

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 3 MONTHS ENDED DECEMBER 31, 2015

CHAIRMAN'S STATEMENT

For the quarter ending December 31, 2015, Barita Investments Limited continued its profitable performance, resulting in a recorded profit before taxes of \$39 million from gross revenues of \$179 million. This represents a 22% pre-tax profit margin.

The highlights of our operating performance for the financial year to date are as follows:

- Gross revenue from Interest Income was \$267 million, 16% above the prior year's position, while the related interest expense for the period was \$192 million, 14% above prior year.
- In an environment where interest rates continue to decrease, the effective management of our investment portfolio continues to result in improved net income. This resulted in an improvement in our margins as we recorded net interest income of \$75 million, approximately 21% above prior year.
- The performance of our non-interest revenue streams continues to reflect the changes in emphasis from interest income. Revenues from non-interest income was \$104 million compared to \$115 million prior year. Although this reflects a 10% reduction from prior year, there were positive performances in some revenue areas.
 - Fees and Commission income was 64% above prior year

at \$63 million. Revenues from our Unit Trust operations continue to improve posting \$50 million versus \$34 million prior year, a 47% increase. Additionally, revenues from our equity business was \$7.5 million compared to \$1.8 million prior year.

- Dividend Income was 50% above prior year at \$6 million while Trading gains were 57% below prior year at \$21 million.
- Operational costs for the 3 month period to December 31 2015 increased by 17% when compared to the same period last year. This was due to increased staff costs driven primarily by incentive payments and commissions. Administrative costs remained flat year over year with continued reductions in utility costs being the primary driver.
- The depreciation of the Jamaican Dollar against the USD, Euro and Sterling, continued at a slower pace. This resulted in translation gains of \$11 million year to date down from \$21 million prior year.

CAPITAL ADEQUACY

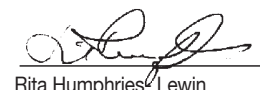
The Capital base of Barita Investments Limited remains in compliance with regulatory requirements. This is set out in the following key ratios:

	FSC Requirement	Barita Achievement
Capital to Risk Weighted Asset	10%	19%
Capital to Total Asset	6%	13%
Capital Base to Tier 1 Capital	50%	96%

OUTLOOK

We are proud of our success at meeting the numerous challenges in the marketplace and continuing to be a profitable organization.

We will persist in the active management of our costs, to enhance shareholder and stakeholder value in brand Barita.



Rita Humphries-Lewin

Chairman
February 15, 2016

CONSOLIDATED PROFIT & LOSS STATEMENT AS AT DECEMBER 31, 2015


	UNAUDITED 3 Months Ended December 31 2015 \$,000	UNAUDITED 3 Months Ended December 31 2014 \$,000
Net Interest Income and Other Revenue		
Interest Income	267,097	229,743
Interest cost of Repurchase Agreements	(191,820)	(167,733)
Net Interest Income	75,277	62,010
Fees and Commission Income	62,741	38,236
Foreign Exchange Trading and translation gains	14,634	24,696
Gain/Loss on Sale of Investment	20,571	48,086
Dividend Income	6,036	4,030
Other Income	105	(195)
Net operating revenue	179,364	176,862
Operating Expenses		
Staff Costs	83,522	62,774
Administration	56,485	56,522
	140,007	119,296
Profit before Taxation	39,357	57,566
Taxation	(11,689)	(11,937)
NET PROFIT/(LOSS) FOR THE PERIOD	27,668	45,629
Number of shares in Issue	445,877	445,877
Earnings per stock unit	0.06	0.10

Basis of Preparation

These consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the audited financial statements for the year ended September 30, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	Unaudited December 2015 \$,000	Unaudited December 2014 \$,000	Audited September 2015 \$,000
ASSETS			
Cash and bank balances	72,630	99,724	217,002
Securities purchased under resale agreements	2,775,852	1,661,250	2,296,371
Marketable securities	4,246,116	6,747,576	3,908,760
Pledged Assets	5,640,470	3,461,196	5,578,937
Receivables	510,605	360,670	344,468
Loan receivables	315,446	203,406	291,243
Interest receivables	211,949	162,713	205,408
Due from related parties	34,906	519	59,310
Property, plant and equipment	322,270	318,940	325,723
Investments	28,135	28,135	6,917
Deferred Assets	0	0	0
Total Assets	14,158,379	13,044,130	13,234,139
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	3	879	22,502
Securities sold under repurchase agreements	11,451,213	10,903,439	10,861,027
Payables	211,587	61,969	136,457
Interest Payable	77,721	80,068	73,937
Due to related parties	0	2,479	33,572
Taxation	-	0	123,040
Deferred tax liabilities	309,589	216,082	130,973
Total Liabilities	12,050,113	11,264,915	11,381,508
Shareholders' Equity			
Stated capital	745,494	745,494	736,304
Capital reserve	69,798	69,798	69,799
Fair value reserve	215,426	107,373	17,077
Capital Redemption Reserve	220,127	220,127	220,127
Retained earnings	857,421	636,423	809,324
Total Shareholders' Equity	2,108,266	1,779,215	1,852,631
Total Liabilities and Shareholders' Equity	14,158,379	13,044,130	13,234,139



Rita Humphries-Lewin – Chairman



Carl Domville – Director

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 3 MONTHS ENDED DECEMBER 31, 2015 CONT'D.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED DECEMBER 31 2015

	Stated Capital \$,000	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Capital Redemption Reserves \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2014	754,994	(10,979)	69,799	57,916	220,127	581,473	1,673,330
Reclassification entries							
Profit for the period						45,629	
Other Comprehensive Income:							
Unrealised losses on available-for resale investments net of taxes				4,129			
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments				45,328			
Adjusting Entries	645	834				9,321	10,800
Revaluation surplus, net of taxes							
Total Comprehensive Income				49,457		45,629	49,457
Net profit						45,629	45,629
Ordinary Dividends Paid							95,086
Balance at 31 December 2014	755,639	(10,145)	69,799	107,373	220,127	636,423	1,779,216
Balance at 30 September 2015	754,994	(18,690)	69,799	17,077	220,127	809,324	1,852,631
Profit for the period						27,668	
Other Comprehensive Income:							
Unrealised gain on available-for resale investments net of taxes				177,777			177,777
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments				20,571			20,571
Adjusting entries	-	9,190				20,429	29,619
Total Comprehensive Income	-	9,190	-	198,348		20,429	227,967
Net profit						27,668	27,668
Ordinary Dividends Paid							
Balance at 31 December 2015	754,994	(9,500)	69,799	215,425	220,127	857,421	2,108,266

STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED DECEMBER 31 2015

	UNAUDITED 3 Months Ended December 31 2015 \$,000	UNAUDITED 3 Months Ended December 31 2014 \$,000
Profit for period	27,668	45,629
Unrealised gain on available-for resale investments net of taxes	177,777	4,129
Total Comprehensive Income	205,445	49,758

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT DECEMBER 31, 2015

	Unaudited 3 Months Ended December 31, 2015 \$,000	Unaudited 3 Months Ended December 31, 2014 \$,000
Cash Flows from Operating Activities		
Net Profit	27,668	45,629
Adjusted for:		
Depreciation	3,634	4,028
Effect of exchange gain/loss on foreign balances	(11,456)	(21,414)
Interest income	(267,097)	(229,743)
Interest expense	191,820	167,733
Income tax expense	11,689	11,937
Gain on the disposal of property, plant and equipment	-	-
	(43,742)	(21,830)
Changes in operating assets and liabilities		
Marketable securities	399,460	79,850
Securities purchased under resale agreements	(479,481)	266,292
Securities sold under repurchase agreements	(9,814)	(607,471)
Receivables	(172,678)	240,510
Loans receivable	(24,203)	(3,936)
Payables	130,706	(9,998)
Due from related companies	(9,168)	15,574
	(165,178)	(19,179)
Interest received	260,556	174,559
Interest paid	(188,036)	(155,225)
Income tax paid	(14,325)	-
Cash provided by operating activities	58,195	19,334
Cash Flows from Investing/financing Activities		
Proceeds from the disposal of property, plant and equipment		
Proceeds from sale of ordinary shares and irredeemable preference shares	-	-
Ordinary Dividends	-	-
Interest paid on preference shares	-	-
Purchase of property, plant and equipment	(21,399)	(11,997)
Cash provided by investing/financing activities	(21,399)	(11,997)
Effect of exchange rate on cash and cash equivalents	50,251	58,925
Decrease/(increase) in net cash and cash equivalents	(121,873)	25,253
Net cash and cash equivalents at beginning of year	194,500	73,593
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	72,627	98,846