

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2012

Chairman's Statement

Barita continues performance trend, posting \$212m profit before taxes.

For the six-month period ended March 31, 2012, Barita Investments Limited continued the performance trend set over the last financial period, posting profit before taxes of \$212 million compared to a profit of \$126 million for the same period last year.

The net profit position for the period ending March 31, 2012 amounted to \$143 million or earnings per share of \$0.32c per share compared to \$99 million or \$0.22c prior year.

With the interest rate regime stabilizing at current levels coupled with some of our existing higher interest rate investments maturing, our interest income revenues have recorded a 10% reduction, however, optimization of our balance sheet has seen an increase in our net interest income of \$43million or 20% over prior year.

Continued focus and improvements in our asset and equity trading activities have seen revenues for the period ended March 31, 2012 amounting to \$123million and \$42million respectively or 173% and 82% over prior year.

Our operating expenses for the period ending March 31 amounted to \$226 million versus prior year \$167 million. The operational costs to March 31, 2012 reflected increases in our advertising and public relations activities as we continue to improve our visibility. Increases in staff costs reflect initiatives in human resource development and capacity building.

We continue to aggressively manage our costs as we seek to improve the

efficiency of our organization. With this approach, we have improved the efficiency of our expenditure, with total expenditure as a percentage of net operating revenue being 52% as at March 31, 2012 compared to 57% prior year.

Income Statement

There was a \$43 million or 20% increase in net interest income, and a \$101 million or 130% increase in non-interest income. Increases in non-interest income were driven primarily by improved performance on equity trading and bond trading activities.

Total revenues for the 6 months to March 31, 2012 was \$437 million compared to \$293 million for the corresponding period last year, thus reflecting an increase of \$144 million or 49%.

Operating Expenses totaled \$226 million compared to \$167 million prior year.

Balance Sheet

Our asset base showed a \$3.3billion or 2% decrease over prior year from \$14.5 billion to \$14.2 billion, while our liabilities also decreased by \$5.5 billion or 4%. Consequently, we recorded an increase in shareholders equity of approximately \$200 million.

Capital Adequacy

The Capital base of Barita Investments remains significantly above regulatory

requirements. Increased capital requirements by our main regulators continue to impact capital ratios, however Barita Investments Limited still remains very adequately capitalized. The following key ratios are important:

	FSC Requirement	Barita Achievement
Capital to Risk weighted Asset	10%	17%
Capital to Total Asset	6%	10%
Capital Base to Tier 1 Capital	50%	100%

Outlook

The company continues to grow from strength to strength with efficiency and profitability at the core of our decision making.


We continue to invest in our staff and technology to drive the business forward and remain committed to providing all of our stakeholders with the best return on their investment.



Rita Humphries-Lewin
Chairman
April 26, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012

Note	Unaudited MARCH 2012 \$,'000	Unaudited MARCH 2011 \$,'000
ASSETS		
Cash and bank balances	160,140	96,108
Securities purchased under resale agreements	1,208,245	2,460,180
Marketable securities	6,252,791	11,087,068
Pledged Assets	5,697,816	
Receivables	447,806	456,763
Loan receivable	89,211	60,870
Interest receivables	181,864	208,005
Due from related parties	(16,522)	5,536
Property, plant and equipment	214,788	154,272
Investments	2	2
Total Assets	14,236,142	14,528,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Bank overdraft	122,838	32,385
Securities sold under repurchase agreements	11,668,277	12,204,613
Payables	68,426	105,455
Interest Payable	87,318	142,932
Redeemable Preference Shares	205,968	164,100
Convertible Preference Shares	3,475	3,460
Taxation	0	4,526
Deferred tax liabilities	295,559	285,851
Total Liabilities	12,451,860	12,943,321
Shareholders' Equity		
Stated capital	765,154	765,154
Treasury shares	(10,145)	(10,145)
Capital reserve	1,101	1,103
Fair value reserve	386,060	394,503
Retained earnings	642,111	434,866
Total shareholders' equity	1,784,282	1,585,482
Total liabilities and shareholders' equity	14,236,142	14,528,803


Rita Humphries-Lewin – Chairman


Carl Domville – Director

CONSOLIDATED PROFIT & LOSS STATEMENT AS AT MARCH 31, 2012

	UNAUDITED 3 Months Ended Mar 31, 2012 \$	UNAUDITED 3 Months Ended Mar 31, 2011 \$	UNAUDITED 6 Months Ended Mar 31, 2012 \$	UNAUDITED 6 Months Ended Mar 31, 2011 \$
Net Interest Income and Other Revenues				
Interest Income	296,426	359,228	627,894	693,606
Interest cost of Repurchase Agreements	(185,171)	(251,667)	(369,686)	(478,189)
Net Interest Income	111,255	107,561	258,208	215,417
Fees and Commission Income	15,073	11,991	41,745	23,164
Foreign Exchange Trading and translation gains	15,596	9,900	11,431	6,532
Gain/Loss on Sale of Investment	100,793	33,352	123,387	45,042
Dividend Income	905	807	2,395	1,276
Other Income	2,897	617	243	1,844
Net Operating Revenue	246,518	164,227	437,410	293,274
Operating Expenses				
Staff Costs	66,590	46,588	128,904	96,707
Administration	48,390	35,358	96,653	70,136
	114,980	81,946	225,557	166,843
Profit before Taxation	131,538	82,281	211,852	126,431
Taxation	(39,069)	(15,137)	(68,791)	(27,037)
NET PROFIT/(LOSS) FOR THE PERIOD	92,469	67,144	143,061	99,395
Number of shares in Issue	445,877	445,877	445,877	445,877
Earnings per stock unit	0.21	0.15	0.32	0.22

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 2011.

The group has adopted IFRS7 (amendment) which is effective for accounting periods commencing on or after January 1, 2011.

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2012 CONT'D.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED MARCH 31, 2012.

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2010	765,154	0	(10,145)	1,103	26,787	335,705	1,118,604
Profit for the period						99,395	99,395
Other Comprehensive Income:							
Unrealised losses on available-for resale 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)
Revaluation surplus, net of taxes							
					367,484		367,484
Net profit						99,395	99,395
Total recognised income/(losses) to March 2011					367,484	99,395	466,879
Purchase of treasury shares			(10,145)				
Balance at 31 Mar 2011	765,154	0	(10,145)	1,103	394,271	435,100	1,585,483
Balance at 30 September 2011	765,154	0	(10,145)	28,506	436,876	539,179	1,759,570
Profit for the period						143,061	
Other Comprehensive Income:							
Unrealised gain on available-for resale investments net of taxes					72,019		72,019
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(122,835)		(122,835)
Revaluation surplus, net of taxes				(27,405)			(27,405)
				(27,405)	(50,816)		(78,221)
Net Profit						143,061	143,061
Total				(27,405)	(50,816)	143,061	64,840
Ordinary Dividends Paid						(40,129)	(40,129)
Balance at 31 March 2012	765,154	0	(10,145)	1,101	386,060	642,111	1,784,281

STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED MARCH 31, 2012

	UNAUDITED 6 Months Ended Mar 31, 2012 \$,000	UNAUDITED 6 Months Ended Mar 31, 2011 \$,000
Profit for period	143,061	99,395
Unrealised gain on available-for resale investments net of taxes	72,019	412,526
Total Comprehensive Income	215,080	511,920

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT MARCH 31, 2012

	Unaudited 6 Months Ended Mar 31, 2012 \$,000	Unaudited 6 Months Ended Mar 31, 2011 \$,000
Cash Flows from Operating Activities		
Net Profit	143,061	99,395
Adjusted for:		
Depreciation	6,733	5,271
Effect of exchange gain/loss on foreign balances	(5,506)	503
Interest income	(627,894)	(693,606)
Interest expense	369,686	478,189
Income tax expense	68,791	27,037
	(45,130)	(83,211)
Changes in operating assets and liabilities		
Marketable securities	368,553	(1,440,846)
Securities purchased under resale agreements	257,460	(327,151)
Securities sold under repurchase agreements	(550,513)	1,517,125
Receivables	(7,333)	(20,026)
Loans receivable	(15,458)	(1,446)
Payables	(160,766)	18,829
Due from related companies	24,613	4,769
	(83,445)	(248,746)
Interest received	638,051	646,758
Interest paid	(388,767)	(485,179)
Income tax paid	(127,500)	
Cash provided by operating activities	121,784	161,579
Cash Flows from Investing/financing Activities		
Ordinary Dividends	(40,129)	
Interest paid on preference shares	(13,000)	(14,330)
Purchase of property, plant and equipment	(11,341)	(9,888)
Cash provided by investing/financing activities	(64,470)	(24,219)
Effect of exchange rate on cash and cash equivalents	1,200	(947)
Decrease/(increase) in net cash and cash equivalents	(70,060)	(195,544)
Net cash and cash equivalents at beginning of year	107,362	259,267
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	37,302	63,723