

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2015.

CHAIRMAN'S STATEMENT

BARITA RECORDS \$177M PROFIT

For the quarter ending March 31, 2015, Barita Investments Limited improving performance levels have resulted in a recorded profit before taxes of \$177 million from net operating revenues of \$424 million. This compares favourably with our prior year performance of \$110 million from net operating revenues of \$327 million. These results clearly highlight the performance improvements garnered as we continue to reconfigure our operations.

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

Gross revenue from Interest Income was \$434 million, 17% below the prior year position, while the related interest expense for the period was \$319 million, 5% less than the previous year.

In an environment where interest rates have decreased, our liability costs have also similarly declined thus resulting in a reduction of our interest expense. However with our investment portfolio comprising of approximately fifty percent variable instruments our interest income has been reduced at a faster rate. Additionally, as we transition to unitized funds this trend will become more apparent.

This resulted in a significant contraction in our margins and we recorded net interest income of \$115 million, approximately 37% down from last year.

This decrease in interest income was compensated from non-interest income revenues. Revenues from our non-interest income were above prior year with \$309 million compared to \$142 million.

Fees and Commissions income was 88% above prior year at \$79 million with significant improvements coming from the revenues of the Barita Unit Trusts Management Company. Additionally trading gains improved by 813% at \$179 million compared to \$21 million in the prior year.

Operational costs for the 6 month period to March 31 2015 increased by 14% when compared to the same period last year. Over the same period, staff costs increased by 12%, triggered primarily by additional human resources and remuneration adjustments.

Administrative costs were 16% higher for the same period last year; the main contributors being our financial support of the Education Foundation and client support expenses.

The depreciation of the Jamaican Dollar against the USD, Euro and Sterling continued albeit at a slightly slower pace. Interspersed with some periods of revaluation, this has resulted in translation gains of \$34 million year to date down by \$29 million from 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%	18%
Capital to Total Asset	6%	13%
Capital Base to Tier 1 Capital	50%	96%

OUTLOOK

We remain resolute in our thrust to continue to increase shareholder value through a tactical approach to the markets and continued prudence in money management.

As we continue to expand our portfolio of products to meet the changes in the market place, we are thankful for the support we receive from our loyal clients and other stakeholders that enable us to maintain profitability.



Rita Humphries-Lewin

Chairman
April 22, 2015

CONSOLIDATED PROFIT & LOSS STATEMENT AS AT MARCH 31, 2015


	UNAUDITED 3 Months Ended March 31 2015 \$	UNAUDITED 3 Months Ended March 31 2014 \$	UNAUDITED 6 Months Ended March 31 2015 \$	UNAUDITED 6 Months Ended March 31 2014 \$
Net Interest Income and Other Revenue				
Interest Income	204,425	259,844	434,576	523,635
Interest cost of Repurchase Agreements	(151,108)	(171,395)	(319,249)	(338,430)
Net Interest Income	53,317	88,450	115,327	185,205
Fees and Commission Income	41,086	17,844	79,322	41,007
Foreign Exchange Trading and translation gains	17,029	37,028	41,726	72,186
Gain/Loss on Sale of Investment	131,182	13,524	179,268	21,628
Dividend Income	4,202	4,990	8,231	6,926
Other Income	431	162	235	29
Net Operating Revenue	247,247	161,999	424,109	326,982
Operating Expenses				
Staff Costs	68,194	59,456	130,551	116,380
Administration	59,727	54,940	116,666	100,477
	127,921	114,397	247,218	247,218
Profit before Taxation	119,326	47,602	176,892	110,125
Taxation	(35,428)	476	(47,364)	(4,649)
NET PROFIT/(LOSS) FOR THE PERIOD	83,898	48,078	129,528	105,476
Number of shares in Issue	445,877	445,877	445,877	445,877
Earnings per stock unit	0.19	0.11	0.29	0.24

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, 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	Unaudited MARCH 2015 \$,'000	Unaudited MARCH 2014 \$,'000	Audited SEPTEMBER 2014 \$,'000
ASSETS			
Cash and bank balances	621,257	286,158	76,760
Securities purchased under resale agreements	1,307,658	1,074,164	1,506,259
Marketable securities	6,273,105	8,407,886	6,827,426
Pledged Assets	4,052,295	2,863,317	3,833,022
Receivables	296,945	444,943	510,995
Loan receivables	251,407	127,111	199,470
Interest receivables	220,321	266,698	252,898
Due from related parties	519	373	13,615
Property, plant and equipment	318,801	250,247	316,900
Investments	28,135	2	18,179
Deferred Assets	0	0	0
Total Assets	13,370,444	13,720,899	13,555,524
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	402,389	42,903	3,167
Securities sold under repurchase agreements	10,529,896	11,983,176	11,523,418
Payables	93,116	99,210	75,263
Interest Payable	64,847	81,149	67,560
Due to related parties	(18,168)	415	0
Taxation			8,452
Deferred tax liabilities	337,211	136,770	204,334
Total Liabilities	11,409,292	12,343,623	11,882,194
Shareholders' Equity			
Stated capital	755,639	754,994	754,994
Treasury shares	(10,145)	(10,145)	(10,979)
Capital reserve	69,798	28,505	69,799
Fair value reserve	236,622	(261,641)	57,916
Capital Redemption Reserve	220,127	220,127	220,127
Retained earnings	689,110	645,436	581,473
Total shareholders' equity	1,961,152	1,377,276	1,673,330
Total liabilities and shareholders' equity	13,370,444	13,720,899	13,555,524



Rita Humphries-Lewin – Chairman



Carl Dornville – Director

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2015 CONT'D.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED MARCH 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 2013 (Restated)	754,994	(10,145)	28,506	(113,601)	220,127	523,875	1,403,756
Reclassification entries				(29,459)		29,459	
Profit for the period						105,477	
Other Comprehensive Income:							
Unrealised losses on available-for resale investments net of taxes				(97,239)			(97,239)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments				(21,341)			(21,341)
Revaluation surplus, net of taxes							
Total Comprehensive Income				(118,581)		105,477	(118,581)
Net profit						105,477	105,477
Ordinary Dividends Paid						(13,376)	(13,376)
Balance at 31 March 2014	754,994	(10,145)	28,506	(261,641)	220,127	645,435	1,377,276
Balance at 30 September 2014	754,994	(10,979)	69,799	57,916	220,127	581,473	1,673,330
Profit for the period						129,528	
Other Comprehensive Income:							
Unrealised gain on available-for resale investments net of taxes				(563)			(563)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments				179,269			179,269
Adjusting entries	645	834				9,321	10,800
Total Comprehensive Income	645	834		178,706		9,321	189,506
Net profit						129,528	129,528
Ordinary Dividends Paid						(31,211)	(31,211)
Balance at 31 March 2015	755,639	(10,145)	69,799	236,622	220,127	689,111	1,961,153

STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED MARCH 31, 2015

	UNAUDITED 6 Months Ended March 31, 2015 \$,000	UNAUDITED 6 Months Ended March 31, 2014 \$,000
Profit for period	129,528	105,477
Unrealised gain on available-for resale investments net of taxes	(563)	(97,239)
Total Comprehensive Income	128,965	8,238

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT MARCH 31, 2015

	Unaudited 6 Months Ended March 31, 2015 \$,000	Unaudited 6 Months Ended March 31, 2014 \$,000
Cash Flows from Operating Activities		
Net Profit	129,528	105,477
Adjusted for:		
Depreciation	7,979	7,712
Effect of exchange gain/loss on foreign balances	(34,494)	(62,788)
Interest income	(434,576)	(523,635)
Interest expense	319,249	338,429
Income tax expense	47,364	4,649
Gain on the disposal of property, plant and equipment	-	-
	35,050	(130,156)
Changes in operating assets and liabilities		
Marketable securities	733,027	(445,490)
Securities purchased under resale agreements	(20,672)	95,207
Securities sold under repurchase agreements	(993,522)	431,981
Receivables	246,627	(14,815)
Loans receivable	(51,937)	(9,568)
Payables	142,278	20,227
Due from related companies	(5,072)	6,119
	50,729	83,660
Interest received	447,671	518,538
Interest paid	(321,961)	(339,712)
Income tax paid	(64,731)	(4,649)
Cash provided by operating activities	60,979	174,177
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	(31,211)	(13,376)
Interest paid on preference shares	-	-
Purchase of property, plant and equipment	(19,837)	(3,684)
Cash provided by investing/financing activities	(51,048)	(17,060)
Effect of exchange rate on cash and cash equivalents	49,564	57,990
Decrease/(increase) in net cash and cash equivalents	145,275	168,611
Net cash and cash equivalents at beginning of year	73,593	74,644
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	218,868	243,255