

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2012.

Chairman's Statement

Barita continues the improvement, posting \$282m profit before taxes.

Barita Investments Limited posted yet another profitable quarter as it continued on its trend of continuous improvement. Compared to the prior year's 9-month performance of \$232 million, the company registered a pre-tax profit of \$282 million for the period ending June 30, 2012.

With the interest rate regime stabilizing at current levels, coupled with some of our existing higher interest rate investments maturing, our interest income revenues recorded a 12% reduction. We have however managed the related costs, resulting in an increase in our net interest income of \$49million or 15% over prior year.

The devaluation of the local currency against all major currencies, allowed us to record a net translation gain of \$9million compared to a \$2million loss prior period. Asset trading revenues were 34% above prior period, recording gains of \$143million versus \$107million prior year. Fees and commission income reflected a 78% improvement over prior.

These are areas of emphasis as we try to reconfigure our business to ensure a greater proportion of our revenue comes from our non interest income revenue streams. Bolstered by the performance of the Tuition Builder product introduced in October 2010, Barita Unit Trusts revenues were 25% better than prior year.

The operational costs to June 30, 2012, reflected increases in our advertising and public relations activities as we continue to improve our visibility. Increases in staff costs arose from initiatives in human resource development and capacity building. Our operating expenses for the period ending June 30

amounted to \$325 million versus prior year of \$253 million.

We continue to examine our costs carefully, as we seek to improve the efficiency of our organization. With this approach, we have effectively managed the efficiency of our expenditure with total expenditure as a percentage of net operating revenue being 53% as at June 30, 2012 compared to 53% prior year.

The net profit position for the period ending June 30, 2012 amounted to \$192 million or earnings per share of \$0.43c per share compared to \$182 million or \$0.41c per share prior year.

Income Statement

Financial year-to-date reflects net interest income at \$49 million above prior-year-to-date performance of \$328 million. Non interest income exceeded prior year by \$74 million.

Total net revenues for the 9 months to June 30, 2012 were \$608 million, compared to \$485 million for the corresponding period last year.

Operating Expenses totaled \$325 million compared to \$253 million prior year.

Financial year to date net profit stands at \$192 million compared to prior year net profit of \$182 million.

Balance Sheet

Our asset base showed a \$400 million or 2.5% decrease over prior year, from \$14.5 billion to \$14.1 billion, while our liabilities also decreased by \$400 million or 3%. These decreases were primarily due to decreases in Repo trading activities. We recorded an increase in shareholder's equity of approximately

\$13 million to \$1.77 billion.

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 regulatory requirements as the following key ratios indicate:

	FSC Requirement	Barita Achievement
Capital to Risk weighted Asset	10%	15.4%
Capital to Total Asset	6%	10.25%
Capital Base to Tier 1 Capital	50%	100%

Outlook

We strive to improve our performance quarter over quarter in order to provide sustainable returns for our stakeholders. As we continue to manage in a challenging environment, we persist in the active management of our costs, and the enhancement of our revenue streams.



Rita Humphries-Lewin
Chairman
July 26, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2012

Note	Unaudited JUNE 2012 \$,'000	Unaudited JUNE 2011 \$,'000	Audited SEPTEMBER 2011 \$,'000
ASSETS			
Cash and bank balances	448,837	269,754	111,650
Securities purchased under resale agreements	679,434	1,382,651	1,465,705
Marketable securities	6,226,356	9,206,224	8,282,545
Pledged Assets	5,697,816	2,444,423	4,029,643
Receivables	504,556	648,611	440,473
Loan receivables	96,121	66,978	73,753
Interest receivables	275,267	339,211	188,836
Due from related parties	6,248	4,191	9,667
Property, plant and equipment	170,246	129,593	167,944
Intangible Assets	48,788	26,951	35,503
Investments	2	2	2
Total Assets	14,153,672	14,518,589	14,805,721
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	392,171	34,749	4,288
Securities sold under repurchase agreements	11,323,544	11,946,138	12,208,114
Payables	92,763	90,059	82,769
Interest Payable	78,931	133,232	97,994
Redeemable Preference Shares	205,968	164,100	205,968
Convertible Preference Shares	3,475	3,460	3,460
Due to related parties	0	0	1,576
Taxation	0	4,526	113,377
Deferred tax liabilities	287,236	385,892	328,605
Total Liabilities	12,384,088	12,762,154	13,046,151
Shareholders' Equity			
Stated capital	765,154	765,154	765,154
Treasury shares	(10,145)	(10,145)	(10,145)
Capital reserve	1,101	1,103	28,506
Fair value reserve	322,899	482,761	436,876
Retained earnings	690,574	517,561	539,179
Total Shareholders' Equity	1,769,584	1,756,434	1,759,570
Total Liabilities and Shareholders' Equity	14,153,672	14,518,589	14,805,721

CONSOLIDATED PROFIT & LOSS STATEMENT

AS AT JUNE 30, 2012

	UNAUDITED 3 Months Ended Jun 30 2012 \$	UNAUDITED 3 Months Ended Jun 30 2011 \$	UNAUDITED 9 Months Ended Jun 30 2012 \$	UNAUDITED 9 Months Ended Jun 30 2011 \$
Net Interest Income and Other Revenue				
Interest Income	285,408	343,596	913,302	1,037,202
Interest cost of Repurchase Agreements	(166,191)	(230,951)	(535,876)	(709,140)
Net Interest Income	119,217	112,645	377,425	328,062
Fees and Commission Income	21,972	13,282	63,717	36,446
Foreign Exchange Trading and translation gains	6,570	946	18,001	7,477
Gain/Loss on Sale of Investment	19,238	61,940	142,625	106,982
Dividend Income	3,460	2,615	5,854	3,890
Other Income	120	285	364	2,129
Net operating revenue	170,577	191,712	607,987	484,987
Operating Expenses				
Staff Costs	61,625	47,094	190,529	143,801
Administration	37,973	39,399	134,626	109,535
	99,598	86,494	325,155	253,336
Profit before Taxation	70,979	105,219	282,831	231,650
Taxation	(22,516)	(22,525)	(91,307)	(49,561)
NET PROFIT/(LOSS) FOR THE PERIOD	48,463	82,694	191,524	182,089
Number of shares in Issue	445,877	445,877	445,877	445,877
Earnings per stock unit	0.11	0.19	0.43	0.41

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.



Rita Humphries-Lewin – Chairman



Carl Domville – Director

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2012 CONT'D

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED JUNE 30, 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						182,089	182,089
Other Comprehensive Income:							
Unrealised losses on available-for resale investments net of taxes					562,724		562,724
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(106,982)		(106,982)
Revaluation surplus, net of taxes					455,741		455,741
Net profit						182,089	182,089
Total recognised income/(losses) to June 2011					455,741	182,089	637,831
Issue of Ordinary shares							0
Purchase of treasury shares			(10,145)				
Balance at 30 Jun 2011	765,154	0	(10,145)	1,103	482,528	517,794	1,756,435
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	
Other Comprehensive Income:							
Unrealised gain 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)
Net profit				(27,405)	(113,977)	191,524	191,524
Total Comprehensive Income				(27,405)	(113,977)	191,524	50,142
Ordinary Dividends Paid						(40,129)	(40,129)
Balance at 31 March 2012	765,154	0	(10,145)	1,101	322,899	690,574	1,769,583

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 9 MONTHS ENDED JUNE 30, 2012

	UNAUDITED 9 Months Ended Jun 30 2012 \$,000	UNAUDITED 9 Months Ended Jun 30 2011 \$,000
Profit for period	191,524	182,089
Unrealised gain on available-for resale investments net of taxes	28,647	562,724
Total Comprehensive Income	220,172	744,813

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT JUNE 30, 2012

	Unaudited 9 Months Ended JUN 30, 2012 \$,000	Unaudited 9 Months Ended JUN 30, 2011 \$,000
Cash Flows from Operating Activities		
Net Profit	191,524	182,089
Adjusted for:		
Depreciation	10,330	7,605
Effect of exchange gain/loss on foreign balances	(8,931)	1,868
Interest income	(913,302)	(1,037,202)
Interest expense	535,876	709,140
Income tax expense	91,307	49,561
Gain on the disposal of property, plant and equipment	(93,196)	(86,939)
Changes in operating assets and liabilities		
Marketable securities	323,939	(1,564,005)
Securities purchased under resale agreements	786,271	497,600
Securities sold under repurchase agreements	(903,632)	1,241,961
Receivables	(64,083)	(211,874)
Loans receivable	(22,368)	(7,554)
Payables	(144,750)	3,433
Due from related companies	1,843	3,424
	(22,780)	(37,015)
Interest received	826,872	859,148
Interest paid	(554,939)	(725,830)
Income tax paid	(127,500)	
Cash provided by operating activities	144,433	133,318
Cash Flows from Investing/financing Activities		
Ordinary Dividends	(40,129)	
Interest paid on preference shares	(25,937)	(21,392)
Purchase of property, plant and equipment	(15,587)	(14,495)
Cash provided by investing/financing activities	(81,653)	(35,888)
Effect of exchange rate on cash and cash equivalents	2,500	2,262
Decrease/(increase) in net cash and cash equivalents	(50,695)	(24,262)
Net cash and cash equivalents at beginning of year	107,362	259,267
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	56,667	235,005