

# Barita

## INVESTMENTS LIMITED

### UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 2013

#### Chairman's Statement

##### Barita records \$79M profit

Recovering from the \$240M write off due to the February 2013 NDX programme, Barita Investments Limited posted a profit of \$99M for the third quarter of the financial year, thus ending the nine month year to date period at \$79M.

The Company's key performance was derived from foreign exchange trading and translation gains, gains on sale of investment, dividend income and the unit trust operations. Translation gains for period ending June 2013 was \$111M; due mainly to the 12.5% devaluation of the Jamaican dollar versus US dollars since October 1, 2012. In addition, there was a significant 243% improvement in the Company's dividend income. Barita Units Trusts performance for the period ending June 30, 2013 was 106.3% above prior year to date June 2012.

Barita continues to diversify its revenue streams, by increasing product offerings and growing non-interest income.

##### Income Statement

Barita Investments' performance for the quarter ending June 2013 resulted in 104% or \$50M increase in net profit compared to prior year. The main drivers

were foreign exchange trading and translation gains, which increased by \$29M over prior year and gains on sale of investment which increased by \$37M versus the same period last year. Despite a \$41M reduction in interest income, the performance on the non – interest income categories resulted in a \$25M improvement in net operating revenue for the quarter versus prior year. Operating expenses for the quarter was approximately 3% below prior year expenditure levels.

On a year to date basis, interest income of \$327M was \$50M below prior year, due to declining interest rates and non – interest income of \$88M was \$142M below prior year, as a result of NDX participation. With operating expenses up over prior year by approximately 11 %, the net profit year to date ended at \$79M.

##### Capital Adequacy

Increased capital requirements by our main regulators continue to impact capital ratios. Barita Investments Limited however still remains adequately capitalized. The Capital base of Barita Investments Limited remains above the regulatory requirements as the following key ratios indicate:

	FSC Requirement	Barita Achievement
Capital to Risk Weighted Asset	10%	13.8%
Capital to Total Asset	6%	9.8%
Capital Base to Tier 1 Capital	50%	98%

##### Outlook

Our goal as a Company is to continue to increase shareholder value through prudent money management. Despite the turmoil in the market place, we are thankful for the support we have received from our loyal clients and other stakeholders that have enabled us to maintain profitability.

We are resolute in our belief that these times create the greatest opportunities and will remain tactical in our approach to the markets, to maximise returns for all of our stakeholders.

##### Rita Humphries-Lewin



Chairman  
July 29, 2013

#### CONSOLIDATED PROFIT & LOSS STATEMENT AS AT JUNE 30, 2013


	UNAUDITED 3 Months Ended Jun 30 2013 \$	UNAUDITED 3 Months Ended Jun 30 2012 \$	UNAUDITED 9 Months Ended Jun 30 2013 \$	UNAUDITED 9 Months Ended Jun 30 2012 \$
<b>Net Interest Income and Other Revenue</b>				
Interest Income	220,028	285,408	765,964	913,302
Interest cost of Repurchase Agreements	(141,778)	(166,191)	(438,688)	(535,876)
<b>Net Interest Income</b>	<b>78,250</b>	<b>119,217</b>	<b>327,276</b>	<b>377,425</b>
Fees and Commission Income	20,583	21,972	58,400	63,717
Foreign Exchange Trading and Translation Gains	35,812	6,570	125,240	18,001
Gain/Loss on Sale of Investment	56,029	19,238	(117,221)	142,625
Dividend Income	4,330	3,460	20,086	5,854
Other Income	600	120	1,432	364
<b>Net Operating Revenue</b>	<b>195,603</b>	<b>170,577</b>	<b>415,214</b>	<b>607,987</b>
<b>Operating Expenses</b>				
Staff Costs	57,729	61,625	164,517	190,529
Administration	38,976	37,973	172,060	134,626
	<b>96,705</b>	<b>99,598</b>	<b>336,577</b>	<b>325,155</b>
<b>Profit before Taxation</b>	<b>98,899</b>	<b>70,979</b>	<b>78,636</b>	<b>282,831</b>
Taxation	0	(22,516)	0	(91,307)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>98,899</b>	<b>48,463</b>	<b>78,636</b>	<b>191,524</b>
<b>Number of Shares in Issue</b>	445,877	445,877	445,877	445,877
Earnings per stock unit	0.22	0.11	0.18	0.43

##### Basis of Preparation

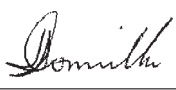
These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 30 September 2012.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2013

	Unaudited JUNE 2013 \$,'000	Unaudited JUNE 2012 \$,'000	Audited SEPTEMBER 2012 \$,'000
<b>ASSETS</b>			
Cash and bank balances	395,056	448,837	122,144
Securities purchased under resale agreements	1,305,411	679,434	1,308,449
Marketable securities	7,154,633	6,226,356	6,270,441
Pledged Assets	3,422,840	5,697,816	5,102,514
Receivables	429,772	504,556	245,692
Loan receivables	115,602	96,121	106,505
Interest receivables	179,566	275,267	173,062
Due from related parties	299	6,248	13,751
Property, plant and equipment	243,345	219,034	220,092
Investments	2	2	2
Deferred Assets	84,971	0	0
<b>Total Assets</b>	<b>13,331,498</b>	<b>14,153,671</b>	<b>13,562,651</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	314,510	392,171	2,851
Securities sold under repurchase agreements	11,497,673	11,323,544	11,287,523
Payables	142,583	92,763	95,885
Interest Payable	66,489	78,931	92,287
Due to related parties	2,774	0	582
Redeemable Preference Shares	0	205,968	206,507
Convertible Preference Shares	0	3,475	3,460
Deferred tax liabilities	0	287,236	172,184
<b>Total Liabilities</b>	<b>12,024,029</b>	<b>12,384,087</b>	<b>11,861,278</b>
<b>Shareholders' Equity</b>			
Stated capital	755,639	765,154	765,154
Treasury shares	(10,145)	(10,145)	(10,145)
Capital reserve	28,505	1,101	28,506
Fair value reserve	(248,349)	322,899	163,845
Retained earnings	781,819	690,574	754,013
<b>Total Shareholders' Equity</b>	<b>1,307,469</b>	<b>1,769,584</b>	<b>1,701,373</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>13,331,498</b>	<b>14,153,671</b>	<b>13,562,651</b>



Rita Humphries-Lewin – Chairman



Carl Domville – Director

# Barita

## INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 2013 CONT'D.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED JUNE 2013

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2011	765,154	0	(10,145)	28,506	436,876	539,179	1,759,570
Profit for the period						191,524	
<b>Other Comprehensive Income:</b>							
Unrealised losses on available-for resale investments net of taxes					28,647		28,647
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(142,625)		(142,625)
Revaluation surplus, net of taxes				(27,405)			(27,405)
				(27,405)	(113,977)		(141,382)
Net profit						191,524	191,524
Total recognised income/(losses) to March 2012				(27,405)	(113,977)	191,524	50,142
Issue of Ordinary shares						(40,129)	(40,129)
Purchase of treasury shares			(10,145)				
<b>Balance at 30 June 2012</b>	<b>765,154</b>	<b>0</b>	<b>(10,145)</b>	<b>1,101</b>	<b>322,899</b>	<b>690,574</b>	<b>1,769,583</b>
Balance at 31 September 2012	765,154	0	(10,145)	28,506	163,845	754,013	1,701,373
Profit for the period						78,636	
<b>Other Comprehensive Income:</b>							
Unrealised gain on available-for resale investments net of taxes					(529,414)		(529,414)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					117,220		117,220
Revaluation surplus, net of taxes				0			0
				0	(412,194)		(412,194)
Net profit						78,636	78,636
Total Comprehensive Income				0	(412,194)	78,636	(333,558)
Convertible Preference Shares redeemed	(9,515)						(9,515)
Ordinary Dividends Paid						(50,830)	(50,830)
Sale of Treasury shares		0					0
<b>Balance at 30 June 2013</b>	<b>755,639</b>	<b>0</b>	<b>(10,145)</b>	<b>28,506</b>	<b>(248,349)</b>	<b>781,819</b>	<b>1,307,470</b>

### STATEMENT OF COMPREHENSIVE INCOME FOR THE 9 MONTHS ENDED JUNE 2013

	UNAUDITED 9 Months Ended Jun 30 2013 \$,000	UNAUDITED 9 Months Ended Jun 30 2012 \$,000
Profit for period	98,899	191,524
Unrealised gain on available-for resale investments net of taxes	(529,414)	28,647
Total Comprehensive Income	(430,515)	220,172

### CONSOLIDATED STATEMENT OF CASH FLOWS AS AT JUNE 30, 2013

	UNAUDITED 9 Months Ended JUN 30, 2013 \$,000	UNAUDITED 9 Months Ended JUN 30, 2012 \$,000
<b>Cash Flows from Operating Activities</b>		
Net Profit	78,636	191,524
Adjusted for:		
Depreciation	10,876	10,330
Effect of exchange gain/loss on foreign balances	(111,468)	(8,931)
Interest income	(765,964)	(913,302)
Interest expense	438,688	535,876
Income tax expense	0	91,307
Gain on the disposal of property, plant and equipment		
	(349,232)	(93,196)
Changes in operating assets and liabilities		
Marketable securities	231,899	323,939
Securities purchased under resale agreements	3,038	786,271
Securities sold under repurchase agreements	302,437	(903,632)
Receivables	(11,018)	(64,083)
Loans receivable	(9,097)	(22,368)
Payables	(45,589)	(144,750)
Due from related companies	10,694	1,843
	482,363	(22,780)
Interest received	759,461	826,872
Interest paid	(464,486)	(554,939)
Income tax paid	(72,230)	(127,500)
Cash provided by operating activities	222,745	144,433
<b>Cash Flows from Investing/financing Activities</b>		
Proceeds from the disposal of property, plant and equipment		
Proceeds from sale of ordinary shares and irredeemable preference shares	(313,590)	0
Ordinary Dividends	(50,830)	(40,129)
Interest paid on preference shares	(12,087)	(25,937)
Purchase of property, plant and equipment	(23,253)	(15,587)
Cash provided by investing/financing activities	(399,760)	(81,653)
Effect of exchange rate on cash and cash equivalents	5,137	2,500
Decrease/(increase) in net cash and cash equivalents	(38,747)	(50,695)
Net cash and cash equivalents at beginning of year	119,293	107,362
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>80,546</b>	<b>56,667</b>