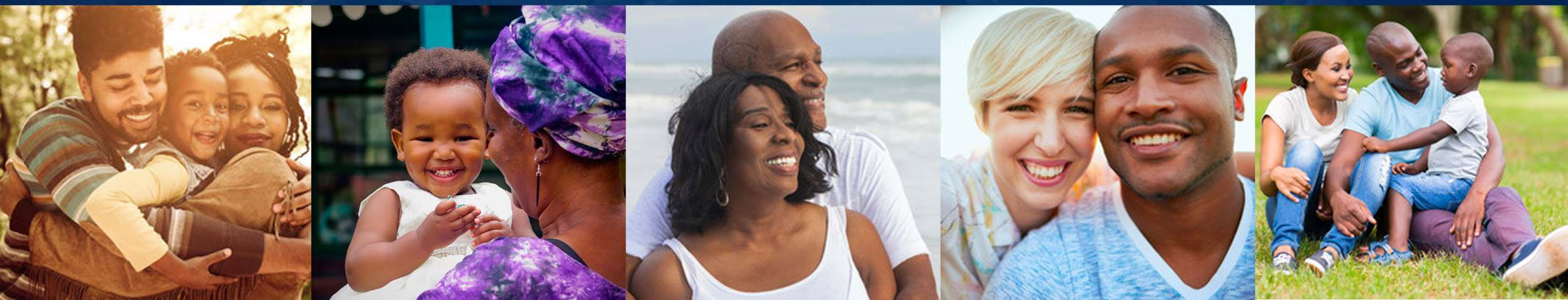
Financial Results

For the Twelve Months Ended
September 30, 2020
(Unaudited)

Barita
Investments Limited

Making Money Work For You Since 1977



$5.1B
Net Operating Revenue

$2.7B
Net profits

$27.7B
Total Shareholder's Equity

$70.5B
Total Assets

39.2%
Efficiency Ratio

17.8%
Return on Average Equity

Chairman's Statement

Mark Myers, *Chairman*

The Board of Directors of Barita Investments Limited ("Barita" or "the Group") is pleased to present the Group's unaudited financial statements for the full financial year ending September 30, 2020 ("FY 2020").

For FY 2020, the Group reported record annual net profits of $2.7 billion which represented a 59% or $1 billion increase relative to net profits of $1.7 billion for the financial year ended September 30, 2019 ("FY 2019"). Net profit for the quarter ending September 2020 ("Q4 FY 2020") of $726 million represents a $440 million or 155% rise relative to the corresponding period in FY 2019. Net profit for FY 2020 translated to earnings per average share outstanding ("EPS") of $3.29 relative to EPS for FY 2019 of $2.42 per share.

The Group's performance for FY 2020 was influenced by the effects of the ongoing COVID-19 pandemic which started to take hold on the global economy and financial markets in the first quarter of the calendar year. The pandemic continues to impact many aspects of our operations and required the organization to appropriately respond in order to protect the interests of our clients, team members and our shareholders. In keeping with our business continuity plan, soon after the crisis started, we created a coronavirus Task Force mandated to mitigate the known and prospective effects of the crisis on our business.

The heightened risk environment occasioned by the effects of the pandemic necessitated increased focus on the prospective emergence of systemic risk. Heading into the crisis, Barita was conservatively positioned reflected by our relative overweight in cash (36% of total assets as at March 2020) and robust capital adequacy levels (Capital to Risk Weighted Assets Ratio was 41% versus a regulatory minimum of 10% as at March 2020). This conservatism was informed by a generally 'risk off' view prior to the emergence of the pandemic, which served us well as Barita was able to gradually rebalance its portfolios and to seize crisis-driven opportunities.

In Q4 FY 2020 the Group successfully concluded an oversubscribed APO of shares on the Jamaica Stock Exchange ("JSE") which saw the Group raising $13.5 billion in additional equity capital. The APO was both the largest equity fundraise by a private sector company and the largest Jamaican dollar fundraise in the history of the JSE. This has added further capacity to the Group's ongoing transformational growth initiatives. It will enable expansion of our capital markets capabilities, allow us to broaden our product offerings and improve our ability to serve our expanding client base. We view our ability to complete such a landmark transaction in the midst of current market conditions as the product of the tremendous work of our team and as evidence of the confidence placed in us by the investing public.

$5.1B	$2.7B	$27.7B	$70.5B	39.2%	17.8%
Net Operating Revenue	Net profits	Total Shareholder's Equity	Total Assets	Efficiency Ratio	Return on Average Equity

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The Group's FY 2020 performance largely reflects our continued focus on the growth and diversification of our revenue base. This strategy has allowed the business to remain resilient despite the significant challenges presented by the operating environment. We have continued to benefit from growth in traditional business lines such as trading and asset management, coupled with success in newer business lines such as investment banking.

Operating Performance

Barita produced net operating revenue of $5.1 billion for FY 2020 which represents a $1.2 billion (29%) rise versus the outturn for FY 2019. The Group's revenue base during the period was comprised of:

Net Interest Income:

Net Interest Income recorded a $230 million (35%) increase year-over-year ("YoY") for FY 2020 to $881 million. This largely reflected the continued expansion of our fixed income and credit portfolios as our overall balance sheet grew during the year.

Non-Interest Income:

Non-interest income grew by 28% or $926 million, to $4.3 billion relative to $3.3 billion reported for FY 2019. The growth in non-interest income was principally attributable to a sharp uplift in fees & commission income and foreign exchange trading and translation gains. Non-interest income as a percentage of net revenues was 83% during the period, continuing to reflect the Group's focus on optimizing its revenue mix with a tilt towards fee-based income.

Gain on Investment Activities & Foreign Exchange Trading:

This business segment relates to the management of our Cambio and proprietary trading portfolio, which closed the period registering a 25% or $514 million decline to $1.6 billion. The decline YoY was attributable to much less favourable market conditions throughout the year as the effects of the ongoing pandemic had a material impact on most asset classes.

Fees & Commission Income:

Fees and commission income rose by 118% to $1.8 billion for FY 2020 relative to the prior period's result of $847 million. The rise in fee income during the period was primarily driven by the Group's continued growth in assets under management via our asset management business despite the market environment, coupled with the significant progress we have made in our investment banking business during its second year of operations. Revenue generated from investment banking activities rose YoY by J$244 million or 88% to J$524 million.

FX Translation Gains:

We continue to actively manage the Group's balance sheet exposures to safeguard shareholders' equity against the effects of currency risk. Our local currency depreciated by $2.09 during the fourth quarter to bring the full-year total to $6.71, a 5% loss of value against the United States dollar ("US$") to close at $142.10: $1.00 as per the Bank of Jamaica ("BOJ") weighted average selling sate. The currency traded within a fairly wide range of J$151.27:US$1.00 and J$139.51:US$1.00 during Q4 FY 2020, reflecting increased volatility brought on by the pandemic. The Group registered foreign exchange translation gains of $761 million for the year which compares favourably to the gain of $45 million recorded in the previous year.

Operating Expenses:

Non-Interest Expenses for FY 2020 showed a rise of 32% or $488 million versus FY 2019 to $2.0 billion. The year-over-year rise in expenses was driven by increases in staff costs and administrative expenses, set off against a decline in the Group's expected credit losses ("ECL"). The decline in ECL was due to a rebalancing in the Group's investment portfolio in addition to a reassessment of ECLs charged in prior periods which over-estimated loss given defaults. However, in recognizing the current and future impacts of COVID-19, our probability of default estimates was also increased during the year. The rise in expenses during the year reflects the Group's continued investments in the critical pillars of its transformational growth strategy to include the optimization of our human capital management, customer acquisition initiatives, and customer experience infrastructure. This is reflected in the 52% or $289 million increase in staff costs to $843 million. Administrative expenses also rose by 32% or $273 million versus the comparable period in FY 2019. The Group's efficiency ratio for FY 2020 was 39% versus 38% for FY 2019.

Balance Sheet Highlights

Total Assets:

Barita's on-book assets of $70.5 billion as at September 2020, represents a $29.5 billion or 72% increase over prior year. This increase is largely due to a $25.2 billion growth in cash, marketable securities, pledged assets and reverse repurchase agreements, which now total $61.0 billion.

Total Liabilities:

To fund the increase in total assets, our total liabilities rose by 56% or $15.4 billion to $42.8 billion when compared with September 2019, resulting largely from a $10.3 billion or 43% increase in repo liabilities to $34.3 billion.

Shareholders' Equity:

The equity base of the Group grew significantly, rising by 103% or $14 billion YoY to close the reporting period at $27.7 billion. The growth in shareholders' equity was largely a result of the following:

1. The injection of additional equity in the Group, arising from the $13.5 billion APO

2. An increase in retained earnings, net of dividends declared during the period.

Outlook

The unprecedented set of circumstances occasioned by the onset of the COVID-19 pandemic has heavily influenced nearly all aspects of our operating environment since Q2 FY 2020. Governments and central banks globally have been generally aligned with their responses announcing several extraordinary fiscal and monetary policy measures aimed at combatting the negative effects of the crisis on the global economy. Financial markets have been characterised by a significant uplift in volatility across most asset classes. This volatility has moderated in recent months, resulting in many risk assets showing some degree of recovery as the effects of policy measures have taken hold.

Generally, there has been a rise in optimism surrounding an improvement in global growth and the International Monetary Fund ("IMF") recently revised upwards their forecast for 2020 by 0.5% to -4.4%, a less severe contraction than initially forecast. The IMF reports that the revision reflects better than anticipated actual second quarter GDP performances, largely, in developed economies, where activity has begun to improve sooner than expected after lockdowns were scaled back in May and June. Jamaica's economy however is projected by the BOJ to contract by 5.3% for the calendar year 2020 and in the range of 7%-10% for fiscal year 2020/2021. A major driver of this outlook is an expectation for continued softness in the labour market over the next several quarters with particular concentration in the tourism, construction and wholesale & retail industries. The BOJ has continued its pursuit of an expansionary policy position characterised by continued low interest rates and ample system-wide liquidity support through both the purchase of Government of Jamaica securities from market participants and the injection of liquidity via several lending windows. The BOJ has also been supporting liquidity in the foreign exchange market which has been characterised by a sharp rise in volatility.

The operating environment throughout the year presented the Company with a prodigious range of opportunities and challenges. Management has been proactive and responsive to the changes caused by the pandemic in an effort to both preserve and create value for our clients and shareholders. The Group was well positioned to absorb the shocks presented by markets during the period due to its strong cash and equivalents position coupled with our robust capital adequacy.

In spite of the uncertainty surrounding the market environment, Barita was able to successfully close its oversubscribed APO, raising $13.5 billion in September. We believe this additional equity will bolster our capacity to continue to successfully navigate the continued effects of the pandemic as well as create value for our stakeholders. We continue to remain cautious but optimistic about the prospects for several aspects of our operations as we look ahead to our 2020/2021 financial year. Our focus over the immediate term will be to optimally allocate the proceeds raised by the APO towards continuing the realization of the Group's transformational growth strategy.

In closing, I would like to reiterate our gratitude to the medical and other frontline personnel engaged in the fight against the pandemic. Our team will continue to uphold our responsibilities as members of the wider society during this time through the work of our philanthropic arm. To date as the crisis has unfolded, our focus has been providing aid to the most vulnerable via donations to Food for the Poor and the Mustard Seed Communities. Our thoughts, prayers and support continue to go out to those most severely impacted by this crisis.

Mark Myers
Chairman

November 13, 2020

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Profit & Loss Statement

As At September 30, 2020

	UNAUDITED 3 Months Ended September 30, 2020 $'000	UNAUDITED 3 Months Ended September 30, 2019 $'000	UNAUDITED 12 Months Ended September 30, 2020 $'000	AUDITED 12 Months Ended September 30, 2019 $'000
Net interest income	44,067	214,097	880,612	650,999
Fees and commission income	450,170	125,769	1,843,627	847,372
Foreign exchange trading and translation gains	550,720	110,816	978,451	199,404
Gains on investment activities (Note 2)	251,364	701,255	1,359,727	1,936,908
Dividend income	6,505	9,781	14,711	30,669
Other income	56,260	2,236	58,861	314,422
Net operating revenue	**1,359,086**	**1,163,954**	**5,135,989**	**3,979,774**
Operating expenses				
Staff costs	288,388	151,278	843,172	553,550
Administration	402,038	518,016	1,137,273	863,830
Impairment/expected credit loss (ECL)	19,722	27,345	33,437	108,070
	710,148	**696,639**	**2,013,882**	**1,525,450**
Profit before taxation	**648,938**	**467,315**	**3,122,107**	**2,454,324**
Taxation	76,817	(182,217)	(393,073)	(741,543)
NET PROFIT FOR THE PERIOD	**725,755**	**285,098**	**2,729,034**	**1,712,781**
Number of shares in Issue (Avg)	829,023	707,294	829,023	707,294
Earnings per stock unit	0.88	0.40	3.29	2.42

$5.1B	$2.7B	$27.7B	$70.5B	39.2%	17.8%
Net Operating Revenue	Net profits	Total Shareholder's Equity	Total Assets	Efficiency Ratio	Return on Average Equity

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Statement of Financial Position

As At September 30, 2020

	Unaudited September 2020 $'000	Audited September 2019 $'000
ASSETS		
Cash and bank balances	5,746,564	787,920
Securities purchased under resale agreements	11,337,534	14,678,974
Marketable securities	8,494,605	9,366,586
Pledged assets	35,425,728	10,928,445
Interest receivables	517,652	219,681
Loan receivables	1,717,229	751,846
Receivables	2,615,626	741,816
Taxation recoverable	53,422	6,701
Due from related parties	2,024,209	1,624,584
Property, plant and equipment	813,220	353,275
Intangible assets	18,399	33,531
Investments	1,512,128	1,511,295
Right of use asset	256,588	-
Total assets	**70,532,904**	**41,004,654**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Bank overdraft	5,888	71,819
Securities sold under repurchase agreements	34,328,341	24,033,915
Interest payable	118,542	58,895
Lease liability	282,298	-
Payables	7,474,844	1,739,686
Due to related parties	379,450	77,711
Taxation	83,205	730,500
Deferred tax liabilities	145,285	622,850
Total liabilities	**42,817,853**	**27,335,376**
Shareholders' Equity		
Share capital	24,253,111	10,699,381
Capital reserve	111,466	111,466
Fair value reserve	276,464	685,248
Capital redemption reserve	220,127	220,127
Retained earnings	2,853,883	1,953,056
Total shareholders' equity	**27,715,051**	**13,669,278**
Total liabilities and shareholders' equity	**70,532,904**	**41,004,654**

Mark Myers Chairman   Carl Domville Director

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Statement of Changes In Equity

For the 12 Months Ended September 30, 2020

	Share Capital	Capital Reserve	Fair Value Reserve	Capital Redemption Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2018	**740,427**	**93,133**	**910,697**	**220,127**	**1,101,687**	**3,066,071**
Cumulative transition effect of IFRS 9 adoption	-	-	(437,127)	-	435,039	(2,088)
Balance at 1 October 2018	**740,427**	**93,133**	**473,570**	**220,127**	**1,536,726**	**3,063,983**
TOTAL COMPREHENSIVE INCOME						
Net profit for the period	-	-	-	-	1,712,781	1,712,781
Other comprehensive income			211,678	-	-	211,678
Revaluation of properties		18,333				18,333
Total comprehensive income for the period	**-**	**18,333**	**211,678**	**-**	**1,712,781**	**1,942,792**
TRANSACTIONS WITH OWNERS						
Issue of shares (rights issue)	9,142,186	-	-	-	-	9,142,186
Issue of preference shares	1,000,000	-	-	-	-	1,000,000
Purchase of own share	(183,232)	-	-	-	-	(183,232)
Ordinary dividends paid	-	-	-	-	(399,216)	(399,216)
Proposed dividend	-	-	-	-	(897,235)	(897,235)
Balance at 30 September 2019	**10,699,381**	**111,466**	**685,248**	**220,127**	**1,953,056**	**13,669,278**
TOTAL COMPREHENSIVE INCOME						
Net profit for the period					2,729,034	2,729,034
Other comprehensive Income			(408,784)			(408,784)
Total comprehensive income for the period			**(408,784)**	**-**	**2,729,034**	**2,320,250**
TRANSACTIONS WITH OWNERS						
Issue of ordinary shares	13,277,929	-	-	-	-	13,277,929
Paid-in capital	275,801	-	-	-	-	275,801
Proposed dividend	-	-	-	-	(1,828,207)	(1,828,207)
	13,553,730	-	-	-	(1,828,207)	11,725,523
Balance at 30 September 2020	**24,253,111**	**111,466**	**276,464**	**220,127**	**2,853,883**	**27,715,051**

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STATEMENT OF Comprehensive Income

For the 12 Months Ended September 30, 2020

	Unaudited 3 Months Ended September 30, 2020 $,000	Unaudited 3 Months Ended September 30, 2019 $,000	Unaudited 12 Months Ended September 30, 2020 $,000	Unaudited 12 Months Ended September 30, 2019 $,000
Profit for period	725,755	285,098	2,729,034	1,712,781
Unrealised gains on investments net of taxes and revaluation of properties	204,174	(353,962)	(408,784)	230,011
Total comprehensive income	**929,929**	**(68,864)**	**2,320,250**	**1,942,792**

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Statement of Cash Flows

As At September 30, 2020

	Unaudited 12 Months Ended September 30, 2020	Audited 12 Months Ended September 30, 2019
	$'000	$'000
Cash Flows from Operating Activities		
Net Profit	2,729,034	1,712,781
Adjusted for:		
Depreciation	101,469	33,076
Effect of exchange (gain)/loss on foreign balances	(760,761)	42,941
Impairment/expected credit losses (ECL)	33,437	-
Fair Market Value (gains)/losses - equity	53,232	(120,832)
Interest income	(1,760,331)	(1,532,154)
Interest expense	879,719	881,155
Income tax expense	393,072	741,543
Unrealised revaluation gains on investment properties	(37,903)	-
Gain on the disposal of property, plant and equipment	-	733
	1,630,968	1,759,243
Changes in operating assets and liabilities:		
Marketable securities	(24,482,924)	(8,929,521)
Securities purchased under resale agreements	3,341,440	(10,728,531)
Securities sold under repurchase agreements	10,294,426	10,448,911
Receivables	(1,921,364)	(305,109)
Loans receivable	(965,383)	(348,782)
Payables	5,257,594	27,805
Due from related companies	(97,886)	(1,484,235)
	(6,943,130)	(9,560,219)
Interest received	1,462,360	1,525,608
Interest paid	(820,071)	(870,481)
Income tax paid	(914,666)	(132,409)
Cash provided by operating activities	**(7,215,507)**	**(9,037,501)**
Cash flows from Investing/financing Activities		
Proceeds from sale of preference shares	-	1,000,000
Proceeds from sale of ordinary shares/rights issue	13,277,929	9,142,186
Treasury shares acquired/sold	275,801	(183,232)
Ordinary dividends paid	(897,235)	(399,216)
Purchase of property, plant and equipment	(546,283)	(152,993)
Cash provided by investing/financing activities	**12,110,212**	**9,419,246**
Effect of exchange rate on cash and cash equivalents	**129,870**	**982**
Increase in net cash and cash equivalents	5,024,575	382,727
Net cash and cash equivalents at beginning of year	716,101	333,374
Net cash and cash equivalents at end of the period	**5,740,676**	**716,101**

Notes to the Unaudited Financial Statements
September 30, 2020

1. Statement of compliance and basis of preparation

Interim Financial Reporting

The condensed consolidated interim financial statements (interim financial statements) for the quarter ended September 30, 2020 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, 2019, 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 to standards, which became effective during the current financial year:

IFRIC 23, 'Uncertainty over Income Tax Treatments '

The interpretation clarifies how to apply the recognition and measurements requirements in IAS 12 when there is uncertainty over tax treatments. In such a circumstance, an entity must consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that is used or plans to use in its income tax filing.

If the entity concludes that it is probable that a tax treatment is accepted, the entity must determine taxable profit consistent with the tax treatment included in its income tax filings. Additionally, if the entity concludes that it is not probable that a tax treatment is accepted, the entity must use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the outcome of the uncertainty.

The Group has assessed the impact of this amendment on the 2020 financial statements.

IFRS 16, 'Leases'

The standard primarily addresses the accounting for leases by lessees. The standard will result in almost all leases being recognised on the statement of financial position, as it removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change.

The Group adopted IFRS 16 using the modified retrospective approach with a transition date of October 1, 2019. The new standard eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. This requires the recognition of a right-of-use asset and a lease liability for leases with terms longer than 12 months.

The table below depicts the effect of applying the new standard.

Right-of-Use Assets

	2020
	$
Balance at as at September 30, 2019	-
Initial application of IFRS 16	208,503,686
Balance as at October 1, 2019	208,503,686
New leases	71,421,300
Depreciation	(23,336,709)
Balance at end of year.	256,588,277

Lease Liabilities

	2020
	$
Balance at as at September 30, 2019	-
Initial application of IFRS 16	217,079,232
Balance as at October 1, 2019	217,079,232
New leases	71,421,300
Unwinding of discount on lease liabilities	15,947,978
Payments	(22,150,445)
Balance at end of year.	282,298,065

2. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to September 30, 2020	Unaudited 3 Months to September 30, 2019	Unaudited 12 Months to September 30, 2020	Unaudited 12 Months to September 30, 2019
Gains/(Losses) on sales of investments	244,750	1,818,298	1,412,958	1,769,653
Fair Market Value Gains\(Losses) on Equity Portfolio	6,615	(1,117,043)	(53,231)	167,255
	251,365	701,255	1,359,727	1,936,908

3. Earning per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of $2,729,034,000 by the weighted average number of ordinary shares in issue during the period of 829,023,000 shares.