

# Barita

## INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2013.

### Chairman's Statement

#### NDX dents Barita's profit performance

Barita Investments Limited posted losses of \$98million for the second quarter of the financial year, which began in October 2012. This has resulted in year to date losses of \$20million compared to prior year which had a profit position of \$143million.

Barita's performance was severely impacted by the Government's National Debt Exchange programme (NDX), implemented in February 2013. The impact of our participation in this initiative, amounted to write offs of \$240 million. Without the impact of the National Debt Exchange, the performance of the company would have surpassed its prior year to date performance of \$143 million.

Despite this write off, the performance of the Company was sterling, with the main drivers of this performance being dividend income, foreign exchange trading and translation gains and unit trust operations. In addition, cost savings in the curtailment of expenses contributed positively to the bottom line.

Barita continues the diversification of our revenue streams, by increasing our product offerings and growing our non-interest income. Funds under management for our Money Market Fund and Capital Growth Fund continue to maintain a level of nearly 3 billion dollars. This push in building our non-interest income, was the result of Barita Unit Trusts Management Company recording significant improvements in our top and bottom line performances, where

revenues grew by 15% and profits increased by 20% for the quarter.

#### Income Statement

Severely impacted by the NDX, Barita Investments' performance for the period resulted in a \$163million fall in net profit on the same period in the prior year. The main drivers for this performance were increases in dividend income, foreign exchange trading and translation gains, increasing by \$13million and \$78million respectively. These performances were negatively impacted by a reduction in net interest income of \$9million; a decrease of approximately 3% and \$240million bond premiums written off as a result of the NDX transaction.

Net operating income for the period under review totalled \$220 million compared to \$437 million for the same period last year. Operating expenses at the end of the second quarter were \$240 million compared to \$226 million for the same period of 2012.

#### Balance Sheet

Our asset base showed a \$1.5 Billion or 10% decrease over prior year, from \$14.2 billion to \$12.7 billion, while our liabilities also decreased by \$1.1 billion or 9%. As at the end of March 2013, shareholders equity stood at \$1.38 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:

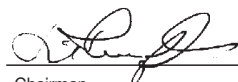
	FSC Requirement	Barita Achievement
Capital to Risk Weighted Asset	10%	15.11%
Capital to Total Asset	6%	10.8%
Capital Base to Tier 1 Capital	50%	98%

#### Outlook

The Company has survived the turmoil of huge swings in the market numerous times in its 35 year history. We will continue to be prudent in our practices, to ensure value for all of our shareholders and stakeholders.

In every crisis, opportunity exists and we are confident that our flexibility will allow us to adapt and take advantage of any prospects that may arise.

Rita Humphries-Lewin



Chairman  
April 30, 2013

### CONSOLIDATED PROFIT & LOSS STATEMENT AS AT MARCH 31, 2013

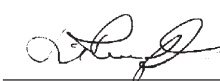
	UNAUDITED 3 Months Ended Mar 31 2013 \$	UNAUDITED 3 Months Ended Mar 31 2012 \$	UNAUDITED 6 Months Ended Mar 31 2013 \$	UNAUDITED 6 Months Ended Mar 31 2012 \$
<b>Net Interest Income and Other Revenue</b>				
Interest Income	244,620	296,426	545,936	627,894
Interest cost of Repurchase Agreements	(138,474)	(185,171)	(296,910)	(369,686)
<b>Net Interest Income</b>	<b>106,146</b>	<b>111,255</b>	<b>249,026</b>	<b>258,208</b>
Fees and Commission Income	19,420	15,073	37,817	41,745
Foreign Exchange Trading and Translation gains	53,510	15,596	89,429	11,431
Gain/Loss on Sale of Investment	(199,216)	100,793	(173,250)	123,387
Dividend Income	10,586	905	15,756	2,395
Other Income	752	2,897	832	243
<b>Net Operating Revenue</b>	<b>(8,802)</b>	<b>246,518</b>	<b>219,610</b>	<b>437,410</b>
<b>Operating Expenses</b>				
Staff Costs	49,961	66,590	106,789	128,904
Administration	69,498	48,390	133,084	96,653
	<b>119,458</b>	<b>114,980</b>	<b>239,873</b>	<b>225,557</b>
<b>Profit before Taxation</b>	<b>(128,260)</b>	<b>131,538</b>	<b>(20,263)</b>	<b>211,852</b>
Taxation	30,409	(39,069)	-	(68,791)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(97,851)</b>	<b>92,469</b>	<b>(20,263)</b>	<b>143,061</b>
<b>Number of shares in Issue</b>	445,877	445,877	445,877	445,877
Earnings per stock unit	(0.22)	0.21	(0.05)	0.32

#### 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 MARCH 31, 2013

	Unaudited MARCH 2013 \$,000	Unaudited MARCH 2012 \$,000	Audited SEPTEMBER 2012 \$,000
<b>ASSETS</b>			
Cash and bank balances	450,148	160,140	122,144
Securities purchased under resale agreements	874,760	1,208,245	1,308,449
Marketable securities	10,444,017	6,252,791	6,270,441
Pledged Assets	0	5,697,816	5,102,514
Receivables	423,017	447,806	245,692
Loan receivables	122,315	89,211	106,505
Interest receivables	145,446	181,864	173,062
Due from related parties	(1,928)	(16,522)	13,751
Property, plant and equipment	240,445	214,788	220,092
Investments	2	2	2
<b>Total Assets</b>	<b>12,698,221</b>	<b>14,236,141</b>	<b>13,562,651</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	15,182	122,838	2,851
Securities sold under repurchase agreements	11,056,920	11,668,277	11,287,523
Payables	173,248	68,426	95,885
Interest Payable	68,386	87,318	92,287
Due to related parties	0	0	582
Redeemable Preference Shares	0	205,968	206,507
Convertible Preference Shares	0	3,475	3,460
Deferred tax liabilities	940	295,559	172,184
<b>Total Liabilities</b>	<b>11,314,675</b>	<b>12,451,859</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	(73,373)	386,060	163,845
Retained earnings	682,921	642,111	754,013
<b>Total Shareholders' Equity</b>	<b>1,383,547</b>	<b>1,784,282</b>	<b>1,701,373</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>12,698,221</b>	<b>14,236,141</b>	<b>13,562,651</b>



Rita Humphries-Lewin – Chairman



Carl Domville – Director

# Barita

## INVESTMENTS LIMITED

### UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED MARCH 31, 2013 CONT'D.

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED MARCH 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						143,061	
<b>Other Comprehensive Income:</b>							
Unrealised losses 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)
Net profit				(27,405)	(50,816)	143,061	143,061
Total recognised income/(losses) to March 2012				(27,405)	(50,816)	143,061	64,840
Issue of Ordinary shares						(40,129)	(40,129)
Purchase of treasury shares			(10,145)				
<b>Balance at 31 March 2012</b>	<b>765,154</b>	<b>0</b>	<b>(10,145)</b>	<b>1,101</b>	<b>386,060</b>	<b>642,111</b>	<b>1,784,281</b>
Balance at 31 September 2012	765,154	0	(10,145)	28,506	163,845	754,013	1,701,373
Profit for the period						(20,263)	
<b>Other Comprehensive Income:</b>							
Unrealised gain on available-for resale investments net of taxes					(410,367)		(410,367)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					173,149		173,149
Revaluation surplus, net of taxes				0			0
Net profit				0	(237,218)	(20,263)	(237,218)
Total Comprehensive Income				0	(237,218)	(20,263)	(257,481)
Convertible Preference Shares redeemed	(9,515)						(9,515)
Ordinary Dividends Paid						(50,830)	(50,830)
Sale of Treasury shares		0					0
<b>Balance at 31 March 2013</b>	<b>755,639</b>	<b>0</b>	<b>(10,145)</b>	<b>28,506</b>	<b>(73,373)</b>	<b>682,920</b>	<b>1,383,547</b>

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED MARCH 2013

	UNAUDITED 6 Months Ended Mar 31 2013 \$,000	UNAUDITED 6 Months Ended Mar 31 2012 \$,000
Profit for period	(97,851)	143,061
Unrealised gain on available-for resale investments net of taxes	(410,367)	72,019
<b>Total Comprehensive Income</b>	<b>(508,218)</b>	<b>215,080</b>

#### CONSOLIDATED STATEMENT OF CASH FLOWS AS AT MARCH 31, 2013

	UNAUDITED 6 Months Ended Mar 31 2013 \$,000	UNAUDITED 6 Months Ended Mar 31 2012 \$,000
<b>Cash Flows from Operating Activities</b>		
Net Profit	(20,263)	143,061
Adjusted for:		
Depreciation	7,278	6,733
Effect of exchange gain/loss on foreign balances	(80,924)	(5,506)
Interest income	(545,936)	(627,894)
Interest expense	296,910	369,686
Income tax expense	0	68,791
Gain on the disposal of property, plant and equipment		
	(342,935)	(45,130)
Changes in operating assets and liabilities		
Marketable securities	520,476	368,553
Securities purchased under resale agreements	433,689	257,460
Securities sold under repurchase agreements	(114,202)	(550,513)
Receivables	(4,263)	(7,333)
Loans receivable	(15,810)	(15,458)
Payables	(14,924)	(160,766)
Due from related companies	11,241	24,613
	816,207	(83,445)
Interest received	573,553	638,051
Interest paid	(320,811)	(388,767)
Income tax paid	(72,230)	(127,500)
Cash provided by operating activities	180,511	121,784
<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)	(13,000)
Purchase of property, plant and equipment	(20,353)	(11,341)
Cash provided by investing/financing activities	(396,860)	(11,341)
Effect of exchange rate on cash and cash equivalents	58,750	1,200
Decrease/(increase) in net cash and cash equivalents	315,674	(70,060)
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>434,967</b>	<b>37,302</b>