

# Barita

## INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2011

### Chairman's Statement

#### Barita has another improved quarter, posting \$127m profit before taxes

Barita Investments Limited continued the trend started in the fourth quarter of its previous financial year with yet another improved quarterly performance. Compared to the prior year's performance of \$43 million, the company registered a pretax profit of \$127 million for the period ending March 31, 2011.

With the interest rate regime consistently trending downwards, our interest income revenues have understandably shrunk by approximately 10%. Improvements however in our net interest income, realignment of our asset portfolio, coupled with continued improvements in our non interest income revenue streams, have seen our gross revenues increase by 35% year over year.

Income from our cambio operations is on par with prior year. The impact of translation has been negligible, with prior year registering a loss of \$3.4 million compared to a current year loss of \$.5 million.

Asset trading revenues are 4% below prior year revenues, but importantly, revenues from fees and commissions have been positively impacted by improved performance from the Barita Unit Trusts activities. Bolstered by the performance of the Tuition Builder product introduced in October 2010, Barita Unit Trusts revenues were 15% better than prior year.

Operational costs to March 31, 2011, reflect our continuing successes in management of our expenses. Our operating expenses for the period amounted to \$167 million versus prior year of \$176 million. Concurrent management of our operating costs while improving our revenues has resulted in a significant improvement in our profit position. Net profits amounted to \$99 million or earnings per share of \$0.22c per share, for the six-month period.

#### Income Statement

There was an \$83 million or 63% increase in net interest income and an \$8 million or 9% decrease in non interest income. This fall off in non interest income was due to reductions in fees from equity transactions, dividend and other income and asset trading activities.

Total revenues for the 6 months to March 31, 2011 were \$294 million, compared to \$219 million for the corresponding period last year. This reflected an increase of \$75 million or 35%.

Operating Expenses totaled \$167 million compared to \$176 million prior year.

#### Balance Sheet

Our asset base showed a \$3 billion or 26% increase over prior year, from \$11.5 billion to \$14.5 billion, while our liabilities also increased by \$2.6 billion or 26%. These increases were primarily due to increases in Repo trading activities. Consequently, we recorded an increase in shareholders equity of approximately \$385 million to \$1.6 billion.

#### Capital Adequacy

The Capital base of Barita Investments Limited remains significantly above regulatory requirements as the following key ratios indicate:

	FSC Requirement	Barita Achievement
Capital to Risk weighted Asset	10%	37%
Capital to Total Asset	6%	11%
Capital Base to Tier 1 Capital	50%	100%

#### Outlook

We are proud of our success at meeting the numerous challenges in the marketplace and continuing to be a profitable organization. We persist in the active management of our costs, and will keep abreast of market conditions and demands so that we can continue to enhance the performance and profitability of our organization.



Rita Humphries-Lewin  
Chairman  
April 27, 2011

### CONSOLIDATED PROFIT & LOSS STATEMENT

OR THE 6 MONTHS ENDED MARCH 31, 2011

	UNAUDITED 6 Months Ended March 31 2011 \$,000	UNAUDITED 6 Months Ended March 31 2010 \$,000
<b>Net Interest Income and Other Revenues</b>		
Interest Income	693,606	767,993
Interest cost of Repurchase Agreements	(478,189)	(635,261)
<b>Net Interest Income</b>	<b>215,417</b>	<b>132,732</b>
Fees and Commission Income	23,164	28,351
Foreign Exchange Trading and Translation gains	6,532	3,147
Gain/Loss on Sale of Investment	45,042	47,910
Dividend Income	1,276	3,414
Other Income	1,844	3,143
<b>Net Operating Revenue</b>	<b>293,274</b>	<b>218,696</b>
<b>Operating Expenses</b>		
Staff Costs	96,707	97,779
Administration	70,136	77,880
	<b>166,843</b>	<b>175,659</b>
<b>Profit before Taxation</b>	<b>126,431</b>	<b>43,037</b>
Taxation	(27,037)	(9,614)
<b>Profit for the year</b>	<b>99,395</b>	<b>33,423</b>
<b>Other Comprehensive Income</b>		
Unrealised gains on available-for-sale investments, net of taxes	412,526	199,835
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments	(45,042)	(47,910)
	367,484	151,924
<b>Total Comprehensive income</b>	<b>466,879</b>	<b>185,347</b>
<b>Number of Shares in Issue</b>	445,877	445,877
Basic Earnings per Share	0.22	0.07


#### 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 30 September 2010. The group has adopted IAS1 (revised) which is effective for accounting periods commencing January 1, 2009.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

	Unaudited MARCH 2011 \$,000	Unaudited MARCH 2010 \$,000
<b>ASSETS</b>		
Cash and bank balances	96,108	190,485
Securities purchased under resale agreements	2,460,180	1,222,925
Marketable securities	11,087,068	8,991,232
Receivables	456,763	439,059
Loan receivable	60,870	259,376
Interest receivables	208,005	236,208
Due from related parties	5,536	103
Property, plant and equipment	154,272	134,334
Investments	2	2
Deferred tax assets	0	0
<b>Total assets</b>	<b>14,528,804</b>	<b>11,473,725</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Bank overdraft	32,385	47,814
Securities sold under repurchase agreements	12,204,613	9,730,671
Payables	105,455	49,871
Interest Payable	142,932	205,630
Redeemable Preference Shares	164,100	162,540
Convertible Preference Shares	3,460	
Due to related parties	0	3,639
Taxation	4,526	0
Deferred tax liabilities	285,851	138,405
<b>Total Liabilities</b>	<b>12,943,322</b>	<b>10,338,571</b>
<b>Shareholders' Equity</b>		
Stated capital	765,154	754,998
Treasury shares	(10,145)	(9,500)
Preference shares	0	13,620
Capital reserve	1,103	1,243
Fair value reserve	394,503	102,891
Retained earnings	434,866	271,902
<b>Total shareholders' equity</b>	<b>1,585,482</b>	<b>1,135,155</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,528,804</b>	<b>11,473,725</b>



Rita Humphries-Lewin — Chairman



Carl Domville — Director



# INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS  
FOR THE 6 MONTHS ENDED MARCH 31, 2011 CONT'D.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED MARCH 31, 2011

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Retained Earnings \$,000	Total \$,000
<b>Balance at 30 September 2009</b>	667,550		(9,500)	1,103	(49,033)	238,619	848,739
Profit for the period						33,423	33,423
<b>Other Comprehensive Income:</b>							
Unrealised losses on available-for sale investments net of taxes					199,835		199,835
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(47,910)		(47,910)
					151,924		151,924
Total Comprehensive Income					151,924	33,423	185,347
Transactions with owners:							
Issue of ordinary shares	87,448						87,448
Issue of preference shares		13,620					13,620
<b>Balance at 31 March 2010</b>	<b>754,998</b>	<b>13,620</b>	<b>(9,500)</b>	<b>1,103</b>	<b>102,891</b>	<b>272,042</b>	<b>1,135,155</b>
<b>Balance at 30 September 2010</b>	765,154		(10,145)	1,103	26,787	335,705	1,118,604
Profit for the period						99,395	99,395
<b>Other Comprehensive Income:</b>							
Unrealised losses on available-for sale investments net of taxes					412,526		412,526
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(45,042)		(45,042)
					367,484		367,484
Total Comprehensive Income					367,484	99,395	466,879
<b>Balance as at 31 March 2011</b>	<b>765,154</b>	<b>0</b>	<b>(10,145)</b>	<b>1,103</b>	<b>394,271</b>	<b>435,100</b>	<b>1,585,483</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2011

	Unaudited 6 Months Ended March 31, 2011 \$,000	Unaudited 6 Months Ended March 31, 2010 \$,000
<b>Cash Flows from Operating Activities</b>		
Net Profit	99,395	33,423
Adjusted for:		
Depreciation	5,271	6,738
Effect of exchange gain/loss on foreign balances	503	3,450
Interest income	(693,606)	(767,993)
Interest expense	478,189	635,261
Income tax expense	27,037	9,614
Gain on the disposal of property, plant and equipment		0
	(83,211)	(79,506)
Changes in operating assets and liabilities		
Marketable securities	(1,440,846)	(1,476,105)
Securities purchased under resale agreements	(327,151)	2,361,088
Securities sold under repurchase agreements	1,517,125	(882,899)
Receivables	(20,026)	(117,685)
Loans receivable	(1,446)	(219,881)
Payables	18,829	(3,003)
Due from related companies	4,769	(4,279)
	(248,746)	(342,764)
Interest received	646,758	1,057,442
Interest paid	(485,179)	(825,923)
Income tax paid		2,174
Cash provided by operating activities	161,579	233,693
<b>Cash Flows from Investing/Financing Activities</b>		
Proceeds from sale of ordinary shares and irredeemable preference shares		101,068
Proceeds from sale of redeemable preference shares		162,540
Interest paid on preference shares	(14,330)	
Purchase of property, plant and equipment	(9,888)	11,187
Cash provided by investing/financing activities	(24,219)	274,795
Effect of exchange rate on cash and cash equivalents	(947)	23
Decrease/(increase) in net cash and cash equivalents	(195,544)	86,241
Net cash and cash equivalents at beginning of year	259,267	56,430
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>63,723</b>	<b>142,671</b>