

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2014.

Chairman's Statement

BARITA POSTS PROFITS BEFORE TAXES OF \$173 MILLION

For the period ending June 30, 2014, Barita Investments Limited has maintained its recent performance trend with a recorded profit before taxes of \$173 million from gross revenues of \$1.03 billion.

We continue to diversify our revenue streams by increasing our product offerings and growing non-interest income.

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

- Gross revenue from Interest Income was \$783 million, 2% above the prior year position, while the related interest expense for the period was \$523 million, up 19% when compared to prior year. The continued upward pressures on interest rates have resulted in liability costs increasing at a significantly faster rate than any possible increase in Interest Income. This has resulted in a significant contraction in our margins and we recorded net interest income of \$260 million, approximately 21% down from prior year.
- Revenues from our non interest income were significantly above prior year at \$249 million compared to \$88 million. The major contributor to this improvement in non-interest income has been a

16% increase in fees and commission earned as a direct result of the performance of the new unit trust funds introduced in April of 2014.

- Income from trading gains have also begun to show signs of improvement in the last quarter as confidence in the International markets have improved and trading opportunities increased. This is reflected in the income of \$41 million earned in the 3 months April to June 2014, compared to \$14 million in the 3 months January to March 2014 and \$7 million earned in the 3 months October to December 2013.
- The depreciation of the Jamaican Dollar against the USD, Euro and the Sterling, has resulted in translation gains of \$95 million year to date.
- As we continue to employ cost management strategies, operational costs for the 9 month period to June 30, 2014 were flat when compared to the same period last year while Administrative costs were 10% lower than last year.

Capital Adequacy

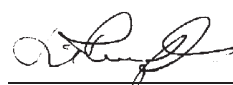
The Capital base of Barita Investments Limited remains in compliance with regulatory requirements. This is set out in the following key ratios:

	FSC Requirement	Barita Achievement
Capital to Risk Weighted Asset	10%	16.7%
Capital to Total Asset	6%	11.9%
Capital Base to Tier 1 Capital	50%	98%

Outlook

We remain tactical in our approach to the markets and will continue to aggressively manage our costs to maximize shareholder and stakeholder value.

We are confident that excellent opportunities exist in this environment and will utilize all our resources to remain a force in the financial services sector.



Rita Humphries-Lewin

Chairman
July 22, 2014.

CONSOLIDATED PROFIT & LOSS STATEMENT AS AT JUNE 30, 2014


	UNAUDITED 3 Months Ended June 30 2014 \$,000	UNAUDITED 3 Months Ended June 30 2013 \$,000	UNAUDITED 9 Months Ended June 30 2014 \$,000	UNAUDITED 9 Months Ended June 30 2013 \$,000
Net Interest Income and Other Revenue				
Interest Income	259,299	220,028	782,934	765,964
Interest cost of Repurchase Agreements	(184,449)	(141,778)	(522,878)	(438,688)
Net Interest Income	74,850	78,250	260,057	327,276
Fees and Commission Income	26,082	20,583	67,089	58,400
Foreign Exchange Trading and translation gains	36,322	35,812	108,508	125,240
Gain/Loss on Sale of Investment	41,246	56,029	62,874	(117,221)
Dividend Income	2,801	4,330	9,726	20,086
Other Income	439	600	468	1,432
Net Operating Revenue	181,740	195,603	508,722	415,214
Operating Expenses				
Staff Costs	62,953	57,729	179,332	164,517
Administration	55,637	38,976	156,114	172,060
	118,590	96,705	335,447	336,577
Profit before Taxation	63,149	98,899	173,276	78,636
Taxation	(12,411)	-	(17,060)	-
NET PROFIT/(LOSS) FOR THE PERIOD	50,738	98,899	156,215	78,636
Number of shares in Issue	445,877	445,877	445,877	445,877
Earnings per stock unit	0.11	0.22	0.35	0.18

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 2013.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2014

	Unaudited JUNE 2014 \$,000	Unaudited JUNE 2013 \$,000	Audited SEPTEMBER 2013 \$,000
ASSETS			
Cash and bank balances	248,977	395,056	92,145
Securities purchased under resale agreements	1,281,567	1,305,411	1,169,371
Marketable securities	7,165,796	7,154,633	6,938,050
Pledged Assets	3,678,521	3,422,840	3,898,350
Receivables	476,417	429,772	430,128
Loan receivables	142,896	115,602	117,543
Interest receivables	195,709	179,566	271,796
Due from related parties	421	299	6,907
Property, plant and equipment	303,450	243,345	246,563
Investments	2	2	2
Deferred Assets	0	84,971	2
Total Assets	13,493,757	13,331,497	13,170,857
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	18,163	314,510	17,501
Securities sold under repurchase agreements	11,595,884	11,497,673	11,574,234
Payables	59,416	142,583	64,734
Interest Payable	89,421	66,489	69,248
Due to related parties	21,844	2,774	0
Taxation	17,060	0	14,249
Deferred tax liabilities	74,731	0	27,133
Total Liabilities	11,876,519	12,024,028	11,767,099
Shareholders' Equity			
Stated capital	754,994	755,639	754,994
Treasury shares	(10,145)	(10,145)	(10,145)
Capital reserve	81,605	28,505	28,506
Fair value reserve	(125,517)	(248,349)	(143,060)
Capital Redemption reserve	220,127	0	220,127
Retained earnings	696,174	781,819	553,334
Total Shareholders' Equity	1,617,238	1,307,469	1,403,756
Total Liabilities and Shareholders' Equity	13,493,757	13,331,497	13,170,855



Rita Humphries-Lewin – Chairman



Carl Domville – Director

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2014 CONT'D.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED JUNE 30, 2014

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Capital Redemption Reserve \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2012	765,154	0	(10,145)	28,506	163,845	0	754,013	1,701,373
Profit for the period							78,636	
Other Comprehensive Income:								
Unrealised losses 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				-	(412,194)			(412,194)
Total recognised income/(losses) to June 2013				-	(412,194)		78,636	(333,558)
Ordinary Dividends Paid							(50,830)	(50,830)
Convertible Preference Shares redeemed	(9,515)							(9,515)
Balance at 30 June 2013	755,639	0	(10,145)	28,506	(248,349)	0	781,819	1,307,470
Balance at 30 September 2013	754,994	0	(10,145)	28,506	(143,060)	220,127	553,334	1,403,756
Profit for the period							156,215	
Other Comprehensive Income:								
Unrealised gain on available-for resale investments net of taxes					80,131			80,131
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(62,587)			(62,587)
Revaluation surplus, net of taxes				53,100				53,100
Net profit				53,100	17,543		156,215	156,215
Total Comprehensive Income				53,100	17,543		156,215	226,859
Ordinary Dividends Paid							(13,376)	(13,376)
Sale of Treasury shares		0						0
Balance at 30 June 2014	754,994	0	(10,145)	81,606	(125,517)	220,127	696,173	1,617,239

STATEMENT OF COMPREHENSIVE INCOME FOR THE 9 MONTHS ENDED JUNE 30, 2014

	UNAUDITED 9 Months Ended June 30 2014 \$,000	UNAUDITED 9 Months Ended June 30 2013 \$,000
Profit for period	156,215	78,636
Unrealised gain on available-for resale investments net of taxes	80,131	(529,414)
Total Comprehensive Income	236,346	(450,777)

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT JUNE 30, 2014

	UNAUDITED 9 Months Ended June 30, 2014 \$,000	UNAUDITED 9 Months Ended June 30, 2013 \$,000
Cash Flows from Operating Activities		
Net Profit	156,215	78,636
Adjusted for:		
Depreciation	11,576	10,876
Effect of exchange gain/loss on foreign balances	(95,237)	(111,468)
Interest income	(782,934)	(765,964)
Interest expense	522,878	438,688
Income tax expense	17,060	-
Gain on the disposal of property, plant and equipment	(170,442)	(349,232)
Changes in operating assets and liabilities		
Marketable securities	68,169	231,899
Securities purchased under resale agreements	(112,196)	3,038
Securities sold under repurchase agreements	41,823	302,437
Receivables	(46,289)	(11,018)
Loans receivable	(25,353)	(9,097)
Payables	45,091	(45,589)
Due from related companies	(28,330)	10,694
	(57,086)	482,363
Interest received	706,848	759,461
Interest paid	(515,889)	(464,486)
Income tax paid	(17,060)	(72,230)
Cash provided by operating activities	173,899	222,745
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	-	(313,590)
Ordinary Dividends	(13,376)	(50,830)
Interest paid on preference shares	-	(12,087)
Purchase of property, plant and equipment	(56,887)	(23,253)
Cash provided by investing/financing activities	(70,263)	(399,760)
Effect of exchange rate on cash and cash equivalents	280,061	5,137
Decrease/(increase) in net cash and cash equivalents	156,170	(38,747)
Net cash and cash equivalents at beginning of year	74,644	119,293
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	230,814	80,546