

# Financial Results

For the Three Months ended

**December 31, 2021**

(Unaudited)

**Barita**  
Investments Limited

**Making Money Work For You Since 1977**





**\$2.1B**

Net Operating  
Revenue



**\$1.1B**

Net profits

---



**\$36.9B**

Total Shareholder's  
Equity



**\$92.0B**

Total Assets

---



**35.2%**

Efficiency Ratio



**13.8%**

Return on Average  
Equity



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## 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 first quarter of the financial year 2022 ("Q1 FY 2022").

By the end of our first quarter of FY 2022, we discerned a clear shift in global capital markets in terms of risk sentiment as it became clearer that global (and local) inflation, which has been elevated for the last few quarters, is likely to persist for a much longer period than was originally envisaged. The inflationary environment has led to significant financial market volatility, particularly in global interest rates which have had a leaning towards moving higher. Locally, money market interest rates have risen fairly sharply, on account of the rise in the Bank of Jamaica's policy rate, which has now settled at 2.50%, and could increase even further when the Bank's Monetary Policy Committee meets again. Longer term local interest rates have also moved higher which has affected both trading activity and capital market activity. Risks attendant to the ongoing COVID-19 pandemic also remain persistent even as global and local vaccination levels continue to rise albeit at a slower than anticipated pace. These factors continue to influence the direction and level of activity in the business community and by extension financial markets as uncertainty remains the only constant.

Notwithstanding the various short-term market developments, driven by the risk environment, as we have shared previously, Barita has focused heavily on building, and continuously improving its robust risk and governance framework geared towards safeguarding the interest of stakeholders. This focus on risk management has been against the backdrop of building capacity to seize opportunities while developing necessary resilience to withstand financial market downturns and other business risks through our various capital raising efforts. The company is well positioned to withstand and take good advantage of opportunities presented by the evolving economic and financial market paradigm while remaining focused on our long-term imperative of changing the lives of ordinary grass roots Jamaicans and Caribbean people through democratizing wealth.

During the first quarter, we set about deploying the capital raised in our September 2021 Additional Public Offer ("APO") largely through our principal investments, investment banking and trading functions. We believe our latest capital raise will be critical in expanding our capabilities to:

- Participate in funding regional economic growth;
- Provide frictionless customer journeys through a 'Digital First' approach; and
- Offer innovative funding and investment solutions to further deepen and diversify the regional capital markets.

Additionally, as we started the new financial year, we have made tangible progress towards reorganizing as a financial holding company ("FHC") through collaboration with our parent, Cornerstone Financial Holdings Limited ("CFHL"), and Cornerstone United Holdings Jamaica Limited ("CUHJ") the parent of our sister company, Cornerstone Trust & Merchant Bank Limited ("CTMB"). As we previously communicated, we believe that the establishment of an



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FHC structure will further enhance Barita's risk management and governance architecture as we seek to explore further synergies within the Cornerstone Group. As we look forward to subsequent quarters of this financial year, we will continue to prioritize prudent capital allocation, risk management & governance, and innovation as we continue to execute on initiatives aimed at creating and sustaining stakeholder value through continuing to challenge the status quo in the capital markets.

## Operating Performance

Against the backdrop of an uncertain risk environment, Barita registered net operating revenue of \$2.1 billion for the first quarter of FY 2022, representing a \$78 million (4%) rise versus the prior year period. The Group's revenue base for the first quarter FY 2022 was comprised of:

### Net Interest Income:

Net Interest Income (NII) reflected a \$105 million (29%) increase year-over-year ("YoY") to \$473 million. This increase was driven by our focus on expanding the Group's credit and fixed income portfolios through the efficient deployment of on-balance sheet funds under management. This is complemented by the management of the cost of funds on our customer liabilities, which are primarily in the form of repurchase agreements.

### Non-Interest Income:

Non-interest income reflected a modest year-over-year decline of 2% or \$27 million, to \$1.6 billion relative to \$1.63 billion. The decline in non-interest income is principally driven by a reduction in gain on investment activities and dividend income reflecting less favourable financial market conditions during a quarter that was coloured by rising interest rates both locally and globally. Notwithstanding, the Group was able to pivot across revenue lines, offsetting the decline in trading revenues with increases in fee & commission income together with foreign exchange trading & translation gains. The details of our non-interest income are as follows:

#### Gain on Investment Activities:

This business segment relates to gains on our proprietary trading portfolio, which closed the reporting period at \$301 million, 55% below Q1 FY21 result. With continued concerns about rising inflation and, Central Banks globally and locally initiating policy rate increases, the market has experienced bouts of volatility, which is compounded by still elevated COVID-19 related risks. Taken together, these factors constrained trading opportunities in the first quarter.



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## **Fees & Commission Income:**

Fees and commission income rose by 9% to \$506 million relative to the corresponding FY 2021 result of \$466 million. This line item continues to showcase the results of strong performance by our investment banking and asset management business lines relative to the corresponding period in FY 2021. The Group has continued to place focus on growing its assets under management and capital markets activities through enhancing its capabilities to provide innovative funding and investments solutions. During the quarter Barita's investment banking unit completed a landmark transaction by arranging both debt and mezzanine acquisition funding for Ecommerce Property Services Company Limited which facilitated the purchase of three (3) real estate-based companies based in the United States. The transaction demonstrated the cross-border capabilities of the investment banking team and the diverse funding solutions offered by the organization.

Barita won the mandate alongside the Trinidad based subsidiary of First Citizens Bank Limited, First Citizens Investment Services Limited, to co-lead the cross listing of Massy Holdings Limited ("MHL") on the Jamaica Stock Exchange ("JSE") which was completed in January 2022. Upon cross-listing MHL became the second largest company by market capitalization listed on the JSE. This transaction is reflective of Barita's focus on being an advocate for regional capital markets integration through effective collaboration with our regional counterparts.

## **Foreign Exchange ("FX") Trading and Translation Gains:**

The Group registered foreign exchange trading and translation gains of \$784 million for the first quarter, which compares favourably to \$486 million recorded in the corresponding FY 2021 period. The rise was attributable in part to the active management of the Group's foreign exchange exposures to safeguard shareholders' equity against the effects of currency risk. The result was further bolstered by an increase in the scale of our foreign exchange trading operations through our Cambio operations which continued to take market share during the period due largely to a continued emphasis on customer engagement and increased transactional activity.

## **Operating Expenses:**

Non-Interest Expenses for the first quarter of FY 2022 rose by 7% to \$728 million versus \$679 million for the corresponding FY 2021 period. The YoY rise in expenses is driven by increases in staff costs (by \$31 million or 11%) and administrative expenses (by \$37 million or 11%), while the Group's expected credit losses ("ECL") decreased to \$53 million relative to \$73 million in Q1 FY 2021 due largely to changes in the company's overall portfolio mix coupled with the adjustment of risk assumptions underpinning the ECL calculations due to improvements in overall credit conditions. The increase in operating expenses reflects our continued investment by the Group in our people, processes, technology and customer experience. Notwithstanding the rise in operating expenses, the Group's efficiency ratio for the first quarter remained fairly steady at 35% versus 34% for the corresponding FY 2021 period.

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## Net Profit:

Net Profit for the first quarter came in at \$1.1 billion, relative to the Q1 2021 outturn of \$1.0 billion. The profit outturn for Q1 FY 2022 translates to earnings per share of \$0.89 compared to \$0.94 in Q1 FY 2021 given the increase in the average number of shares outstanding, arising from the September 2021 APO.

## Balance Sheet Highlights

### Assets:

#### Total Assets:

Barita's total assets stood at \$92.0 billion as at December 2021, representing a \$22.0 billion or 32% increase over December 2020. This increase is largely the result of a \$11.4 billion growth in pledged assets and \$13.0 billion in marketable securities.

#### Pledged Assets and Marketable Securities:

Pledged Assets and Marketable Securities rose by \$24.4 billion or 52% to \$71.5 billion to comprise 78% of the Company's balance sheet as at September 2021. These lines combine to represent substantively the Company's investment portfolio, which is largely comprised of credit assets to include, local, regional & international government and corporate bonds.

#### Investment in Associates:

During Q2 FY 2021, Barita invested ~\$2 billion to acquire a 20% stake in Derrimon Trading Company Limited. This balance has since risen to close Q1 FY 2021 at \$2.1 billion.

#### Loans Receivables:

Barita's exposures to loan receivables declined by \$1 billion or 18% to \$5.1 billion. The decline in the balance year over year is not unexpected based on how loan assets function within the company's operations. Barita's exposure to loans is largely comprised of margin loans which are typically extended to our clients and fully secured by equities, bonds or repurchase agreements. Through our investment banking business, we also provide loans to our clients which are typically intended to be:

- the subject of a refinancing via a capital market transaction;
- sold to a third party;
- and/or the subject of a securitization



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## Liabilities:

### Total Liabilities:

To fund the increase in total assets, we grew our total liabilities YoY by 33% or \$13.6 billion to \$55.1 billion.

- Repurchase Agreements:**

The Company's funding from Repurchase Agreements rose by \$8.1 billion or 22% to \$44.7 billion as at September 2021 which was 81% of the Company's liabilities as at December 2021.

## Shareholders' Equity:

The equity base of the Group grew significantly YoY, rising by 29% or \$8.4 billion to close the period at \$36.9 billion. The growth in shareholders' equity was largely a result of the following:

1.

The injection of \$10.8 billion of additional equity in the Group via the September 2021 APO;

2.

The effects of the creation of the Cornerstone Employee Share Trust and attendant transactions thereto which reduced share capital by \$1.5 billion; and

3.

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

## Outlook: Persistent Inflation and Rising Interest Rates

Globally, the resurgence of inflation is more persistent than initially thought, such that the US Federal reserve has discontinued using 'transitory' to describe the level of price increase being recorded. As Figure 1 and 2 below show, rising prices are now a global phenomenon, as headline inflation is significantly higher than target in all G-10 countries but for Switzerland and Japan.

Figure 1: Inflation Monitor in G-10 Countries

G-10 Country/Regi...	Headline Inflation Rate (%)	Target Inflation Rate (%)		Inflation Forecasts (%)			Policy Rate (%)		Money Supply (YoY %)		Output Gap(%)
		Target	Actual	(+)/(-)	Anal. Fcst.	(+)/(-)	Nominal	Real	Narrow	Broad	
U.S.	7.5	2.0	5.8	3.8	4.8	2.8	0.25	-7.25	23.2	13.1	-2.0
Euro Area	5.1	<2.0	5.1	3.1	3.2	1.2	0.000	-5.10	9.8	6.9	--
Japan	0.8	2.0	0.8	-1.2	0.8	-1.2	0.100	-0.70	8.4	3.6	-2.9
U.K.	5.4	2.0	5.4	3.4	4.8	2.8	0.500	-4.90	--	6.4	-5.0
Canada	4.8	2.0(+/-1)	4.8	1.8	3.5	0.5	0.250	-4.55	15.5	8.2	-4.0
Australia	3.5	2.0-3.0	3.5	0.5	2.7	In Range	0.10	-3.40	151.1	9.5	-4.2
New Zealand	5.9	1.0-3.0	5.9	2.9	3.4	0.4	0.750	-5.15	10.8	6.4	-0.8
Switzerland	1.5	<2.0P	1.5	In Range	1.0	In Range	-0.750	-2.25	2.2	1.7	-1.4
Denmark	4.3	--	4.3	--	2.4	--	-0.45	-4.75	3.7	-12.6	0.3
Norway	3.2	2.0	3.2	1.2	2.5	0.5	0.50	-2.70	-1.5	10.2	-0.5
Sweden	3.9	2.0	3.9	1.9	2.3	0.3	0.00	-3.87	-2.2	9.7	-1.1

Source: Bloomberg

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Figure 2: Latin America Inflation Monitor

Latin America		Inflation Monitor										
Country/Regi...	Headline Inflation	Target Inflation Rate (%)			Inflation Forecasts (%)		Policy Rate (%)		Money Supply (YoY %)		Output Gap(%)	
	Rate (%)	Target	Actual	(+)/(-)	2022	(+)/(-)	Nominal	Real	Narrow	Broad		
Argentina	51.4	12-17	51.4	34.4	52.0	35.0	40.000	-11.44	--	--	--	
Brazil	10.4	3.75(+/-1.5)	10.4	3.9	7.4	0.9	10.75	0.37	-5.2	12.9	--	
Chile	7.7	3.0(+/-1)	7.7	3.7	6.0	2.0	5.50	-2.20	22.2	13.7	--	
Colombia	6.9	3.0(+/-1)	6.9	2.9	4.5	0.5	4.00	-2.94	--	--	--	
Mexico	7.1	3.0	7.1	4.1	5.1	2.1	6.00	-1.07	13.0	6.3	--	
Peru	5.7	1.0-3.0	5.7	2.7	4.2	1.2	3.50	-2.18	1.1	2.6	--	
Venezuela	472.5	--	--	--	900.0	--	17.42	-455.04	--	--	--	

Source: Bloomberg

Similarly, in the largest Latin American countries, headline inflation is also persistent.

Continued supply chain bottle-necks remain the primary cause of inflation dynamics. Those supply chain disruptions might be intrinsically short-term, however the available evidence suggests they are not likely to be resolved quickly over the near-term. As Figure 3 below shows, supply chain disruptions remain elevated and well-above historical levels. This index, the 'Global Supply Chain Pressure Index' is calibrated to reflect values at '0' to represent normal supply chain conditions, but the latest reading shows that these disruptions are likely to stick-around for some time.

Figure 3: Global Supply Chain Pressure Index



Source: Bloomberg



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Considering this outlook for supply chain conditions, our capital allocation and investment decisions must take into account an environment in the short-term where interest rates could rise fairly sharply in some countries and at a more measured pace in others, such as the USA, in order to prevent the current levels of price inflation from becoming entrenched. As Figures 1 and 2 above also show, because policy rates in real terms remain deeply negative in most countries, some Central Banks may view their current policy stance of gradual rate increases as being relatively accommodative.

But, therein lies the risk: increasing interest rates in the context of a significant global debt overhang and wide-spread negative output gaps might risk inducing recessionary conditions. This is a possibility that we must contemplate and factor into our capital allocation decisions. The investment imperative, therefore, is to remain judicious, measured, and calculated in our investment decisions that reflect the elevated risks that are currently in the global and local macroeconomic environment.

While inflation and the rising interest rate environment might pose a challenge in financial asset markets, we remain constructive on the economic recovery locally.

Figure 4: Quarterly GDP Growth

Industries	Quarterly Growth in Value Added Relative to Q4 2019						YoY Growth
	Apr - June 2020	Jul - Sep 2020	Oct - Dec 2020	Jan - Mar 2021	Apr - June 2021	Jul - Sep 2021	Jul - Sep 2021
Total Value Added	-18.4%	-13.1%	-8.3%	-9.4%	-6.7%	-8.1%	5.8%
Agriculture, Forestry & Fishing	2.0%	-7.6%	-7.2%	7.3%	17.3%	-0.9%	-29.7%
Mining & Quarrying	21.9%	18.3%	6.3%	15.0%	10.7%	-16.8%	4.6%
Manufacturing	-13.6%	-5.6%	-0.4%	-1.6%	-2.0%	-1.3%	4.6%
Construction	-27.7%	-3.4%	6.3%	8.4%	-15.1%	0.9%	4.4%
Electricity & Water Supply	-7.4%	-5.2%	-9.3%	-6.0%	-3.7%	-4.7%	0.6%
Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment	-19.1%	-15.9%	-8.8%	-9.7%	-3.5%	-12.2%	4.4%
Hotels & Restaurants	-84.4%	-68.3%	-53.8%	-57.3%	-32.4%	-32.1%	114.6%
Transport, Storage & Communication	-18.5%	-14.9%	-10.4%	-12.1%	-7.4%	-7.4%	8.8%
Finance & Insurance Services	-10.2%	-18.3%	-2.8%	-10.9%	-7.6%	-16.5%	2.3%
Real Estate, Renting & Business Activities	-3.9%	-0.1%	-1.3%	-2.1%	1.1%	0.6%	0.7%
Producers of Government Services	3.1%	8.3%	0.2%	-3.7%	3.5%	8.7%	0.4%
Other Services	-47.1%	-29.9%	-21.6%	-24.7%	-34.8%	-21.3%	12.2%

Source: STATIN/Barita

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As Figure 4 above shows, Jamaica's economy continues to gain ground on the level of economic output that obtained prior to COVID-19. Therefore we are confident that opportunities to finance expansions and new projects in the real economy will continue to emerge as the economy strengthens.

We thank our team members, who continue to deliver strong results even in the context of a challenging operating environment and our shareholders and clients, who continue to support the realization of the long-term goals of our business.

Mark Myers / Chairman

February 14, 2022



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## CONSOLIDATED

### Profit & Loss Statement As At December 31, 2021

	UNAUDITED 3 Months Ended December 31, 2021 \$'000	UNAUDITED 3 Months Ended December 31, 2020 \$'000
<b>Net interest income and other revenue</b>		
<b>Net interest income</b>	472,692	367,375
Fees and commission income	505,529	465,623
Foreign exchange trading and translation gains	784,383	485,760
Gain on investment activities	300,786	669,363
Dividend income	381	449
Other income	7,915	4,917
<b>Net operating revenue</b>	<b>2,071,686</b>	<b>1,993,487</b>
<b>Operating expenses</b>		
Staff costs	310,927	279,190
Administration	364,500	327,415
Impairment/expected credit losses	53,028	72,718
	<b>728,455</b>	<b>679,324</b>
<b>Operating profit</b>	<b>1,343,231</b>	<b>1,314,163</b>
Share of results of associates	33,117	-
<b>Profit before taxation</b>	<b>1,376,349</b>	<b>1,314,163</b>
Taxation	(305,770)	(293,370)
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,070,578</b>	<b>1,020,793</b>
<b>Average number of shares</b>	1,204,089	1,085,578
<b>Earnings per stock unit</b>	0.89	0.94

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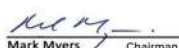


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## CONSOLIDATED

### Statement of Financial Position As At December 31, 2021

	<u>Unaudited</u> December 2021 \$'000	<u>Unaudited</u> December 2020 \$'000	<u>Audited</u> September 2021 \$'000
<b>ASSETS</b>			
Cash and bank balances	1,737,989	1,891,550	3,816,326
Securities purchased under resale agreements	3,290,135	6,631,685	8,872,136
Marketable securities	22,408,229	9,433,812	11,954,659
Pledged assets	49,056,029	37,616,552	50,293,982
Investment in associates	2,086,540	-	2,053,423
Interest receivables	881,929	708,759	663,268
Loan receivables	5,115,026	6,200,212	5,911,713
Receivables	1,135,023	2,468,563	1,081,304
Taxation recoverables	53,422	53,422	53,422
Due from related parties	2,901,729	2,272,856	2,518,556
Property, plant and equipment	1,201,605	883,363	1,224,416
Intangible assets	16,782	18,183	19,478
Investments	1,512,750	1,512,135	1,512,369
Right of use asset	228,930	253,251	233,974
Deferred tax asset	356,478	-	-
<b>Total assets</b>	<b>91,982,595</b>	<b>69,944,343</b>	<b>90,209,025</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	2,931	12,088	8,635
Securities sold under repurchase agreements	44,738,927	36,605,452	45,312,626
Secured investment notes	6,764,107	1,146,966	1,022,055
Interest payable	308,126	132,504	279,892
Lease liability	271,608	285,225	274,840
Payables	1,773,444	2,617,430	5,915,703
Due to related parties	73,701	133,362	144,013
Taxation	1,155,784	234,677	943,708
Deferred tax liabilities	-	276,370	61,237
<b>Total Liabilities</b>	<b>55,088,630</b>	<b>41,444,074</b>	<b>53,962,709</b>
<b>Shareholders' Equity</b>			
Share capital	33,135,904	24,146,554	33,135,904
Capital reserve	122,073	111,466	122,073
Fair value reserve	(693,921)	23,846	(256,512)
Capital redemption reserve	220,127	220,127	220,127
Stock option reserve	101,279	-	86,800
Retained earnings	4,008,502	3,998,276	2,937,924
<b>Total shareholders' equity</b>	<b>36,893,964</b>	<b>28,500,269</b>	<b>36,246,316</b>
<b>Total liabilities and shareholders' equity</b>	<b>91,982,595</b>	<b>69,944,343</b>	<b>90,209,025</b>

  
Mark Myers Chairman

  
Carl Domville Director



# Financial Results

For the Three Months ended December 31, 2021 (Unaudited)

# Barita

**\$2.1B**  
Net Operating  
Revenue

**\$1.1B**  
Net profits

**\$36.9B**  
Total Shareholder's  
Equity

**\$92.0B**  
Total Assets

**35.2%**  
Efficiency  
Ratio

**13.8%**  
Return on Average  
Equity



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## CONSOLIDATED

### Statement of Changes In Equity

For the Three Months Ended  
December 31, 2021

	Share	Capital	Capital	Fair Value	Capital	Stock	Retained	Total
		\$'000	Reserve	Reserve	Redemption	Option	Earnings	\$'000
			\$'000	\$'000	Reserves	Reserve	\$'000	
					\$'000	\$'000		\$'000
Balance at 30 September 2020	24,146,554		111,466	25,054	220,127	-	2,977,479	27,480,680
<b>TOTAL COMPREHENSIVE INCOME</b>								
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
<b>TRANSACTIONS WITH OWNERS</b>								
Balance at 31 December 2020	24,146,554		111,466	23,846	220,127	-	3,998,276	28,500,269
Balance at 30 September 2021	33,135,904		122,073	256,512	220,127	86,800	2,937,924	36,246,316
<b>TOTAL COMPREHENSIVE INCOME</b>								
Net profit for the period							1,070,578	1,070,578
Other comprehensive income			-	(437,409)		14,479	-	(422,930)
Total Comprehensive Income for the period	-	-	-	(437,409)	-	14,479	1,070,578	647,648
<b>TRANSACTIONS WITH OWNERS</b>								
<b>OTHER RESERVES</b>								
Balance at 31 December 2021	33,135,904		122,073	(693,921)	220,127	101,279	4,008,502	36,893,964

# Financial Results

For the Three Months ended December 31, 2021 (Unaudited)

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## STATEMENT OF

### Comprehensive Income

For the Three Months Ended  
December 31, 2021

	UNAUDITED 3 Months Ended December 31, 2021 \$ <u>,000</u>	UNAUDITED 3 Months Ended December 31, 2020 \$ <u>,000</u>
Net Profit for period	1,070,578	1,020,793
Unrealised gains/(losses) on FVOCI securities - Other reserves	(437,409) 14,479	(1,203) -
<b>Total comprehensive income</b>	<b>647,648</b>	<b>1,019,590</b>



# Financial Results

For the Three Months ended December 31, 2021 (Unaudited)

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## CONSOLIDATED

### Statement of Cash Flows As At December 31, 2021

	<u>Unaudited</u> 3 Months Ended December 31, 2021	<u>Unaudited</u> 3 Months Ended December 31, 2020
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
<b>Net Profit for the Period</b>	1,070,578	1,020,793
<b>Adjusted for:</b>		
Depreciation	33,233	29,569
Effect of exchange gain on foreign balances	(707,900)	(424,348)
Impairment/expected credit losses	53,028	72,718
FMV gains - equity	57,733	(13,011)
Interest income	(899,029)	(613,793)
Interest expense	426,337	246,417
Income tax expense	305,770	293,370
Lease interest expense	5,285	3,987
Right-of-use assets amortisation	7,842	7,330
Fair value gains on investment property	-	-
	<u>352,878</u>	<u>623,032</u>
<b>Changes in operating assets and liabilities:</b>		
Securities purchased under resale agreements	5,582,001	1,407,918
Securities sold under repurchase agreements	(573,699)	2,277,375
Secured investment notes	5,742,052	535,019
Receivables, net	(410,578)	647,715
Loans receivable	796,687	(4,482,983)
Payables	(982,949)	(2,865,196)
Due from related parties	(453,485)	(434,203)
	<u>10,052,907</u>	<u>(2,291,322)</u>
Interest received	680,368	422,686
Interest paid	(398,102)	(232,456)
Income tax paid	(85,389)	(0)
<b>Cash provided by operating activities</b>	<u><b>10,249,783</b></u>	<u><b>(2,101,092)</b></u>
<b>Cash flows from Investing/financing Activities</b>		
Ordinary dividends paid	(3,220,546)	(1,828,207)
Marketable securities	(9,105,478)	652,008
Purchase of property, plant and equipment	(7,727)	(110,808)
<b>Cash provided by investing/financing activities</b>	<u><b>(12,333,751)</b></u>	<u><b>(1,287,007)</b></u>
<b>Effect of exchange rate on cash and cash equivalents</b>	<u><b>11,334</b></u>	<u><b>(1,327)</b></u>
Decrease/(increase) in net cash and cash equivalents	(2,072,633)	(3,389,426)
Net cash and cash equivalents at beginning of year	3,807,691	5,268,888
<b>Net cash and cash equivalents at end of period</b>	<u><u><b>1,735,058</b></u></u>	<u><u><b>1,879,462</b></u></u>

# Financial Results

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## Notes to the Unaudited Financial Statements

December 31, 2021

### 1. Identification

Barita Investments Limited (Barita or the company) is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 15 St. Lucia Way, Kingston 5. The controlling party of the company is Cornerstone Financial Holdings Limited with a 74% ownership as at year end. The registered office of Cornerstone Financial Holdings is located at Suite I, Ground Floor, The Financial Services Centre, Bishop's Court Hill, Barbados.

The company is a licensed securities dealer, investment manager, pension administrator and cambio operator and has primary dealer status from the Bank of Jamaica (BOJ). It is licensed under the Securities Act and regulated by the Financial Services Commission (FSC). The company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).

### 2. 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, 2021, 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, 2021, 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.

### 3. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to December 31, 2021	Unaudited 3 Months to December 31, 2020
Gains on sales of investments	358,519	656,351
Fair Market Value Gains on Equity Portfolio	(57,733)	13,011
	<u>300,786</u>	<u>669,363</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 \$1,070,578,000 by the weighted average number of ordinary shares in issue during the period of 1,204.089,000 shares.

# Financial Results

For the Three Months ended December 31, 2021 (Unaudited)

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## Top Ten Largest Shareholders of Barita Investments Limited as at December 31, 2021

Shareholders	Total	Percentage
CORNERSTONE FINANCIAL HOLDINGS LTD.	906,841,966	74.3077%
FIRST CITIZENS INVESTMENT SERVICES LIMITED	90,795,154	7.4399%
RITA HUMPHRIES-LEWIN	26,319,240	2.1566%
CREDIT UNION FUND MANAGEMENT COMPANY LIMITED	18,750,000	1.5364%
JN FUND MANAGERS LIMITED	12,613,490	1.0336%
BARITA FINANCE LIMITED	12,098,918	0.9914%
CORNERSTONE GROUP EMPLOYEE SHARE TRUST	10,000,000	0.8194%
NATIONAL INSURANCE FUND	8,191,553	0.6712%
JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND	6,420,126	0.5261%
KARL P. WRIGHT	6,397,000	0.5242%

## Share Ownership by Directors of Barita Investments Limited as at December 31, 2021

Shareholders	Total	Direct	Connected Parties
Mark Myers	2,316,302	2,316,302	0
Paul Simpson	0	0	0
Carl Domville	2,061,344	2,061,344	0
Duncan Stewart	614,131	456,070	158,061
Robert Drummond	480,000	480,000	0
James Godfrey	6,356,966	0	6,356,966
Phillip Lee	3,161,072	3,161,072	0
Jason Chambers	1,244,322	1,244,322	0
Byron St. Michael Hylton	187,500	187,500	0



# Financial Results

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## Share Ownership by Senior Managers of Barita Investments Limited as at September 30, 2021

Shareholders	Total	Direct	Connected Parties
Jason Chambers	1,244,322	1,244,322	0
Paula Barclay	7,410	7,410	0
Anmarie Walker-Cato	7,069	7,069	0
Sonia Owens	113,916	113,916	0
Malindo Wallace	0	0	0
Ramon Small-Ferguson	156,481	156,481	0
Stephanie Murdock	0	0	0
Judith Najair	3,062	2,062	1,000
Terise Kettle	40,676	40,676	0
Sara Ying Henriques	3,000	3,000	0
Junior Graham	0	0	0
Carolyn Kean	0	0	0
Ian Anderson	0	0	0
Percival Hurditt	0	0	0