

Q1 2021

UNAUDITED FINANCIAL RESULTS



MAYBERRY
INVESTMENTS LIMITED

1985 - 2021

36

CELEBRATING 36 YEARS

**TIMING
BUSINESS
WEALTH
GROWTH
SUCCESS
DECIDE**

CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2021.

Results for the Unaudited 1st Quarter for the months January to March 2021.

Operating Environment

The Jamaica economy contracted 8.3% for the October to December 2020 quarter compared to the same quarter of 2019, largely due to the negative impact of the continued spread of the novel Coronavirus (COVID-19) and the measures imposed to limit its spread. This downward movement resulted from a 11.1% decline in the Services Industries, even though the Goods Producing Industries grew by 0.2%. The inflation rate for the February 2021 was -0.1%, primarily attributed to the 1.3% decrease in the index for the heavily weighted 'Food and Non-Alcoholic Beverages' division. The inflation rate for the calendar year-to-date was -0.1%, while the point-to-point rate was 3.8%.

The exchange rate since the start of 2021 devalued by 2.76% or \$3.93 to \$146.58 as at March 31, 2021, while the movement year on year reflects a devaluation of 8.26% from \$135.39 as of March 31, 2020. For the period January to March 2021, the JSE Main Market Index declined by 955.38 points or 0.24% from 395,614.93 to 394,659.55 points. However, when compared to March 2020 on year-on-year bases, the March 2021 units improved by 15,417.44 or 4.07%. The JSE Junior Market reported similar trends, it ended March 2021 at 2,982.96 points when compared to 2,304.14 points for March 2020. Year-on-year it fell by 678.81 points, a 29.46% decline.

The global and local financial markets continue to be negatively impacted by the effects COVID-19, however, the financial environment is expected to improve during the year following as business activities normalize. The organization will continue to assess the financial landscape.





Market Statistics	2021	2020	Change (%)
Inflation (YTD February)	-0.1%	0.4%	0.5%
Exchange Rate (Mar. 31)	\$146.58	\$135.39	8.3%

Main Market	2021	2020	Change (%)
JSE Main Market Index - Dec. 31	395,614.93	509,916.44	-22%
JSE Main Market Index - Jan. 29	387,937.83	500,463.33	-22%
JSE Main Market Index - Feb. 28	394,528.81	482,310.09	-18%
JSE Main Market Index - Mar. 31	394,659.55	379,242.11	4%

Junior Market	2021	2020	Change (%)
JSE Main Market Index - Dec. 31	2,646.39	3,348.97	-21%
JSE Main Market Index - Jan. 29	2,774.17	3,087.77	-10%
JSE Main Market Index - Feb. 28	2,920.35	2,911.92	0%
JSE Main Market Index - Mar. 31	2,982.95	2,304.14	29%

Performance for the 1st Quarter ended March 31, 2021

Mayberry Group recorded a Net Profit of \$365 million for the January to March 2021 quarter when compared to a Net Loss of \$1.3 billion for the January to March 2020 quarter. This performance is reflecting the initial signs of investor confidence returning to the local financial market and has aided the Group in recording improved revenue results for interest income, dividend income and unrealized gains on investment revaluation. This is in addition to higher other income following the recovery of specific bad debts. This was however, tempered by lower net foreign exchange gains and fees and commissions as the closure of projected deals in the pipeline are to be finalized. Net Profit attributable to shareholders was \$278 million for Q1 2021, compared to a Net Loss of \$971 million in the prior year corresponding quarter, resulting in an Earnings per share (EPS) of \$0.23 compared to a Loss per share LPS of \$0.81 for Q1 2020.





SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 31 March 2021 (\$'000)	Quarter ended 31 March 2020 (\$'000)	Change (\$'000)	% Change
Net Interest Income and Other Revenues	\$685,751	(\$891,352)	\$1,577,103	176.9%
Operating Expenses	\$321,052	\$366,597	\$45,545	12.4%
Profit before Taxation	\$364,699	(\$1,257,949)	\$1,622,648	129.0%
Net Profit	\$364,699	(\$1,283,362)	\$1,648,061	128.4%
Net Profit Attributable to Shareholders	\$277,925	(\$970,870)	\$1,248,794	128.6%
Other Comprehensive Income/(Loss)	(\$515,166)	(\$6,207,818)	\$5,692,652	91.7%
Total Comprehensive Income/(Loss)	(\$150,467)	(\$7,491,180)	\$7,340,713	98.0%
Earnings Per Share(EPS)	\$0.23	(\$0.81)	\$1.04	128.6%

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

- Net Interest income of \$62 million increased by \$51 million, Q1 2021 over Q1 2020. This resulted from increased Repo and Bond incomes with lower expenses on the Repo books, and reduced finance costs;
- Dividend income grew by \$110 million, attributable to payouts from Supreme Ventures Limited and General Accident Insurance Company (Ja) Limited;
- Unrealized gain on investment revaluation of J\$272 million for Q1 2021 increased by 124%. This 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);
- Other income of \$34 million for January to March 2021 increased by \$32 million when compared to the same period in 2020 resulting from recovery of bad debts during the period.



Conversely, the following revenues declined:

- Fees and commission income of \$118 million for January to March 2021 were lower by 9.3% over the corresponding period in 2020, primarily due to the following:
 - » Equity commission decreased by \$7.8 million; IPO Selling fees income was lower by \$27 million and Corporate Advisory fees experienced a \$26 million shortfall. In addition, Loan processing fees declined by \$6.3 million.
- Net Foreign exchange gains of \$62 million in Q1 2021 decreased by \$6.9 million due mainly to realized foreign exchange losses booked during the quarter, despite higher spreads from the Cambio business which recorded revenues of \$69 million, \$7.7 million higher, and realized foreign exchange gains decreased by \$28 million when compared to the corresponding quarter in 2020.

Total comprehensive loss for Q1 2021 amounted to \$150.5 million, compared to a loss of \$7.5 billion for the corresponding quarter of 2020. This was attributable to a decrease in financial reserves, following price reductions for stocks held in the current equity portfolio.

Operating expenses for Q1 2021 decreased by \$46 million, moving from \$366.6 million in Q1 2020 to \$321 million in the current period under review. Costs were mainly contained for Computer Expenses, Computer Licensing fees and Regulatory fees. These savings were partially offset by higher expenditure in core support areas of the business namely Marketing and Telephone expenses.





Subsidiary Highlights

Mayberry Jamaican Equities purchased stocks for the three months ended March 2021 in the value of \$49 million compared to \$313 million for the corresponding period in 2020. The Portfolio's cash balance as at 31 March 2021 stood at J\$330 million. The company continues to invest in key Jamaican stocks to enhance and diversify its portfolio to deliver sustainable growth in the long-term.

Summary of Financial Position

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 31 March 2021 (\$'000)	Quarter ended 31 March 2020 (\$'000)	Change (\$'000)	% Change
Total Assets	\$31,513,772	\$30,421,753	\$1,092,018	3.6%
Total Liabilities	\$16,055,963	\$18,129,664	\$2,073,702	11.4%
Equity Attributable to Shareholders of Parent	\$12,066,209	\$9,642,758	\$2,423,451	25.1%
Total Equity	\$15,457,809	\$12,292,089	\$3,165,720	25.8%
Net Book Value Per Share	\$10.05	\$8.03	\$2.02	25.1%

Assets & Liabilities

Total Assets for the three months ending March 2021 amounted to \$31.5 billion compared to \$30.4 billion for the corresponding period ended 31 March 2020. The increase in asset balances was primarily due to an increase in Reverse Repurchase agreements of \$778 million, Promissory notes of \$1.5 billion, Loans & other receivables of \$734 million and Other assets of \$546 million, this was partially offset by a reduction in cash resources of \$1.8 billion.

Total Liabilities at 31 March 2021 for the Group, were \$16.1 billion, a \$2.1 billion or a 11.4% decrease over the 2020 corresponding period, driven mainly by the reduction in Accounts payable.





Shareholders' Equity

Mayberry Group's capital base continues to be strong with Total Shareholders' Equity of \$12.1 billion at the end of March 31, 2021 compared to \$9.6 billion for prior period 2020. The year over year increase of \$2.4 billion was driven by an increase in Fair Value reserves and Retained earnings. This resulted in a book value per share of \$10.05 (2020: \$8.03).

Capital Adequacy

	FSC Requirement	Mayberry's Achievement
Capital to Total Assets	6%	22.4%
Capital Base to Risk Weighted Assets	10%	21.0%
Capital Base to Tier 1 Capital	50%	99.0%

Our capital base continues to be robust and compliant with our regulatory benchmarks. Our Q1 2021 capital to risk weighted asset ratio of 21%, improved from 16.3% for Q1 2020, and complies with the established minimum of 10% set by the Financial Services Commission (FSC).

In addition, our tier one capital is 99% 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 and urge all to keep safe during this difficult period.

Gary Peart
Chief Executive Officer





CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2021

	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 31 March 2021	3 Months ended 31 March 2020	12 Months ended 31 December 2020
	\$'000	\$'000	\$'000
Net Interest Income and Other Revenues			
Interest income	196,844	147,873	679,932
Interest expense	(134,800)	(137,058)	(484,990)
Net Interest income	62,045	10,815	194,942
Fees and Commission Income	117,700	129,732	350,659
Dividend Income	118,940	8,754	338,582
Net Trading (Losses)/Gains	19,395	19,931	169,118
Net Foreign Exchange Gain	61,695	68,582	233,076
Unrealized gain on investment revaluation	271,833	(1,131,233)	(1,145,692)
Unrealized gain on other assets	-	-	536,149
Other income	34,144	2,068	6,252
	685,751	(891,352)	683,086
Operating Expenses			
Salaries, statutory contributions and staff costs	145,435	170,951	652,135
Provision for credit losses	11,100	7,500	(82,557)
Depreciation and amortization	13,846	16,088	57,072
Other operating expenses	150,671	172,058	837,279
	321,052	366,597	1,463,929
Share of Profit in Associates			
Gain in disposal of associate holdings	-	-	-
Operating profit before asset tax	364,699	(1,257,949)	(780,843)
Asset tax	-	37,221	-
Profit before taxation	364,699	(1,295,171)	(780,843)
Taxation (credit)/charge	-	(11,808)	82,080
NET PROFIT	364,699	(1,283,362)	(698,763)
Net Profit Attributable to:			
- Mayberry Investments Ltd.	277,925	(970,870)	(352,909)
- Non Controlling Interests	86,775	(312,493)	(345,854)
Earnings per share	\$0.23	(\$0.81)	(\$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 MARCH 31, 2021

	(UNAUDITED) MARCH 2021 \$'000	(UNAUDITED) MARCH 2020 \$'000	(AUDITED) DECEMBER 2020 \$'000	UNAUDITED MARCH 2021 VS AUDITED DEC. 2020 CHANGE \$	UNAUDITED MARCH 2021 VS AUDITED DEC. 2020 CHANGE %
ASSETS:					
Cash resources	1,040,419	2,871,044	1,634,200	(593,781)	(36.3%)
Investment securities	18,555,214	19,177,354	19,213,566	(658,352)	(3.4%)
Reverse repurchase agreements	3,595,235	2,817,500	2,526,121	1,069,114	42.3%
Promissory notes	3,282,036	1,792,982	4,009,504	(727,468)	(18.1%)
Interest receivable	92,129	48,013	38,500	53,629	139.3%
Loans and other receivables	3,363,752	2,629,553	3,218,480	145,272	4.5%
Taxation recoverable	2,544	2,228	2,610	(66)	(2.5%)
Other Assets	1,303,015	756,856	1,279,291	23,724	1.9%
Investment in Subsidiary- MWI & Widebase	-	1,332	-	-	0.0%
Property, plant and equipment	116,455	140,746	122,229	(5,774)	(4.7%)
Right of use asset	110,688	128,373	114,701	(4,013)	(3.5%)
Intangible asset	52,285	55,774	53,944	(1,659)	(3.1%)
TOTAL ASSETS	31,513,772	30,421,753	32,213,146	(699,374)	(2.2%)
LIABILITIES AND EQUITY:					
LIABILITIES :					
Bank overdraft	1,403,352	621,011	255,976	1,147,376	448.2%
Securities sold under repurchase agreements	4,120,558	3,956,466	3,593,212	527,346	14.7%
Interest payable	219,353	206,954	219,024	329	0.2%
Due to Related Party	-	15,455	-	-	100.0%
Loans	7,425,751	7,675,926	7,464,485	(38,734)	(0.5%)
Accounts payable	2,676,505	5,282,250	5,057,478	(2,380,973)	(47.1%)
Lease Liability	127,395	143,053.93	128,579	(1,184)	(0.9%)
Deferred taxation	83,048	228,548	85,731	(2,683)	(3.1%)
Taxation Payable	-	-	66	(66)	(100.0%)
TOTAL LIABILITIES	16,055,963	18,129,664	16,804,551	(748,588)	(4.5%)
STOCKHOLDERS' EQUITY					
Ordinary Share capital	1,582,381	1,582,381	1,582,381	-	0.0%
Fair value and other reserves	3,667,581	2,648,632	3,935,851	(268,270)	(6.8%)
Capital Redemption Reserve	51,343	51,343	51,343	-	0.0%
Other reserves	26,596	26,596	26,596	-	0.0%
Retained earnings	6,738,308	5,333,806	6,010,721	727,587	12.1%
Equity Attributable to the Shareholders of the Parent	12,066,209	9,642,758	11,606,892	459,317	4.0%
Non-Controlling Interests	3,391,599	2,649,330	3,801,703	(410,104)	(10.8%)
TOTAL STOCKHOLDERS' EQUITY	15,457,809	12,292,089	15,408,595	49,214	0.3%
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	31,513,771	30,421,753	32,213,146	(699,375)	(2.2%)

Net Book Value per Stock Unit : 2021 \$10.05 2020 \$8.03 2020 \$9.66

DocuSigned by:
Approved by the Board of Directors for issue on May 3, 2021 and signed on its behalf by:

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Christopher Berry

Chairman

Gary Peart

Chief Executive Officer/Director



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021

	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 31 March 2021	3 Months ended 31 March 2020	12 Months ended 31 December 2020
	\$'000	\$'000	\$'000
Profit for the period	364,699	(1,283,362)	(698,763)
Other Comprehensive Income for the period net of tax: Items that will or maybe classified to the statement of income			
Unrealized gains/ (losses) on financial instruments	(515,166)	(6,207,818)	(4,283,711)
Total Comprehensive income attributable to stockholders	(150,467)	(7,491,180)	(4,982,474)
<i>Total Comprehensive Income Attributable to:</i>			
- <i>Mayberry Investments Ltd.</i>	(93,738)	(5,493,066)	(3,398,080)
- <i>Non Controlling Interests</i>	(56,729)	(1,998,114)	(1,584,394)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

	Share Capital \$' 000	Share Premium \$' 000	Fair Value Reserve \$' 000	Other Reserve \$' 000	Retained Earnings \$' 000	Non-Controlling Interest \$' 000	Total \$' 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					(970,870)	(312,493)	(1,283,362)
Other Comprehensive Income			(4,522,197)			(1,685,621)	(6,207,818)
Ordinary dividends paid					-		-
Realized gains / (losses) on fair value instruments transferred to retained earnings			(340,124)		340,124		-
Change in Ownership interest in subsidiary			95,235		(407,480)	(133,233)	(445,478)
Balance at March 31, 2020	120,115	1,462,266	2,648,632	77,939	5,333,806	2,649,330	12,292,089
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			(93,738)				(93,738)
Net Profit					277,925	86,775	364,699
Other Comprehensive Income						(56,729)	(56,729)
Ordinary dividends paid					-		-
Realized gains / (losses) on fair value instruments transferred to retained earnings			(78,617)		78,617		-
Translation adjustment					8,926		8,926
Realized Gain/Loss on partial disposal of subsidiary					(1,240,436)		(1,240,436)
Change in Ownership interest in subsidiary			(95,915)		1,602,556	(440,149)	1,066,492
Balance at March 31, 2021	120,115	1,462,266	3,667,581	77,939	6,738,308	3,391,599	15,457,809





CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2021

	Unaudited 3 Months ended 31 March 2021 \$'000	Unaudited 3 Months ended 31 March 2020 \$'000	Audited Year ended 31 December 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	364,699	(1,295,171)	(780,843)
Adjustments to reconcile profit to net cash used in operating activities:			
Provision for credit losses	11,100	7,500	(82,557)
Gain on disposal of property, plant and equipment	200	-	-
Depreciation and amortization	13,846	16,088	29,408
Intangible - amortization	-	-	4,159
Right of use assets - amortization	-	-	18,758
Interest income	(196,844)	(147,873)	(679,932)
Interest expense	134,800	136,988	484,990
Interest Expense - Right of use	-	5,087	10,600
Unrealized fair value gain/loss on investment revaluation	(271,833)	1,131,233	1,145,692
Realized fair value losses transferred to retained earnings	78,617	340,124	212,303
Unrealized foreign exchange gains	(4,973)	8,581	179,762
Income tax (charge)/credit	-	11,808	(536,149)
Changes in operating assets and liabilities:	129,612	214,366	6,191
Loans and other receivables	(143,613)	587,364	14,829
Investments	541,054	(1,693,712)	622,993
Due from subsidiary	-	-	-
Promissory notes	716,368	12,397	(2,196,626)
Taxation Recoverable	2,544	(2,228)	-
Reverse repurchase agreements	(1,069,114)	666,213	1,221,363
Due to Related Company	-	15,455	-
Accounts payable	(2,383,722)	902,650	686,083
Lease Liability	-	2,818	-
Securities sold under resale agreement	527,346	(262,958)	(626,212)
Loans	(38,734)	491,955	276,938
Cash used in Operating Activities	(1,718,259)	934,320	5,559
Interest received	163,613	200,532	763,158
Interest paid	(134,470)	(141,361)	(498,927)
Taxation paid	-	-	(8,605)
Net cash provided by/(used in) operating activities	(1,689,116)	993,491	261,185
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(8,072)	(11,469)	(6,272)
Purchase of intangible asset	1,659	2,328	-
Investment in subsidiary	-	(1,331)	-
Net cash used in investing activities	(6,413)	(10,472)	(6,272)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Ordinary dividend payment	-	-	(169,971)
Lease payment	(1,184)	-	(22,257)
Net cash provided by financing activities	(1,184)	-	(192,228)
Net decrease) in cash and cash equivalents	(1,696,713)	983,019	62,685
Exchange gain on foreign cash balances	(44,446)	-	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	(362,935)	2,250,033	1,378,224



MAYBERRY

INVESTMENTS LIMITED

ESTABLISHED 1985

TOP TEN SHAREHOLDERS AND CONNECTED PERSONS

31 MARCH 2021

<u>Name</u>	Shareholdings
PWL BAMBOO HOLDINGS LIMITED	473,657,950
KONRAD BERRY	430,686,104
MAYBERRY EMPLOYEE SHARE SCHEME	38,530,177
VDWSD LTD	29,990,000
KONRAD LIMITED	28,607,890
GARY PEART	24,566,665
THE MAYBERRY FOUNDATION LTD	11,874,243
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	3,102,586
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	10





SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

31 MARCH 2021

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	481,489,650
Konrad Berry**	430,686,104	35,357,224
Gary Peart**	24,566,665	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	2,040	

** Includes holdings in joint accounts

