
Realized fair value gains transferred to retained earnings	88,765	146,724	212,303
Unrealized foreign exchange gains	48,750	9,459	179,762
Income tax (charge)/credit	-	615	(536,149)
Changes in operating assets and liabilities:	(5,464)	50,887	6,191
Loans and other receivables	(1,075,442)	361,878	14,829
Investments	923,884	759,512	622,993
Promissory notes	1,698,206	(282,317)	(2,196,626)
Taxation recoverable	2,804	(2,277)	-
Reverse repurchase agreements	(1,126,910)	664,000	1,221,363
Due to related company	-	4,642	-
Accounts payable	(1,213,800)	(181,802)	686,083
Lease liability	-	5,518	-
Securities sold under resale agreement	539,569	(1,038,670)	(626,212)
Loans	(584,141)	(292,000)	276,938
Cash used in Operating Activities	(841,294)	49,371	5,559
Interest received	411,299	393,991	763,158
Interest paid	(268,778)	(266,740)	(498,927)
Taxation paid	-	-	(8,605)
Net cash provided by/(used in) operating activities	(698,773)	176,622	261,185
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(24,957)	(19,023)	(6,272)
Purchase of intangible asset	1,983	1,087	-
Net cash used in investing activities	(22,974)	(17,935)	(6,272)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Ordinary dividend payment	(20,862)	(19,827)	(169,971)
Lease payment	(10,483)	-	(22,257)
Net cash provided by financing activities	(31,344)	(19,827)	(192,228)
Net (decrease)/increase in cash and cash equivalents	(753,092)	138,859	62,685
Exchange gain/(loss) on foreign cash balances	(31,220)	-	48,525
Cash and cash equivalents at beginning of the period	1,378,224	1,267,014	1,267,014
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	593,912	1,405,873	1,378,224



TOP TEN SHAREHOLDERS AND CONNECTED PERSONS

30 JUNE 2021

<u>Name</u>	Shareholdings
PWL BAMBOO HOLDINGS LIMITED	473,405,018
KONRAD BERRY	430,686,104
MAYBERRY EMPLOYEE SHARE SCHEME	40,371,748
VDWSD LTD	29,990,000
KONRAD LIMITED	28,607,890
GARY PEART	25,566,665
THE MAYBERRY FOUNDATION LTD	12,228,940
CHRISTINE WONG	8,103,167
MAYBERRY INVESTMENTS LTD. PENSION SCHEME	6,481,590
SAGICOR SELECT FUNDS LIMITED - CLASS B - FINANCIAL	5,206,681

Connected Persons

Apex Pharmacy	3,568,916
Mayberry Managed Clients Account	2,944,157
Mayberry Individual Retirement Scheme	1,000,000
Doris Berry	732,262
A+ Plus Medical Centre	500,000
Mayberry Staff Investment Club	115,772
Est. Maurice Berry	22,000





SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

30 JUNE 2021

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	481,321,718
Konrad Berry**	430,686,104	35,357,224
Gary Peart**	25,566,665	30,911,455
Erwin Angus	1,000,000	
Gladstone Lewars **	1,431,500	
Alok Jain	2,010,372	
Walter Scott	-	
<u>Managers</u>		
Kayree Berry-Teape**	2,860,749	31,080
Andrea HoSang**	1,498,600	
Kristen Raymore-Reynolds	100,000	
Dan H. Theoc	2,240	

** Includes holdings in joint accounts

