

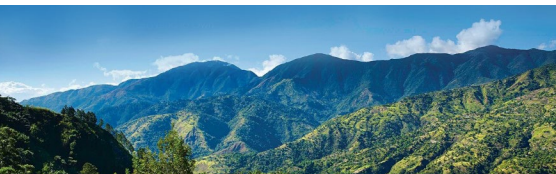
CHIEF EXECUTIVE OFFICER'S COMMENTARY ON FINANCIAL RESULTS

FOR THE SECOND QUARTER ENDED 30 JUNE 2018.

On behalf of the Board of Directors of Mayberry Group, I am pleased to present its Unaudited 2nd Quarter 2018 financial results for the months April to June 2018.

FINANCIAL HIGHLIGHTS

- Net Profit of \$234M up 63 times over 2nd Quarter 2017;
- Net Book Value per share of \$9.90 increased by 17% over 1st Quarter 2018 and 58% over corresponding period in 2017;
- Total Comprehensive Income of \$1.8B increased 35 times over 2nd Quarter 2017.





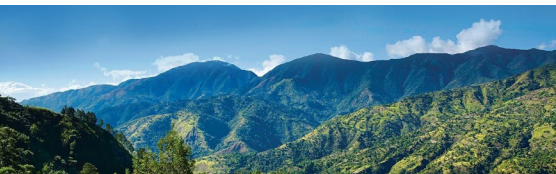
Operating Environment

The Bank of Jamaica (BOJ) further reduced its policy interest rate by 75bps from 2.75% at the end of Q1 to 2% at the end of Q2. For this quarter ending June 30, 2018, Jamaica's annual point to point inflation was 2.8%, the result of two prior months of deflation. The Jamaican Dollar depreciated during the period and reached an all-time low of JMD132.99 to 1 USD, while the quarter had an average exchange rate of J\$127.72. BOJ FX operations saw the Central Bank purchasing US\$82 million cumulatively over the 12-week period.

Further, the Net International Reserves closed at US\$3.14 billion suggesting 19 weeks of goods and services' imports. During this quarter, the Jamaica Stock Exchange Main market moved from 294,533 to 305,736 points or 3.7%, while the Junior market inched by 79.5 points to reach 3,037.6 points. Year to date, the Main Market grew by 6.02% while the Junior Market grew 11.18%.

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME

Description	Quarter ended 30 June 2018 (\$'000)	Quarter ended 30 June 2017 (\$'000)	Change (\$'000)	% Change
Net Interest Income and Other Revenues	623,430	241,610	381,820	158.0%
Operating Expenses	364,267	276,985	(87,282)	-31.5%
Share of Profit/losses in Associate Companies	0	25,268	(25,268)	-100.0%
Profit before Taxation	259,163	(10,107)	269,269.86	2664.1%
Net Profit	233,663	3,679	229,984	6251.1%
Other Comprehensive Income	1,552,523	46,151	1,506,373	3264.0%
Total Comprehensive Income	1,786,186	49,830	1,736,356	3484.6%
Earnings Per Share(EPS)	\$0.19	\$0.003	\$0.19	6249.5%





Profit Performance for the 2nd Quarter ended June 30, 2018

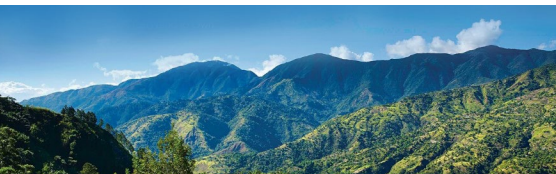
Strong profits were reported for this 2nd quarter as Mayberry reported an after-tax profit of \$233.6 million or 63 times more than the corresponding quarter of 2017. This resulted in an Earnings per share (EPS) of \$0.19 compared to \$0.003 for 2nd quarter 2017.

Notably, revenues attributable to the quarter's growth were as follows: -

- Net Interest Income increased to \$45.7 million for the quarter under review up from \$468,000 in the prior year for the same period. This was driven primarily by related Interest expenses reducing by 34% with a 12% decrease in Gross Interest income;
- Fees and commission income of \$152.1 Million represented a 113% increase over the corresponding period in 2017, with Debt Selling Fees, Equity Selling Fees and Corporate Advisory Fees contributing a significant amount totalling \$105.7 million or 70% of the total income;
- Dividend income of \$138.9 million increased 4.8 times relative to the same period last year, resulting from the holdings in Supreme Ventures Limited and Caribbean Producers (Jamaica) Limited;
- Unrealized gain on investment revaluation of J\$177.6 million stemmed from the revaluation of all equities classified as fair value through Profit or Loss (FVPL), namely Lasco Financial Services Ltd., Blue Power Ltd., Caribbean Producers (Jamaica) Ltd., Wisynco Group Ltd. and IronRock Insurance Ltd.

For Q2 2018, Total comprehensive income amounted to \$1.8 billion, compared to \$49 million for the corresponding quarter of 2017; an increase of \$1.7 billion or 35 times. This was due to an increase in the movement of the financial reserves resulting from gains booked for stocks held in the current equity portfolio.

Operating expenses for Q2 2018 increased by \$87.2 million to \$364.3 million compared to \$276.9 million in Q2 2017. Increases of \$72.3 million related to Legal and Professional fees, Management and Incentive fees, Motor vehicle leases, Computer expenses and Marketing expenses, accounted for 87% of this total movement.





Summary of Financial Position

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 June 2018 (\$'000)	Quarter ended 30 June 2017 (\$'000)	Change (\$'000)	% Change
Total Assets	26,852,938	20,239,008	6,613,930	32.7%
Total Liabilities	14,959,538	12,700,246	(2,259,292)	-17.8%
Stockholders' Equity	11,893,400	7,538,762	4,354,638	57.8%
Net Book Value Per Share	\$9.90	\$6.28	\$3.63	57.8%

Assets & Liabilities

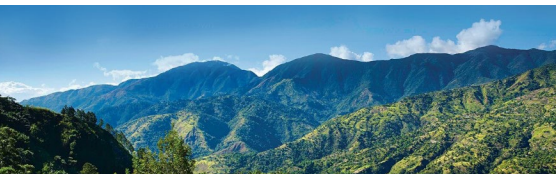
Our asset base remained healthy and grew by 32.7% to \$26.9 billion relative to the corresponding quarter ended 30th June 2017. Growth in asset balances were primarily due to the increased value in investment securities and, in particular, quoted equities. This was coupled with increased JMD and USD promissory notes along with growth in reverse repurchase agreements, which closed the quarter at \$3.9 billion, compared to \$2.8 billion over the prior period under review.

Total Liabilities stood at \$14.9 billion, a 17.8% increase over the prior corresponding period. The assets were funded in part by securities sold under repurchase agreements of

\$6.1 billion and Loans of \$5.7 billion. In addition, Accounts Payables moved from \$2.1 billion at June 2017 to \$3 billion at the end of June 2018.

Shareholders' Equity

Mayberry Group's equity base grew by 57.8%, resulting from higher cumulative earnings and increased net unrealized gains on the revaluation of equity securities. Retained earnings moved to \$5.3 million for the 2nd quarter ended June 30, 2018 and Fair value reserves climbed to \$4.9 billion, up from \$2.1 billion for the prior corresponding period.





Listing of Mayberry Jamaican Equities Limited – MJE

(formerly Mayberry West Indies Limited)

Subsequent to the issuing of a dividend in specie, in 1st Quarter 2018, of 10% of its subsidiary, Mayberry Jamaican Equities Limited (MJE) to its shareholders, Mayberry Investments Limited made an Offer for Sale of a further 10% to the general public. This represented 120,114,929 ordinary shares. This Initial Public offer (IPO) was opened and closed on Monday, July 9, 2018. A total of 1,372 applications was received by Mayberry, valued at approximately \$1,745,839,872.

The shares offered for sale by Mayberry constituted 10% of the issued share capital of MJE and the amount raised was J\$908 million.

At June 30, 2018, the Net Book value per share of MJE was J\$9.48.

Capital Adequacy

	Mayberry's Ratios	FSC Benchmark
Capital to Total Assets	12%	6%
Capital Base to Risk Weighted Assets	14.9%	10%
Capital Base to Tier 1 Capital	98%	50%

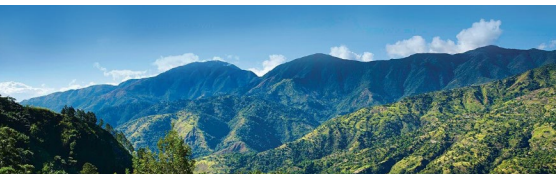
Our capital base continues to be strong and compliant with our regulatory benchmarks as indicated in the table above. Our capital to risk weighted asset ratio of 14.9% complies with the established minimum of 10% set by the company's lead regulator, the Financial Services Commission (FSC).

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, Management and Staff for their contribution to the success achieved in this 2nd quarter of our thirty-third year of operations.

Gary Peart

Chief Executive Officer





CONSOLIDATED INCOME STATEMENT

AS AT 30 JUNE 2018

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2018	3 Months ended 30 June 2017	6 Months ended 30 June 2018	6 Months ended 30 June 2017	12 Months ended 31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Interest Income and Other Revenues					
Interest income	182,371	206,080	356,454	390,579	722,007
Interest expense	(136,660)	(205,612)	(272,889)	(369,300)	(570,689)
Net Interest income	45,711	468	83,565	21,279	151,318
Fees and Commission Income	152,138	71,302	363,569	140,156	508,061
Dividend Income	138,959	24,132	233,292	37,946	154,942
Net Trading Gains/(Losses)	27,953	82,959	61,584	84,517	121,225
Net Foreign Exchange Gain/(Loss)	79,410	31,430	129,941	53,054	87,139
Unrealised (loss)/gain on investment revaluation	177,587	29,522	336,011	32,751	70,021
Loan provision recovered/written back	-	-	-	-	1,166,280
Other income	1,671	1,796	3,482	4,252	11,039
	623,430	241,610	1,211,445	373,955	2,270,024
Operating Expenses					
Salaries, statutory contributions and staff costs	111,171	115,804	223,132	215,607	456,749
Provision for credit losses	28,500	7,500	36,000	15,000	7,963
Provision /(write back) for Impairment - Investments	-	-	-	(105,337)	677,690
Depreciation and amortisation	5,485	6,922	11,165	13,655	22,758
Other operating expenses	219,111	146,761	410,538	248,140	727,468
	364,267	276,985	680,835	387,065	1,892,628
Share of Profit in Associates					
Gain in disposal of associate holdings	-	25,268	-	43,506	134,471
Operating (loss)/profit before asset tax	259,163	(10,107)	530,610	30,396	511,867
Asset tax	-	-	36,416	33,435	33,434
(Loss)/Profit before taxation	259,163	(10,107)	494,194	(3,039)	478,433
Taxation charge/(credit)	(25,500)	13,786	19,477	(7,324)	53,260
NET PROFIT	233,663	3,679	474,717	4,285	425,173
OTHER COMPREHENSIVE INCOME					
Financial Reserve	-	46,151	2,061,445	565,613	1,964,655
Employee share option	-	-	-	-	-
Net Profit Attributable to:					
- <i>Mayberry Investments Ltd.</i>	141,186	(16,958)	421,151	3,857	-
- <i>Non Controlling Interests</i>	92,477	(1,884)	53,565	429	-
Other Comprehensive Income(Net of Tax):	1,552,523	46,151	2,061,445	565,613	1,964,655
TOTAL COMPREHENSIVE INCOME	1,786,186	49,830	2,536,161	569,899	2,389,828
Number of shares in issue	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149
Earnings per share	\$0.19	\$0.003	\$0.40	\$0.004	\$0.35

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 2017.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	(UNAUDITED) JUNE 2018 \$'000	(UNAUDITED) JUNE 2017 \$'000	(AUDITED) DECEMBER 2017 \$'000
ASSETS:			
Cash resources	733,062	673,557	1,110,971
Investment securities	17,920,447	11,948,179	14,665,891
Reverse repurchase agreements	3,983,154	2,862,234	3,919,483
Promissory notes	1,672,379	957,147	1,143,961
Interest receivable	87,089	112,198	103,149
Loans and other receivables	1,546,994	1,362,748	2,465,355
Deferred taxation	82,162	159,202	82,162
Other Assets	712,977	706,216	742,977
Due from related company	-	-	12,269
Property, plant and equipment	114,675	120,263	120,506
Investment in associate	-	1,337,265	-
TOTAL ASSETS	26,852,938	20,239,008	24,366,725
LIABILITIES AND EQUITY:			
LIABILITIES :			
Bank overdraft	44,247	30,437	20,651
Securities sold under repurchase agreements	6,110,838	7,808,264	7,013,670
Interest payable	27,662	35,814	35,965
Loans	5,684,675	2,738,162	4,888,957
Accounts payable	3,041,198	2,068,175	3,009,376
Deferred taxation	50,917	19,395	40,871
TOTAL LIABILITIES	14,959,538	12,700,246	15,009,489
STOCKHOLDERS' EQUITY			
Ordinary Share capital	1,435,578	1,582,380	1,582,381
Fair value and other reserves	4,913,923	2,179,285	3,172,356
Capital Redemption Reserve	51,343	51,343	51,343
Other reserves	26,596	26,596	26,596
Retained earnings	5,294,844	3,699,157	4,524,560
	11,722,284	7,538,762	9,357,236
Non-Controlling Interests	171,116	-	-
TOTAL STOCKHOLDERS' EQUITY	11,893,400	7,538,762	9,357,236
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	26,852,938	20,239,008	24,366,725

	2018	2017	2017
Net Book Value per Stock Unit :	\$9.90	\$6.28	\$7.79

Approved by the Board of Directors for issue on 30th June, 2018 and signed on its behalf by:

Gary Peart
Chief Executive Officer/Director

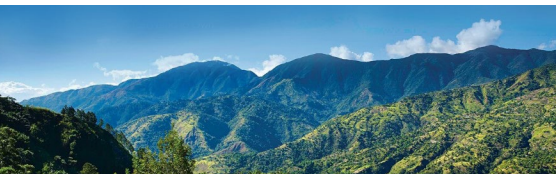
Konrad Berry
Director/Secretary



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT 30 JUNE 2018

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2018	3 Months ended 30 June 2017	6 Months ended 30 June 2018	6 Months ended 30 June 2017	12 Months ended 31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the period	233,663	3,679	474,717	4,285	425,173
Other Comprehensive Income for the period net of tax: Items that will or maybe classified to statement of income					
Unrealised gains/ (losses) on financial instruments	1,552,523	46,151	2,061,445	565,613	1,964,655
Total Comprehensive income attributable to stockholders	1,786,186	49,830	2,536,161	569,899	2,389,828

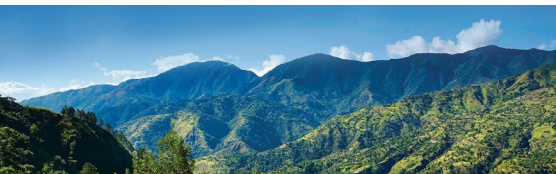




CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2018

	Share Capital	Share Premium	Fair Value Reserve	Other Reserve	Retained Profits	Non Controlling Interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Balance at 1 January 2017	120,115	1,462,266	2,272,532	77,939	3,312,273	-	7,245,125
Other Comprehensive Income	-	-	565,613	-	-	-	565,613
Transfers from Capital Redemption Reserve	-	-	-	-	-	-	-
Realised gains(net) transferred to retained earnings	-	-	(658,861)	-	658,861	-	-
Net profit	-	-	-	-	4,285	-	4,285
Dividends	-	-	-	-	(276,264)	-	(276,264)
Balance at 30 June 2017	120,115	1,462,266	2,179,285	77,939	3,699,155	-	7,538,760
Balance at 1 January 2018	120,115	1,462,266	3,172,356	77,939	4,524,560	-	9,357,236
Dividend in specie	-	(146,803)	-	-	-	146,803	-
Other Comprehensive Income	-	-	2,061,445	-	-	-	2,061,445
Realised profit(net) transferred to retained earnings	-	-	(319,878)	-	349,131	(29,253)	-
Net profit	-	-	-	-	421,152	53,566	474,719
Dividends	-	-	-	-	-	-	-
Balance at 30 June 2018	120,115	1,315,463	4,913,923	77,939	5,294,843	171,116	11,893,400





CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Unaudited 6 Months ended 30 June 2018 \$'000	Unaudited 6 Months ended 30 June 2017 \$'000	Audited Year ended 31 December 2017 \$'000
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	494,194	(3,039)	478,433
Adjustments to reconcile profit to net cash used in operating activities:			
Provision for credit losses	36,000	15,000	7,963
Gain on disposal of property, plant and equipment	-	-	-
Depreciation and amortization	11,165	13,655	22,758
Provision /(write back) for impairment on investments	-	(105,337)	677,690
Interest Income	(368,625)	(390,579)	(722,007)
Interest Expense	272,819	369,300	570,689
Unrealised (gain) / loss on investment revaluation	(336,011)	104,661	(1,166,280)
Realized fair value losses transferred to retained earnings - IFRS 9	319,878	493,701	1,064,831
Impairment loss on unquoted investment	-	-	803,026
Gain on disposal of investment in associate	-	1,458	(70,021)
Unrealised foreign exchange gain	(16,723)	(3,268)	99,270
Share of profit in Associate Company	-	(43,506)	(134,471)
Employee share options	-	-	-
Income tax (charge)/credit	(19,477)	7,324	(53,260)
Adjusted Profit/Loss	393,219	459,370	1,578,621
Changes in operating assets and liabilities:			
Loans and other receivables	929,197	36,076	(1,066,533)
Investments	(1,160,254)	2,031,084	1,140,056
Due from subsidiary	12,269	(223,677)	-
Promissory notes	(564,418)	(262,471)	(403,454)
Securities purchased under resale agreements	(63,671)	-	(1,319,720)
Accounts payable	61,034	219,116	1,163,037
Securities sold under resale agreement	(902,832)	479,560	(315,033)
Loans	795,719	(2,595,151)	(444,356)
Cash used in Operating Activities	(499,736)	143,907	332,618
Interest received	384,685	426,685	767,162
Interest paid	(281,123)	(365,271)	(566,509)
Income tax paid	-	-	(5,452)
Net cash provided by/(used in) operating activities	(396,173)	205,321	527,819
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(5,334)	(9,548)	(27,548)
Dividends received from subsidiary	-	-	12,430
Proceeds from disposal of investment in associate company	-	-	137,264
Proceeds from disposal of property, plant and equipment	-	-	8,652
Net cash used in investing activities	(5,334)	(9,548)	130,798
CASH FLOWS FROM FINANCING ACTIVITIES:			
Ordinary dividend payment	-	(276,266)	(276,264)
Net cash provided by financing activities	-	(276,266)	(276,264)
Net decrease) in cash and cash equivalents	(401,508)	(80,493)	382,353
Effects of exchange rate changes on cash and cash equivalent	-	-	(15,645)
Cash and cash equivalents at beginning of the period	1,090,320	723,613	723,612
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	688,812	643,120	1,090,320



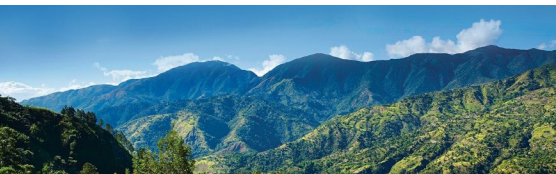
Top Ten Shareholders and Connected Persons

30 JUNE 2018

<u>Name</u>	Shareholdings
PWL BAMBOO HOLDINGS LIMITED	473,549,826
KONRAD BERRY	433,686,104
MAYBERRY MANAGED CLIENTS ACCOUNT	42,022,426
KONRAD LIMITED	28,607,890
GARY PEART	24,566,665
VDWSD LTD	19,990,000
THE MAYBERRY FOUNDATION LTD	11,609,112
CHRISTINE WONG	8,103,167
MAYBERRY INVESTMENTS LTD. PENSION SCHEME	6,406,472
VMWEALTH EQUITY FUND	6,202,153

Connected Persons

Apex Pharmacy	3,568,916
A+ Plus Medical Centre	500,000
Mayberry Managed Client Account	3,513,817
Mayberry Individual Retirement Scheme	1,000,000
Doris Berry	732,262
Mayberry Staff Investment Club	115,772
Est. Maurice Berry	10





Shareholdings of Directors and Senior Management

30 JUNE 2018

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	473,555,246
Konrad Berry**	437,377,507	28,619,010
Gary Peart**	25,443,191	20,034,929
Erwin Angus	1,000,000	2,507,886
Gladstone Lewars **	1,431,500	
Tania Waldron-Gooden **	166,666	
Benito Palomino	2,283,105	
David McBean**	1,446,521	
 <u>Managers</u>		
Kayree Berry-Teape**	2,727,416	31,080
Dianne Tomlinson-Smith	20,000	
Andrea HoSang**	1,365,267	
Damian Whyllie	133,333	
Dan Theoc	2,040	
Kristen Raymore-Reynolds	100,000	

**** Includes holdings in joint accounts**

