

Financial Results

For the Three Months Ended

December 31, 2020

(Unaudited)

Barita

Investments Limited

Making Money Work For You Since 1977





\$2.0B

Net Operating
Revenue



\$1.0B

Net profits



\$28.5B

Total Shareholder's
Equity



\$69.9B

Total Assets



34.1%

Efficiency Ratio



21.9%

Return on Average
Equity

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Operating Performance

Barita produced net operating revenue of \$2.0 billion in the first quarter of the financial year 2021, representing an \$862 million (76%) rise versus the outturn for Q1 FY20. The Group's revenue base during the period was comprised of:

Net Interest Income:

Net Interest Income (NII) recorded a \$159 million (76%) increase year-over-year ("YoY") for Q1 FY 2021 to \$367 million. This result emanates from the focused deployment of our enhanced capital position into our fixed income and credit portfolios, even as the overall balance sheet expanded YoY.

Non-Interest Income:

Non-interest income grew by 76% or \$703 million, to \$1.6 billion relative to \$923 million reported for Q1 FY20. The growth in non-interest income was principally attributable to gains on investment activities & foreign exchange trading and translation gains. Non-interest income as a percentage of net operating revenues was 82% during the period, continuing to reflect the Group's focus on optimizing its revenue mix.

Gain on Investment Activities:

This business segment relates to managing our proprietary trading portfolio, which closed the period registering a 165% or \$417 million increase to \$670 million. The increase YoY was largely attributable to the significant up turn in international risk asset prices towards the latter part of 2020, given the high levels of global monetary and fiscal policy support.

Fees & Commission Income:

Fees and commission income declined by 20% to \$466 million relative to the corresponding Q1 FY20 result of \$578 million. The decline in fee income during the period is attributable to lower performance related asset management fees during the quarter versus that of Q1 FY20 due to more challenging conditions in the local financial market.

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Balance Sheet Highlights

Total Assets:

Barita's on-book assets of \$69.9 billion as at December 2020, represents a \$24.7 billion or 55% increase over Q1 FY20. This increase is largely due to a \$26 billion growth in investment assets throughout the period.

Total Liabilities:

To fund the increase in total assets, our total liabilities rose by 33% or \$10.3 billion to \$41.4 billion when compared with Q1 FY20. At \$36.6 billion, repos represent the single largest liability, and represents a 29% increase relative to Q1 FY20.

Shareholders' Equity:

The equity base of the Group grew significantly, rising by 102% or \$14.4 billion YoY to close the reporting period at \$28.5 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; and

2.

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

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In closing, I would like to reiterate our gratitude to the medical and other frontline personnel engaged in the fight against the pandemic. Our Board and Executive Teams are committed to ensuring that we play our part in supporting the battle against COVID 19 in general and continue to provide leadership as it relates to the return of a fully functional domestic capital market.

On behalf of the Board, I would like to recognize the executive team and staff who have once again gone above and beyond in delivering consistently strong results; and express thanks to our investors and shareholders that continue to repose their faith in the work that we do.

Mark Myers / Chairman

February 12, 2021

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Profit & Loss Statement

As At December 31, 2020

	UNAUDITED 3 Months Ended December 31, 2020 \$'000	UNAUDITED 3 Months Ended December 31, 2019 \$'000
Net interest income and other revenue		
Interest income	613,793	418,933
Interest cost of repurchase agreements	(246,417)	(210,313)
Net interest income	367,376	208,621
Fees and commission income	465,623	578,733
Foreign exchange trading and translation gains	485,764	87,475
Gain on investment activities (Note 2)	669,364	252,140
Dividend income	449	3,222
Other income	4,917	1,379
Net operating revenue	1,993,493	1,131,569
Operating expenses		
Staff costs	279,191	202,539
Administration	327,416	247,412
Impairment/expected credit loss (ECL)	72,718	40,961
	679,325	490,911
Profit before taxation	1,314,168	640,658
Taxation	(293,371)	(137,686)
NET PROFIT FOR THE PERIOD	1,020,797	502,972

Number of shares in Issue

1,085,578

818,878

Earnings per stock unit

0.94

0.61

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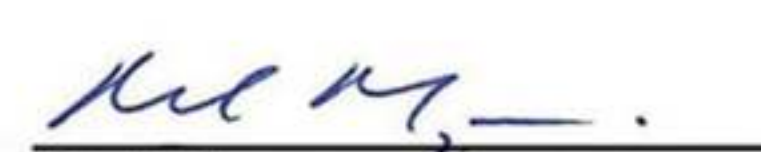
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Statement of Financial Position

As At December 31, 2020

	<u>Unaudited</u> December 2020 \$'000	<u>Unaudited</u> December 2019 \$'000	<u>Audited</u> September 2020 \$'000
ASSETS			
Cash and bank balances	1,891,550	768,404	5,277,608
Securities purchased under resale agreements	6,631,685	8,934,300	8,039,603
Marketable securities	9,433,812	16,568,696	11,964,315
Pledged assets	37,616,552	11,916,149	35,425,728
Interest receivables	708,759	344,667	517,652
Loan receivables	6,200,212	849,188	1,717,229
Receivables	2,468,563	1,975,083	2,986,408
Taxation recoverables	53,422	53,422	183,299
Due from related parties	2,272,856	1,864,687	1,979,035
Property, plant and equipment	883,363	413,847	813,221
Intangible assets	18,183	33,531	18,399
Investments	1,512,135	1,511,295	1,512,128
Right of use asset	253,251	-	256,588
Total assets	69,944,343	45,233,270	70,691,213
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	12,088	12,291	8,720
Securities sold under repurchase agreements	36,605,452	28,347,216	34,328,077
Interest payable	132,504	57,536	118,542
Lease liability	285,225	0	282,298
Payables	3,764,396	879,095	7,582,261
Due to related parties	133,362	357,665	273,744
Taxation	234,677	802,412	-
Deferred tax liabilities	276,370	676,213	616,891
Total Liabilities	41,444,074	31,132,428	43,210,533
Shareholders' Equity			
Share capital	24,146,554	10,880,310	24,146,554
Capital reserve	111,466	111,465	111,466
Fair value reserve	23,846	432,908	25,054
Capital redemption reserve	220,127	220,127	220,127
Retained earnings	3,998,276	2,456,031	2,977,479
Total shareholders' equity	28,500,269	14,100,841	27,480,680
Total liabilities and shareholders' equity	69,944,343	45,233,270	70,691,213


Mark Myers Chairman


Carl Domville Director

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Statement of Changes In Equity

For the 3 Months Ended December 31, 2020

	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Capital Redemption Reserves \$'000	Retained Earnings \$'000	Total \$'000
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					502,972	502,972
Other comprehensive Income			(252,340)		-	(252,340)
Total comprehensive income for the period	-	-	(252,340)	-	502,972	250,632
TRANSACTIONS WITH OWNERS						
Paid-in Capital	180,931				-	180,931
Balance at 30 December 2019	10,880,312	111,466	432,907	220,127	2,456,029	14,100,841
Balance at 30 September 2020	24,146,554	111,466	25,054	220,127	2,977,479	27,480,680
TOTAL COMPREHENSIVE INCOME						
Net profit for the period					1,020,797	1,020,797
Other comprehensive Income			(1,208)		-	(1,208)
Total Comprehensive Income for the period	-	-	(1,208)	-	1,020,797	1,019,589
TRANSACTIONS WITH OWNERS						
Paid-in Capital	-	-	-	-	-	-
Balance at 31 December 2020	24,146,554	111,466	23,846	220,127	3,998,276	28,500,269

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STATEMENT OF

Comprehensive Income

For the 3 Months Ended
December 31, 2020

	UNAUDITED 3 Months Ended December 31, 2020 <u>\$'000</u>	UNAUDITED 3 Months Ended December 31, 2019 <u>\$'000</u>
Net Profit for period	1,020,797	502,972
Unrealised loss on available- for resale investments net of taxes	(1,208)	(252,340)
Total comprehensive income	<u>1,019,589</u>	<u>250,632</u>

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Statement of Cash Flows

As At December 31, 2020

Cash Flows from Operating Activities

	<u>Unaudited</u> 3 Months Ended December 31, 2020	<u>Unaudited</u> 3 Months Ended December 31, 2019
	\$'000	\$'000
Net Profit for the Period	1,020,797	502,972
Adjusted for:		
Depreciation	29,569	10,039
Effect of exchange gains on foreign balances	(424,348)	(29,995)
Impairment/expected credit losses (ECL)	72,718	40,961
FMV gains - equity	(13,011)	(113,294)
Interest income	(613,793)	(418,933)
Interest expense	246,417	210,313
Income tax expense	293,370	137,686
	<u>611,720</u>	<u>339,748</u>
Changes in operating assets and liabilities:		
Marketable securities	652,008	(8,284,953)
Securities purchased under resale agreements	1,407,918	5,744,674
Securities sold under repurchase agreements	2,277,375	4,313,301
Receivables, net	647,715	(1,317,753)
Loans receivable	(4,482,983)	(97,342)
Payables	(4,158,385)	(860,591)
Due from related parties	(434,203)	39,851
	<u>(3,478,834)</u>	<u>(123,064)</u>
Interest received	422,686	293,947
Interest paid	(232,456)	(211,672)
Income tax paid	(0)	(28,009)
Cash provided by operating activities	<u>(3,288,603)</u>	<u>(68,798)</u>
Cash flows from Investing/financing Activities		
Treasury shares acquired	-	181,278
Purchase of property, plant and equipment	(99,495)	(70,611)
Cash provided by investing/financing activities	<u>(99,495)</u>	<u>110,666</u>
Effect of exchange rate on cash and cash equivalents	<u>(1,327)</u>	<u>(1,856)</u>
Decrease/(increase) in net cash and cash equivalents	(3,389,426)	40,012
Net cash and cash equivalents at beginning of year	5,268,888	716,101
Net cash and cash equivalents at end of period	<u><u>1,879,462</u></u>	<u><u>756,113</u></u>

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Notes to the Unaudited Financial Statements

December 31, 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 December 31, 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, 2020, 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:

Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2020).

These amendments and consequential amendments to other IFRSs result in the use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting. They clarify the explanation of the definition of material and also incorporate some of the guidance in IAS 1 about immaterial information. The adoption of these amendments is not expected to have a significant impact on the group.

The group is assessing the impact that this standard and amendment will have on the financial statements when it is adopted.

2. Gains on Investment Activities

	Unaudited 3 Months to December 31, 2020	Unaudited 3 Months to December 31, 2019
Gains on sales of investments	656,353	138,846
Fair Market Value Gains on Equity Portfolio	13,011	113,294
	<u>669,364</u>	<u>252,140</u>

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3. Earning per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of \$1,020,797,000 by the weighted average number of ordinary shares in issue during the period of 1,085,578,000 shares.