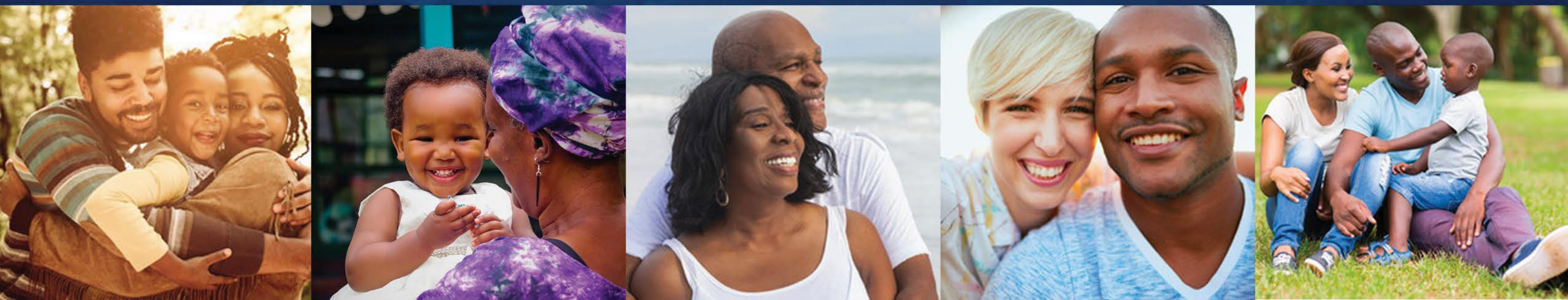
Financial Results

For The Three Months Ended December 31, 2023

(Unaudited)

Barita Investments Limited

Making Money Work For You Since 1977



$1.3B
Net Operating Revenue

$0.5B
Net Profit

$36.7B
Total Shareholder's Equity

$128.7B
Total Assets

52.6%
Efficiency Ratio

5.4%
Return on Average Equity

3.61
Leverage

Barita........Making Money Work For You Since 1977

Chairman's Statement

Mark Myers, *Chairman*

The Board of Directors of Barita Investments Limited ("Barita" or "the Group") presents the Group's unaudited financial statements for the 3-month period ended December 31, 2023.

In January, the US Federal Reserve's Chairman, Jay Powell gave one of the clearest signals that the interest rate hiking cycle is most likely done; and locally, it is a fair inference as well that the Bank of Jamaica is more likely to maintain policy rates at current levels over the foreseeable future, rather than to pursue additional rate hikes. This outlook serves as an important and positive backdrop against which last quarter's results could be assessed. Those results represent an outcome of the continued restrictive monetary policy measures including an elevated policy rate and restrictions on Jamaican dollar liquidity. Our business, and others in the securities dealer space are particularly sensitive to those monetary policy variables, and it is this fact that grounds our confidence that with a potential turnaround in the monetary policy environment in the USA and locally later in 2024 into 2025, our business is poised to experience more positive tailwinds over the next couple quarters.

Our outlook on both the global and local monetary policy positions anchors our confidence that these results are temporary and will begin to unwind once interest rates stabilize and are lowered. Already, we are seeing signs that in the US context, policy rates could begin to unwind sometime in 2024; the recent record US$42 billion issuance of 10-year notes by the US treasury at lower than anticipated yields, that is at 4.093%, marks a clear indication among traders in the fixed income markets that rates are beginning to stabilize and are likely to eventually fall; whereas, the Bank of Jamaica, continues to signal a more cautious stance, given their expectation for inflation to be higher than the upper limit of their target range.

But, even as the business navigates a challenging environment, we must remind investors of our fastidious focus on executing the business strategy according to our overarching investment philosophy, which is designed to unlock significant value creation for our investors.

With that in mind, I will reiterate some fundamental elements of our investment philosophy that guides our capital allocation decisions:

- **Continuous obsession with our customers** – this requires significant investments in our technology systems,, which will be further boosted by the group's reorganization under a financial holding company ("FHC"). This paves the way for clients to enjoy a comprehensive digital-first experience spanning the spectrum of their financial needs;

- **Prioritizing durable levers of long-term performance versus short-term accounting profitability** – while we recognize the importance of delivering solid quarterly results, we are even more committed to executing long-run game-changing strategies for the company's future. This delicate balance, eloquently described by Warren Buffet's mentor, Benjamin Graham, that in the short term, the stock market is like a voting machine, but in the long run, it's a weighing machine. In line with that philosophy, we remain focused on expanding our alternative investments which is anchored in a multi-strategy real estate approach;

- **Cost-conscious decision-making** – while we invest strategically in the company's growth, prudent cost management remains a top priority. In the last quarter, we critically evaluated our cost drivers across the group and took tough decisions to control elements of our cost base. As we move into the FHC structure we are seizing the opportunity to integrate various functions of our business and are confident that maintaining a lean and robust enterprise will uphold our commitment to maximizing shareholders' invested capital;

- **Talented and hardworking employees –** this continues to be a key element of our formula for success: they work long hours, they work smart and they work hard. We remain firmly confident in the team that we have assembled and believe that with the passage of time, the work that they have done and continue to do will compound value for investors.

But, even as our overarching strategy is guided by those elements of our investment philosophy, there are some specific near-term tactical elements that give us the confidence that last quarter's outturn is temporary. Those specific elements include:

1. Our continued implementation of specific initiatives to diversify our business away from reliance on intermediation
2. Our positioning of the business to execute on market neutral investment strategies by virtue of our strength of capital and low leverage
3. Our deliberate actions to make the business more efficient through cost management initiatives and restructuring to ensure a 'One Group' structure, which is designed to better serve our customers and allow us to truly live our ethos of democratising wealth
4. Our outlook that we are past the peak in local and global interest rate hiking cycles and a reversal of those rate increases is imminent.

Operating Performance

Barita generated net operating revenues of $1.3 billion for Q1 FY 2024, representing a decline of 45% or $1.1 billion relative to the prior year. Net profit for the period was $479 million, declining 55% relative to Q1 of FY 2023. Correspondingly, the resulting earnings per share was $0.40, 55% lower than the Q1 FY 2023 figure.

The Barita Group's Q1 FY 2024 revenue outturn comprised the following:

Net Interest Income (NII):

NII reflected a $74 million (33%) decrease year-over-year ("YoY") to $147 million. This outcome reflects the ongoing impact of the BOJ's policy measures to contain elevated inflation. Consequently, interest rates on funding liabilities remain elevated across the sector, contrasting with the slower increase in yields on our stock of earning assets. However, the BOJ has maintained a pause in its rate hike cycle, conditionally, and so too has the US Federal Reserve. Given some indications of a more resilient economy in the US than anticipated prior, the Central Banks have signalled a willingness to hold firm on the Fed Funds target range until at least March 2024, with the rate hike cycle likely at its peak. Consequently, it may be possible to begin reversing the trajectory in NII sometime during FY 2024 and beyond as liabilities begin to reprice downwards. However, this expectation for NII will not weaken our resolve to build the group's alternative investments, credit and fixed-income portfolios to support NII.

Non-Interest Income:

Non-interest income also reflected a decline year-over-year, falling 47% or $1.0 billion. The decline in non-interest income was driven by a fall in the gain on investment activities, which was partially offset by a commendable increase in fee and commission income to the tune of 23% YOY. The details of our non-interest income are as follows:

Gain on Investments:

Revenue from this line item declined by $1.1 billion or 78% to $323 million relative to Q1 FY 2023. This represents the prior year impact of a significant valuation gain linked to our exposure to the Barita Real Estate Portfolio Fund. As highlighted in previous reports, revenue associated with the Barita Real Estate Portfolio Fund has mainly been related to appreciation in the values of the underlying property portfolio held by the fund. However, as an extension of the natural evolution of the portfolio into the next stage of development, the role of valuation gains in the return profile of the portfolio will diminish, with a shift towards gains from sale.

Fees & Commission Income:

This line increased by 23% to $812 million (Q1 FY 2023: $661 million). Most of these revenues continue to stem from fees generated from investment banking and asset management, with the increase arising from investment banking fees. However, this growth was partially offset by a decline in fees generated from asset management. Growing assets under management and capital market activity remain a key focus, supported by robust liquidity management.

Foreign Exchange ("FX") Trading and Translation Gains:

The Group recorded an FX trading and translation loss of $7 million, compared to a gain of $40 million in Q1 FY 2022.

Operating Expenses:

Non-interest expenses for FY 2023 fell by 36% to $696 million (Q1 FY 2023: $1.1 billion). The YoY decline in expenses is driven primarily by a reduction in administration costs (by $271 million or 40%) and reversals of expected credit loss (ECL) charges.. Staff costs increased by $82 million or 23% due primarily to one-off separation expenses related to restructuring. The Group remains committed to ongoing investments in our people, processes, technology and customer experience within the scope of our long-term strategic priorities and while maintaining our focus on operating efficiency and prudent cost management.

Balance Sheet Highlights

The company's total assets increased marginally by $0.5 billion to $128.7 billion (Sep 2023: 128.2 billion). Total shareholders' equity showed a net increase of $1.3 billion reaching $36.7 billion, driven by improved fair value reserves and retained earnings. Our capital levels remain robust, even under currently difficult market conditions. Key balance sheet line items are discussed in brief below:

Assets:

Total Assets:

Barita's total assets stood at $128.7 billion at the end of Q1 FY 2024, representing a marginal $0.5 billion increase over the balance of $128.2 billion as recorded in the September 2023 audited financial statements. The relatively small net increase in assets was broadly distributed.

Receivables:

Other receivables increased by $2.6 billion or 92% to $5.5 billion, driven primarily by withholding tax recoverable, fund related receivables and client receivables.

Pledged Assets and Marketable Securities:

Pledged assets and marketable securities, combined, declined by $3.8 billion or 3%, moving to $102.3 billion to account for 79% of the Company's balance sheet; this reduction was a direct outcome from the pay down of margin borrowing balances towards the end of the quarter. These lines represent substantially the Company's securities portfolio, which is largely comprised of credit assets to include local, regional & international government and corporate bonds.

Loans:

Barita's exposures to loans increased by $1.5 billion or 13% to $12.6 billion. Barita's loans are largely comprised of secured credit facilities, including margin loans, which are extended to our clients.

Liabilities:

Total Liabilities:

liabilities during Q1 FY 2024 declined marginally by $0.8 billion (1%) to $92.0 billion.

- ***Repurchase Agreements (repos):***
  The Company's funding from repos was reduced by $0.5, or under 1%, to $76.1 billion and was 83% of the Company's liabilities at the end of Q1 FY 2024.
- ***Secured investment notes:***
  Funding from these notes was roughly flat at $5.9 billion and represented 6% of the Company's total liabilities.
- ***Other Debt Facilities:***
  Other debt facilities amounted to $5.3 billion or 6% of the Company's liabilities and include bonds issued and margin loans, the latter having been paid down during the period.

Shareholder's Equity

Shareholders' Equity: Shareholders' equity closed the period at $36.7 billion, 4% higher than at the end of FY2023. This was driven by the accumulation of retained earnings as well as an improvement of $0.8 billion in fair value reserves. Our capital levels remain resilient, with capital adequacy of 27.4% compared to the FSC's early warning level of 14%.

Investment Strategy & Capital Management: Our Outlook

Our business, and that of other securities dealers in the sector, is highly influenced by the monetary policy cycles in both local and developed markets, specifically the US. As noted prior, the US government issued a record US$45 billion of 10-year notes at lower than anticipated yield, which is one of the latest signs that traders in the fixed income markets have effectively begun positioning for a reversal in the US Federal Reserve's policy rate later this year. The FED's decision in January marks the fourth consecutive meeting that the FED has held its policy rate steady at 5.25% to 5.5%, and very definitive confirmation from FED Chair, Jay Powell that "our policy rate is likely at its peak for this tightening cycle and that, if the economy evolves broadly as expected, it will likely be appropriate to begin dialing back policy restraint at some point this year". Similarly, the Bank of Jamaica, has maintained its policy rate at 7% for several consecutive meetings, and could likely move to reduce rates after the US Fed, given the forecast of local inflation likely breaching the upper limit of the 4%-6% upper range for the next couple quarters. Notwithstanding, the overarching takeaway is that the interest rate hiking cycle has likely reached its peak.

Given the foregoing context, over the next several quarters, we anticipate more activities in the local markets as investors begin to incorporate the implications of a reversal of interest rates in their decision-making. Similar to the US context, the market could in fact move ahead of the Central Bank and begin to accept marginally lower rates to effectively 'lock-in' rates for the longer term. As that phenomena unfolds, several knock-on possibilities will follow: our NII will most likely begin to see improvements via better net interest margins, higher levels of trading activities might resume and therefore possibly higher trading gains. Deal-making could also resume at incrementally higher volumes as rates decrease, and that will bode well for the support of robust results. However, even as we expect an eventual reduction in rates in 2024 into 2025, we are cognizant of the continued resilience in global and local economic growth; the IMF has revised global growth in its World Economic Outlook (WEO) for January 2024, upwards to 3.1% from 2.9% in the October 2023 WEO. This growth was primarily due to an improvement in the growth projections for the US, from 1.5% to 2.1% in the latest update. This complicates the decision making for

Central Bankers to the extent that this growth leads to inflation 'stickiness'. But, even in this respect, both locally and in many advanced economies, the past year has witnessed significant disinflation. Therefore, taken together, these factors give us the confidence that we are at a turning point in the interest rate cycle and that will provide tailwinds to the business.

Against this backdrop, while we may see some easing in the net interest margin in the quarters ahead, the timing remains uncertain. It is within this context that we remain resolute in pursuing strategies geared towards diversifying Barita's income streams away from a reliance on interest income and trading activity in GOJ bonds. This approach builds a strong foundation for Barita to unlock and sustain significant value over the medium to long term. In this vein, we continue to work assiduously in building out our alternative investment platform, commencing with our thrust into real estate development. As previously indicated, the economics of these holdings will evolve from a dominance of revaluation gains towards revenue from the completion and sale of the various development projects over the next three to seven years.

Even as we maintain prudent levels of capital and robust internal governance and compliance systems, the current financial year necessitates some strategic adjustments as the business cycle transitions into a new phase. Key areas of focus include optimizing Barita's balance sheet to capitalize on near-term opportunities, continuing efforts to increase non-interest income, and continuing to mitigate the challenges to our net interest income as the interest rate hiking cycle evolves.

Risk, Compliance & Governance

Governance and Compliance

Barita continues to further strengthen its Governance and Compliance programmes to protect the business and to ensure adherence to applicable laws, regulations, guidance notes, policies, and best practice standards of sound governance. This is reflected in the Jamaica Stock Exchange again assigning Barita an A rating for corporate governance relative to the listed company average of CC for the 2022/2023 period; with Barita being assigned its highest ever score of 88.19, from 87.06 the year before. The strides we have made in this regard are even more pronounced when compared to the pre-Cornerstone acquisition period, during which Barita's score was 57.73 (CC rating).

Since 2019, the Cornerstone Board and management team have established a governance framework and ethos that prioritizes the highest levels of prudence, integrity, and ethical standards among our senior officers across the Group encompassing the operations of Cornerstone and its portfolio companies. In 2023 we continued to advance and refine our internal systems in alignment with our collective vision for the upcoming Group reorganisation under the BSA (Banking Services Act).

In anticipation of this reorganisation and to strengthen our collective ethos and evolving vision, the Board has instituted various reinforcement mechanisms. These include continuous training for directors and senior officers to maintain and apply these best practice standards, which have been a catalyst for our success over the years.

Risk Management

BIL's risk governance is a critical component in the execution of the investment ethos and business operations. Our controls are designed and intended to be preventative and forward-looking, aimed at minimizing unexpected outcomes that could adversely impact our business strategy. Despite challenges in the wider market, including elevated inflation, interest rates, and tight liquidity conditions in 2023, our risk management framework remained fully operational as we navigated the market uncertainties. Notwithstanding, BIL stands resolute as one of the financial sector's strongest players boasting a capital adequacy ratio more than two times the regulatory minimum of 10%. Our unwavering strength and resilience positions us to continue making significant contributions to industry stability and the nation-building process.

We place significant emphasis on independent checkpoints throughout operational and governance processes. The internal controls and internal governance tone are consistently echoed from the top-down, spanning from the Board to senior management, internal management committees and all operational facets. All employees are subject to the standards outlined in our Code of Conduct. Barita has been deliberate in recruiting strong and experienced individuals in key leadership and governance roles.

A key foundation of a resilient and robust company that transcends multiple generations is effective and strong internal controls and risk discipline. This is core to our strategy and will continue to be a key pillar of focus as we continue to enhance the value of the business while ensuring the safety of all key stakeholders.

Investing in the Human Capital of our People

During the quarter, our Foundation continued its mission of supporting the development of essential human capital to improve the well-being of the most vulnerable in our society.

Education and Youth Development

During the quarter, our Foundation continued its mission of supporting the development of essential human capital to improve the well-being of the most vulnerable in our society.

Barita Foundation collaborated with 'Talk Up Yout' to host a forum at Jamaica College, engaging over ninety students from five schools in discussions about constitutional reform. The event included a mock election organized by the Electoral Office of Jamaica (EOJ), with plans to conduct similar forums across the island as part of their Youth and Community All-Island Constitutional Tour.

In support of the government's climate change adaptation efforts, Peace Corps Jamaica hosted a Youth Climate Expo and Fair in Cape Clear, St. Mary, sponsored by Barita Foundation. The Expo allowed youth from the Highgate area to showcase environmental learning and solutions, inspiring climate action. Students from St. Mary and neighboring areas participated fostering awareness and engagement in climate change adaptation.

Entrepreneurship

The Barita Foundation supported the Academy of Women Entrepreneurs (AWE) Jamaica Chapter in launching its 2023 women's entrepreneurship program. Thirty women from Kingston, St. Andrew, and Clarendon will benefit from capacity-building and funding support, including access to the DreamBuilder online course.

In partnership with Global Entrepreneurship Week (GEW), Barita Foundation facilitated the launch event of the Global Entrepreneurship Network Jamaica Chapter expanding connections within Jamaica's entrepreneurial ecosystem. GEW aims to celebrate and empower entrepreneurs, driving economic growth and improving human welfare.

Health and Well-Being

Barita Foundation sponsored events such as the ICWI Pink Run and the Kiwanis Club of Providence Montego Bay's 5K, raising funds for cancer awareness. Team members participated in these events, demonstrating support for the health of citizens.

The Foundation also contributed to the Transforming our Police Service (TOPS) program, recognizing top performers during Police Week and providing investment accounts to benefit awarded officers and their families.

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Staff members were also engaged through the Staff Wishing Tree competition, awarding funds to organizations including Pursued International, Ebeneezer Rehabilitation Centre, and the Kiwanis Club of Santa Cruz, which supported initiatives ranging from women's empowerment to rehabilitation and early childhood education. Through these initiatives, Barita Foundation continues to invest in the human capital of our people, contributing to positive social impact and community development across Jamaica.

Closing Remarks

We have been consistent in communicating our strategy and intentions, and we have demonstrated our commitment to executing that strategy faithfully. Despite the challenges posed by a difficult operating environment, our significant investments in transforming our business model together with our continued robust capitalization give us confidence in our ability and capacity to thrive in any market environment.

We continue to appreciate the efforts of the dedicated team at Barita, whose talents and hard work have been instrumental in serving our stakeholders. Additionally, we express our gratitude to our customers and shareholders, whose unwavering confidence and trust in us are key drivers of our continued success.

Mark Myers

Chairman

February 15, 2024

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Profit & Loss Statement
As At December 31, 2023

	UNAUDITED 3 Months Ended December 31, 2023 $'000	UNAUDITED 3 Months Ended December 31, 2022 $'000
Net interest income and other revenue		
Net interest income	**147,135**	**220,751**
Fees and commission income	812,114	660,840
Foreign exchange trading and translation gains	(7,433)	40,409
Gain on investment activities (Note 2)	323,015	1,469,647
Other income	47,650	28,536
Net operating revenue	**1,322,481**	**2,420,184**
Operating expenses		
Staff costs	442,646	360,480
Administration	414,217	684,723
Impairment of financial assets	(161,253)	37,464
	695,611	**1,082,667**
Operating profit	**626,870**	**1,337,517**
Share of profit from associate	**33,611**	**29,478**
Profit before taxation	**660,481**	**1,366,995**
Taxation	(181,158)	(296,939)
NET PROFIT FOR THE PERIOD	**479,323**	**1,070,057**
Average number of shares	1,199,836	1,195,978
Earnings per stock unit	0.40	0.89

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Statement of Financial Position
As At December 31, 2023

	UNAUDITED December 2023 $'000	UNAUDITED December 2022 $'000	AUDITED September 2023 $'000
ASSETS			
Cash and bank balances	783,972	927,271	1,969,835
Securities purchased under resale agreements	2,140,669	3,126,034	564,013
Marketable securities	19,245,447	19,275,215	22,331,633
Pledged assets	83,019,945	71,305,108	83,717,008
Investment in associate	2,315,334	2,216,174	2,281,723
Loans	12,612,056	9,676,126	11,127,098
Receivables	5,513,436	3,563,739	2,866,596
Taxation recoverable	277,166	545,323	398,511
Due from related parties	1,011,577	1,114,532	753,516
Property, plant and equipment	1,145,856	1,194,749	1,168,136
Intangible assets	19,572	11,864	21,501
Investments	55,000	55,000	55,000
Right of use asset	238,769	223,090	252,274
Deferred tax asset	348,343	701,137	687,797
Total Assets	**128,727,142**	**113,935,362**	**128,194,641**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	90,481	55,030	45,109
Securities sold under repurchase agreements	76,071,324	63,940,175	76,546,630
Secured investment notes	5,888,165	11,901,296	5,940,517
Other debt facilities	5,272,138	719,900	8,300,997
Lease liability	294,452	276,530	308,395
Payables	4,011,175	2,280,671	1,466,664
Due to related parties	401,681	276,497	199,726
Total Liabilities	**92,029,416**	**79,450,099**	**92,808,038**
Shareholders' Equity			
Share capital	32,816,329	32,604,335	32,814,050
Capital reserve	175,988	148,655	175,988
Fair value reserve	(3,707,435)	(2,952,600)	(4,535,805)
Capital redemption reserve	220,127	220,127	220,127
Stock option reserve	24,206	108,800	22,300
Retained earnings	7,168,511	4,355,946	6,689,943
Total shareholders' equity	**36,697,726**	**34,485,263**	**35,386,603**
Total liabilities and shareholders' equity	**128,727,142**	**113,935,362**	**128,194,641**

Mark Myers — Chairman

Carl Domville — Director

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Statement of Changes In Equity For the Three Months Ended As At December 31, 2023

	Share Capital $'000	Capital Reserve $'000	Fair Value Reserve $'000	Capital Redemption Reserve $'000	Stock Option Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 September 2022	**32,389,351**	**148,655**	**(4,068,759)**	**220,127**	**186,284**	**3,307,820**	**32,183,478**
TOTAL COMPREHENSIVE INCOME							
Net profit for the period						1,070,057	1,070,057
Other comprehensive Income			1,116,159		(77,484)	(21,931)	1,016,744
Total comprehensive income for the period	**-**	**-**	**1,116,159**	**-**	**(77,484)**	**1,048,126**	**2,086,800**
TRANSACTIONS WITH OWNERS							
Treasury Shares purchased	(26,373)	-	-	-	-	-	(26,373)
Treasury Shares sold	241,358	-	-	-	-	-	241,358
Balance at 31 December 2022	**32,604,335**	**148,655**	**(2,952,600)**	**220,127**	**108,800**	**4,355,946**	**34,485,263**
Balance at 30 September 2023	**32,814,050**	**175,988**	**(4,535,805)**	**220,127**	**22,300**	**6,689,943**	**35,386,603**
TOTAL COMPREHENSIVE INCOME							
Net profit for the period	-	-	-	-	-	479,323	479,323
Other comprehensive income	-	-	828,370	-	1,906	(754)	829,523
Total Comprehensive Income for the period	**-**	**-**	**828,370**	**-**	**1,906**	**478,569**	**1,308,845**
TRANSACTIONS WITH OWNERS							
Treasury Shares purchased	(879)	-	-	-		-	(879)
Treasury Shares sold	3,159	-	-	-		-	3,159
	2,279	**-**	**-**	**-**	**-**	**-**	**2,279**
Balance at 31 December 2023	**32,816,329**	**175,988**	**(3,707,435)**	**220,127**	**24,207**	**7,168,511**	**36,697,727**

STATEMENT OF

Comphrensive Income
For the Three Months Ended
As At December 31, 2023

	UNAUDITED 3 Months Ended December 31, 2023 $,000	AUDITED 3 Months Ended December 31, 2022 $,000
Net Profit for period	479,323	1,070,057
Unrealised gains/(losses) on FVOCI securities -	828,370	1,116,159
Other reserves	1,153	(99,415)
Total comprehensive income	**1,308,845**	**2,086,800**

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Statement of Cash Flows
As At December 31, 2023

	UNAUDITED 3 Months Ended December 31, 2023	UNAUDITED 3 Months Ended December 31, 2022
	$'000	$'000
Cash Flows from Operating Activities		
Net Profit for the Period	479,323	1,070,057
Adjusted for:		
Depreciation and amortisation	30,495	32,304
Effect of exchange gain/loss on foreign balances	71,272	59,221
Impairment/expected credit losses (ECL)	(161,253)	37,464
Unrealised gain on investment FVTPL	(460,054)	(1,577,502)
Interest income	(1,879,465)	(1,361,785)
Interest expense	1,732,330	1,141,034
Income tax expense	181,158	296,939
Lease liability interest expense	5,748	2,537
Right-of-use assets amortisation	13,880	10,544
Share of profit from associates	(33,611)	(29,478)
Stock Option Expense	1,890	18,801
	(18,287)	(299,864)
Changes in operating assets and liabilities:		
Securities purchased under resale agreements	(1,576,656)	(517,156)
Securities sold under repurchase agreements	(1,956,329)	4,046,592
Secured investment notes	(127,193)	1,347,629
Receivables	(2,186,039)	122,992
Loans	(1,098,792)	1,028,803
Payables	2,530,569	(1,001,459)
Due from related companies	(56,106)	38,602
	(4,488,833)	4,766,139
Interest received	(105,626)	934,217
Interest paid	(10,441)	(832,093)
Lease payment	(13,539)	(10,180)
Income tax paid	(209,015)	-
Cash provided by operating activities	**(4,827,454)**	**4,858,083**
Cash Flows from Investing Activities		
Marketable securities	6,757,800	(2,182,384)
Purchase of property, plant and equipment, intangible	7,218	(7,494)
Cash provided by investing activities	**6,765,018**	**(2,189,878)**
Cash Flows from Financing Activities		
Ordinary dividends paid	-	(3,026,563)
Proceeds from other debt facilities	(3,194,884)	-
Treasury shares sold/(acquired)	2,279	214,984
Cash provided by financing activities	**(3,192,605)**	**(2,811,579)**
Effect of exchange rate on cash and cash equivalents	**23,807**	**(563)**
Increase/(decrease) in net cash and cash equivalents	(1,231,234)	(143,937)
Net cash and cash equivalents at beginning of year	1,924,726	1,016,178
Net cash and cash equivalents at end of period	**693,492**	**872,241**

Notes to the Unaudited Financial Statements

December 31, 2023

1. Identification

Barita Investments Limited (Barita or the company) is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 15 St. Lucia Way, Kingston 5. The controlling party of the company is Cornerstone Financial Holdings Limited with a 74.5% ownership as at year end. The registered office of Cornerstone Financial Holdings is located at Suite I, Ground Floor, The Financial Services Centre, Bishop's Court Hill, Barbados.

The company is a licensed securities dealer, investment manager, pension administrator and Cambio operator and has primary dealer status from the Bank of Jamaica (BOJ). It is licensed under the Securities Act and regulated by the Financial Services Commission (FSC). The company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).

2. Statement of compliance and basis of preparation

Interim financial reporting

The condensed consolidated interim financial statements (interim financial statements) for the quarter ended December 31, 2023, have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They are also prepared in accordance with requirements of the Jamaican Companies Act.

The Group has adopted the following standards and amendments, which became effective during the current financial year:

Amendments to IAS 12 (Effective for accounting periods beginning on or after 1 January 2023). The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A. The group is currently assessing the impact of this amendment.

3. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to December 31, 2023	Unaudited 3 Months to December 31, 2022
Gains on sales of investments	(137,039)	(107,855)
Fair Market Value Gains on Equity Portfolio	460,054	1,577,502
	323,015	1,469,647

4. Business Combination

The share of results of Associates reflected in these interim statements included estimates in the earnings of associate company for the period up to November 30, 2023.

5. Earnings per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of $479,323,000 by the weighted average number of ordinary shares in issue during the period of 1,199,836,000 shares.

Top Ten Largest Shareholders of Barita Investments Limited as at December 31, 2023

SHAREHOLDERS	TOTAL	PERCENTAGE
CORNERSTONE FINANCIAL HOLDINGS LTD.-BUYING A/C	919,404,592	75.3371%
FIRST CITIZENS INVESTMENT SERVICES LIMITED	90,795,154	7.4399%
RITA HUMPHRIES-LEWIN	26,319,240	2.1566%
CREDIT UNION FUND MANAGEMENT COMPANY LIMITED	17,127,519	1.4034%
CORNERSTONE GROUP EMPLOYEE SHARE TRUST	14,257,727	1.1683%
TWEEDSIDE HOLDINGS LIMITED	14,073,348	1.1532%
NATIONAL INSURANCE FUND	8,191,553	0.6712%
TREVOR HEAVEN HOLDINGS LIMITED	7,787,075	0.6381%
BARITA UNIT TRUSTS MANAGEMENT COMPANY LIMITED	6,274,458	0.5141%
KARL P. WRIGHT	6,217,218	0.5094%

Share Ownership by Directors of Barita Investments Limited as at December 31, 2023

DIRECTORS	TOTAL	DIRECT	CONNECTED PARTIES
MARK MYERS	2,316,302	2,316,302	0
PAUL SIMPSON	0	0	0
CARL DOMVILLE	2,061,344	2,061,344	0
DUNCAN STEWART	614,131	456,070	158,061
ROBERT DRUMMOND	423,560	423,560	0
JAMES GODFREY	6,000,000	0	6,000,000
PHILLIP LEE	3,161,072	3,161,072	0
JASON CHAMBERS	2,033,322	2,033,322	0

Share Ownership by Senior Managers of Barita Investments Limited as at December 31, 2023

SENIOR MANAGERS	TOTAL	DIRECT	CONNECTED PARTIES
DANE BRODBER	356,322	356,322	0
ANMARIE WALKER-CATO	47,395	47,395	0
SONIA OWENS	35,000	35,000	0
MALINDO WALLACE	408,589	408,589	0
RAMON SMALL-FERGUSON	715,886	715,886	0
TERISE KETTLE	40,676	40,676	0
SARA YING HENRIQUES	0	0	0
DAVE DIXON	0	0	0
IAN ANDERSON	50,000	50,000	0
SANCIA THOMPSON	0	0	0
GEOFFERY ROMANS	0	0	0
STEPHANIE STERLING	53,155	53,155	0
DIANNE CLUNIE-WALLACE	8,646	8,646	0