

Financial Results

For The Nine Months Ended
June 30, 2022
(Unaudited)

Barita
Investments Limited

Making Money Work For You Since 1977





\$7.2B

Net Operating
Revenue



\$3.8B

Net profits



\$37.4B

Total Shareholder's
Equity



\$109.9B

Total Assets



36.0%

Efficiency Ratio



14.2%

Return on Average
Equity

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

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 nine months of the financial year 2022.

We are also pleased to highlight the award of the Order of Jamaica (OJ) to be bestowed upon our Founder and trailblazer, Rita Humphries-Lewin O.J., C.D.; building on her deserving accolades including the Order of Distinction (OD), Commander Class. Rita has made sterling contributions to the financial industry and by extension, Jamaica, through championing entrepreneurship and pioneering female leadership in business. Rita's keystone achievements included becoming the first female stockbroker in the hemisphere in 1967 and being appointed as the first and only female Chairperson of the Jamaica Stock Exchange.

Importantly, we especially applaud Rita's continued passion and invaluable contribution to early childhood education through the creation of the Barita Education Foundation. When taking the baton of leadership of Barita and the Barita Education Foundation, Cornerstone made a promise to Rita to expand the critical support of the Foundation to the education sector in Jamaica as most recently evidenced by the launch of an inaugural education scholarship programme on August 10, 2022 with the premier award being named in Rita's honour: the Rita Humphries Lewin Scholarship. We are happy that the education programme, which sees Jamaicans investing in the future of Jamaica, was endorsed by the Governor General's Office and the Ministry of Education, Youth, and Culture. Cornerstone again welcomes Rita into the Group. As Cornerstone seeks to drive the transformation of infrastructure, energy, and technology in Jamaica and the region, Rita and her legacy will benefit from significant value being created elsewhere in the Group.

Meanwhile, as we navigated the uncertain environment, Barita continued to prioritize its liquidity and capital management, and remained focused on executing on its key strategic initiatives including flagship investments and a technology overhaul of the company.

Our year-to-date performance was achieved in the continued context of the inflation inducing impacts of supply-chain and labour market dynamics, which were exacerbated by the Ukraine/Russia conflict; and the corresponding price disrupting and margin tightening effects of global interest rate policy responses. The results are also a reflection of the investments being made in building the capabilities necessary to execute our strategic growth initiatives.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Strategic Highlights

We continued to remain focused on strategy execution for this transformative year, with highlights for the quarter including:

- Continuing to advance our digital agenda, completing the implementation of phase one of our customer relationship management solution and remaining well on schedule with the transformation of our core operating system that we spoke about in our 2020 and 2021 APO prospectuses. We also made significant improvements to our Barita Online platform, allowing our customers to request loans and buy and redeem unit trust shares and equities at any time.
- Revamping and relaunching our Real Estate Unit Trust product to make it more accessible through a reduction in unit price and minimum investment (through a 10 to 1 split), as well as shorter lock-up periods. We subsequently allowed our clients access to the assets in our managed special purpose vehicle, MJR Real Estate Holdings (MJR), through this fund.
- Establishing our Premium Wealth and Corporate Solutions unit, which is working with our Investment Banking, Treasury and Asset Management teams to develop offerings for our institutional and high net worth clients.
- Maintaining the strategic priority of talent development and recruitment. We are especially pleased that our five young high potential analysts have successfully completed their first rotation through various business units within Barita and our affiliated companies in our two-year Cornerstone Analyst Program, which was launched in January 2022.
- Continuing the journey towards reorganization under a financial holding company, as required by the Banking Services Act under which our affiliated merchant bank operates.
- Continuing, through the Barita Foundation, to partner with government agencies, NGOs and with the Barita team to plan, sponsor and execute our corporate social outreach agenda aimed largely at young people in their education and entrepreneurial endeavours.

As we look to the future, we are resolute in making Barita more accessible, convenient and customer focused. We believe that digital platforms will help us achieve that end. We are in the first phase of that journey, and we will accelerate our build-out as we increase our capabilities in this regard.

Economic Backdrop

The residual effects of COVID-19 on asset markets and the general economy have been a running theme in our previous reports and continues to be a pertinent backdrop. Disruptions in global supply chains and the inflationary pressures that have ensued remain the most enduring effect of the pandemic, which has been exacerbated by the ongoing conflict between Russia and Ukraine that has contributed to entrenched commodities and oil-linked inflation. Consequently, with modern Central Banks having a primary focus on maintaining price stability, or stable inflation, a global interest rate hiking cycle was set in train.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's Equity

\$109.9B
Total Assets

36.0%
Efficiency Ratio

14.2%
Return on Average Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Consistent with the residual pandemic effects and geopolitical backdrop, in July, the US Federal Reserve increased its policy rate by 75 basis points (bps), thereby taking its interest rate policy band to 2.25%-2.50%. Similarly, the Bank of Jamaica also increased its policy rate by an additional 50bps, thereby taking the policy rate to 5.50%. The European Central Bank (ECB) also raised its policy rate by 0.5%, the first increase in 11 years. The latest US Point-to-Point CPI outturn came in at 9.1% for June 2022, relative to the 8.6% seen in May 2022. The annual point-to-point inflation rate in Jamaica as of June 2022 was 10.9%, which remains well

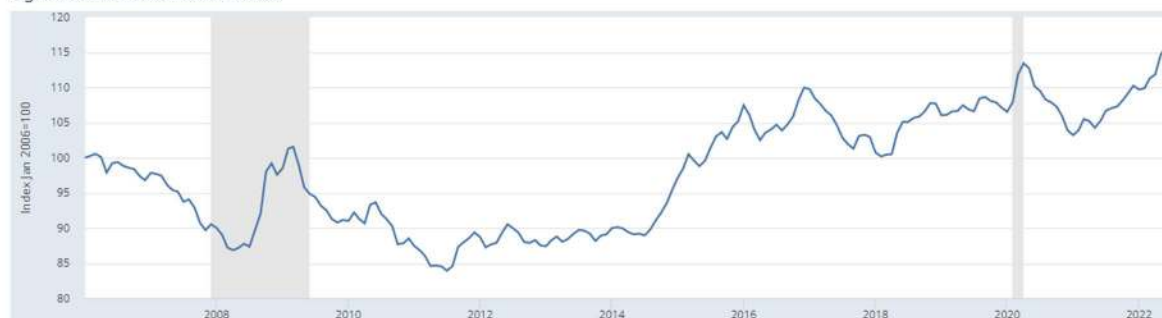


elevated above the Bank of Jamaica's (BOJ) target interest rate band. Though supply chain concerns are easing, energy and commodities prices remain well elevated such that their indirect influence is feeding back into core inflation, as was observed in both Jamaica and the US with higher-than-expected core CPI.

A further complication to the above context is the slowing down of the US economy, a situation exacerbated by China's continuing economic underperformance and Europe's almost inevitable recession given the well elevated energy prices from the Russia/Ukrainian conflict. Therefore, in the context of a sharp rising interest rate environment and a slowing down in economic activity, asset markets are increasingly reflecting concerns about potential stagflation.

Finally, as the Broad Dollar Index chart below shows (values above 100 are indicative of a strengthening dollar), there is a strong US dollar, which is currently at 118, as compared to 113 in April 2020 at the peak of the pandemic, and well above 101 in March 2009 at the peak of the Great Recession. The portents of a strong dollar, the external trade vulnerabilities of non-commodities producing emerging markets and the exclusive focus of global central banks on reducing inflation, all combine to significantly raise the level of risks and uncertainty in the current economic regime.

Figure 2: Real Broad Dollar Index



Source: Federal Reserve

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Investment Strategy

Barita's proprietary investment strategy has been characterized during the post-acquisition period by a focus on the pursuit of differential value through complementing our traditional business lines and exposures with a funding base containing lower than typical leverage and by making strategic allocations to alternative investments.

● Low Leverage:

Between March 2019 and September 2021, Barita raised ~\$34.5 billion in permanent equity capital between two (2) Rights Issues (\$9.2 billion), two (2) Additional Public Offers ("APOs") (\$24.3 billion) and a Non-Redeemable Non-Cumulative Preference Shares (\$1 billion). Our leverage of less than half the industry average and capital to risk weighted assets ratio of more than 4 times minimum regulatory requirements has served as a significant defensive feature in the face of several periods of market stress which have characterised the post-pandemic period. This has also positioned Barita well to take advantage of price dislocations which have also been a recurrent feature of the post pandemic period.

● Allocations to Alternative Investments:

The period that has followed the economic and financial market downturn brought on by the 2008/2009 financial crisis has been characterized by a largely uninterrupted cycle of rising prices in most traditional risk assets driven substantially by the effects of unprecedented global monetary policy. This situation has informed the pursuit of an investment strategy which attempts to complement the typical higher beta exposures provided by traditional assets with an allocation to specific segments of the alternative investment universe. We have defined the focus areas of our alternative investment strategy as spanning real estate, private credit, private equity and infrastructure. Over the last 18 months, we have taken several foundational steps towards establishing a suite of portfolios/vehicles via which both Barita and the investing public can gain varying forms of exposure to the targeted asset classes in an efficient manner. This has involved the sourcing, evaluation, and selection of seed portfolio assets as well as the structuring of investment vehicles and the attendant seed funding thereto. The most advanced strategies across the four lanes in order of capital deployed are real estate, private credit and private equity with our infrastructure-based strategy expected to make more progress in FY 2023.

Real Estate Strategy

During Q3 FY 2022 we achieved a material milestone in relation to our real estate focused strategy as we offered access to the portfolio of prime real estate that we have been accumulating via the managed special purpose vehicle, MJR Real Estate Holdings Limited ("MJR"), to our clients via the Barita Real Estate Portfolio Unit Trust Fund.

MJR presently has over 1,900 acres of real estate in its pipeline for development. The entity's strategy targets the acquisition of undervalued real property with clear opportunities for material value-add through infrastructure development, repurposing and/or construction, and the stimulation of foreign direct investments

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

into Jamaica and the region. The real estate in MJR's portfolio has a range of applications to include residential, commercial, light industrial and hotel/residential projects. MJR is presently in the acquisition phase of its life cycle following which the company will be moving into the development phase starting in FY 2023. The development phase will involve Barita as investment manager engaging technical and financial partners to develop its properties.

An example of Barita's approach through MJR is the intended development of the 250+ acre property, Reggae Beach. Located in Prospect St. Mary, Reggae Beach is intended to be transformed into a multifaceted development with high end resort, luxury villa and hospitality applications to the seaside twinned with residential and commercial services to include a town centre. It is intended for the development of this property to add further vitality to the community through the significant investment it will attract from the hospitality sector coupled with the attendant commercial and residential needs the hospitality services will necessitate. The development of the property is anticipated to transform the community's environs and create and sustain thousands of jobs in various sectors for ordinary Jamaicans which holds true to our ethos as a Company.

There are several tailwinds to the planned development in our view, to include the continued return of international travel, the expansion of flights to the Ian Fleming International Airport, which is in close proximity to the property, and the dynamism of the topography of the land which augurs well for a landmark development.

Private Credit & Private Equity Strategies

Year-to-date in FY 2022 Barita has originated/sourced and deployed approximately \$5 billion into private credit investments which have provided the company with equity type returns and have served as a source of resilience in our overall credit portfolio in the face of rising interest rates. Barita has identified several avenues through which the value embedded in these exposures can be realized and, in a similar way to our real estate strategy, we intend to make some elements of these strategies available to the investing public over time.

As we outlined in our FY 2021 annual report, we see our mandate as being an effective conduit through which investment opportunities are efficiently sourced and structured to serve as a key enabler to economic development even as we build capacity to satisfy the investment objectives of our customers. This mandate has informed the company's decision to construct a funding profile which is overweight in equity capital relative to the typical broker-dealer operating in Jamaica. Higher capital ratios complemented by lower leverage afford Barita greater capability to execute on its investment strategy including the prudent management of idiosyncratic risks related to alternative investments.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Operating Performance

Against the backdrop of an increasingly uncertain operating environment, Net Profit for the nine-months period came in at \$3.8 billion, a 4% increase relative to the FY21 outturn of \$3.7 billion. The profit outturn translates to earnings per share of \$3.18, which is 6% lower than the comparable period in FY 2021.

Barita registered net operating revenue of \$7.2 billion for the nine months of FY 2022, representing a \$535 million (8%) increase versus the prior year period. The Group's revenue base for 9M FY 2022 was comprised of:

Net Interest Income:

Net Interest Income: Net Interest Income (NII) reflected a \$287 million (39%) increase year-over-year ("YoY") to \$1.4 billion for the year-to-date (YTD) period. During the April - June quarter in particular, local market liquidity conditions were tight as a consequence of the Central Bank's policy actions, which in turn led to higher interest rates on funding liabilities across the securities sector. However, our continued focus on growing the Group's alternative investments, credit and fixed income portfolios provided a bulwark for NII, even as the repo funding rates rose. Our net interest income is fundamentally linked to both local and global monetary policy measures that Central Banks are using to target the persistent levels of inflation. In that regard, we cannot be sure whether inflation is likely to abate soon, thus providing a basis for Central Banks to unwind their restrictive policy actions. As a result, NII is likely to remain a challenging item to grow in the ensuing quarters. Notwithstanding, we will continue to focus our attention on the pursuit of alternative investment strategies aimed at continuing to grow and diversify our investment portfolio.

Net Interest Income:

Non-interest income reflected a modest year-over-year increase of 5% or \$300 million, to \$5.8 billion relative to \$5.5 billion in the comparable period in FY 2021 ("9M FY 2021"). The increase in non-interest income was principally driven by a 163% increase in gain on investment activities and dividend income. The details of our non-interest income are as follows:

Gain on Investment Activities:

The \$1.6 billion increase in this line item was driven primarily by a combination of gains on our traditional proprietary trading portfolio, and those associated with exposure to alternative investments, specifically real estate and private equity through equity call options. This line item has displayed significant resilience against the backdrop of persistent inflation and the concomitant central bank policy actions that continue to challenge returns on traditional marketable securities. Therefore, our trading strategy with respect to our traditional proprietary trading portfolio continues to emphasize maintaining ample amounts of liquidity so that we can be positioned to take advantage of significant mispricing of securities. The addition of alternative investment exposures to our portfolio during preceding quarters has served us well as they provided revenue diversification against the negative effects of the year-to-date declines that have generally been seen in the prices of traditional asset classes.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Fees & Commission Income:

Fees and commission income declined by 7% to \$2.5 billion relative to the corresponding FY 2021 result of \$2.7 billion. This line item is comprised substantially of fees generated from our asset management and investment banking business lines. Revenues in this category declined primarily due to lower performance-based management fees in the asset management business. The outturn for the comparative period last year benefitted materially from the robust recovery of certain asset classes following the disruptions caused by the COVID-19 pandemic. Notwithstanding, the Group will continue its efforts to grow assets under management and capital markets activity through consistent deepening of our capabilities as well as building liquidity to fund investment banking deals.

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

The Group registered foreign exchange trading and translation gains of \$602 million in the period, which is a \$1.1 billion reduction or 66% relative to the corresponding period in FY 2021. The decrease was attributable to the effects of continued volatility experienced in the local foreign exchange market during the period.

Operating Expenses:

Non-Interest Expenses for the nine-months of FY 2022 rose by 11% to \$2.7 billion versus \$2.4 billion for the corresponding FY 2021 period. The YoY rise in expenses is driven by increases in staff costs (by \$233 million or 25%) and administrative expenses (by \$79 million or 6%), while the Group's expected credit losses ("ECL") decreased to \$93 million relative to \$138 million compared to the same 2021 period, due largely to changes in the company's overall portfolio mix coupled with the adjustment of assumptions underpinning the ECL calculations. The increase in operating expenses reflects investment in the capabilities required to execute on the strategic growth initiatives that we have communicated. Furthermore, despite the rise in operating expenses, the Group's efficiency ratio remained fairly steady at 37% versus 36% for the corresponding FY 2021 period.

Balance Sheet Highlights

As at June 2022 the company had a combined increase of \$18.1 billion in funding from repurchase agreements and secured investment notes relative to June 2021. This, along with the net \$7.1 billion increase in shareholder's equity, largely funded the \$25.7 billion growth in Barita's asset base. Some of the key line items on the balance sheet are discussed in brief below:

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Assets:

Total Assets:

Barita's total assets stood at \$110.0 billion as at June 2022, representing a \$25.8 billion or 31% increase over June 2021. This increase is largely the result of a \$14.8 billion growth in marketable securities and \$10.0 billion in loan receivables.

Pledged Assets and Marketable Securities:

Pledged Assets and Marketable Securities, combined, grew by \$18.5 billion or 30% to \$80.0 billion to account for 73% of the Company's balance sheet as at June 2022. These lines represent substantively the Company's investment portfolio, which is largely comprised of credit assets to include, local, regional & international government and corporate bonds.

Loans Receivables:

Barita's exposures to loan receivables increased by \$10.0 billion or 347% to \$12.9 billion. Barita's exposure to loans is largely comprised of secured credit facilities, including margin loans, which are extended to our clients.

Liabilities:

Total Liabilities:

To fund the increase in total assets, we grew our total liabilities YoY by 35% or \$18.6 billion to \$72.6 billion.

- **Repurchase Agreements:**

The Company's funding from Repurchase Agreements rose by \$8.4 billion or 18% to \$54.6 billion as of June 2022 which was 75% of the Company's liabilities. Secured investment notes rose by \$9.3 billion or 196% to \$14.1 billion, which represented 19% of the company's total liabilities.

Shareholders' Equity:

Shareholders' Equity: The equity base of the Group grew significantly YoY, rising by 31% or \$8.8 billion to close the period at \$37.5 billion. The outturn in shareholders' equity was largely a result of the following:

- The Company's September 2021 APO, which increased share capital by \$10.8 billion (partly offset by treasury share transactions);
- An increase in retained earnings, net of dividends declared during the period; and
- A \$2.3 billion reduction in fair value reserve.

The extent of negative fair value reserves was a function of the market volatility during the quarter which drove fair value changes in key fixed income assets. Due to the asset diversification strategy being pursued by us, the reduction in fair value reserves was relatively moderate, at 6% of our capital base.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Capitalization, Stress Testing & Resilience to Current Headwinds

Barita continues to maintain robust capital and liquidity positions, both of which have demonstrated significant strength and resilience to withstand adverse market conditions. This is even more relevant in the current rising interest rate environment, which continues to place downward pressure on duration sensitive fixed income asset prices.

Capital management is integral to our risk management and, as such, we frequently subject our capital metrics to robust stress testing as we deploy our strategy and plan for the future. We remained well above regulatory requirements, with a capital to risk weighted asset ratio of 44%, more than 4 times the 10% requirement; and remained well above these requirements under our internal stress tests. This, combined with our underweight exposure to high beta securities, makes us significantly resilient to market downturns and has positioned us well to execute on key strategies, while allowing us to take opportunities that may arise.

Outlook

Based on the Figure 3, global supply chain disruptions peaked in September of 2021, and have been on a consistent downtrend since; however, the ongoing conflict between Russia and Ukraine continues to inflate energy and food related commodities prices. These two main factors are likely to continue influencing capital markets over the short to medium term, to the extent that Central Banks continue to hike interest rates and restrict liquidity. Furthermore, locally, the May inflation outturn for core inflation was 9.7%, which was higher than the Central Bank's forecast and higher than

Figure 3: Global Supply Chain Pressure Index



Source: Bloomberg

On the global front, the US reported a 0.9% decrease in economic growth for Q2, which follows the Q1 negative outturn of 1.4% and signals a slowdown of the world's largest economy, while its central bank, the Federal Reserve, has embarked upon one of the fastest policy rate increases in the last four decades. The upshot, therefore, is that there is a serious risk of a so-called 'hard landing', and capital markets securities will reflect this elevated uncertainty in asset prices.

It is this overarching backdrop that continues to inform our strategy, including maintaining focus on increasing our liquidity levels, focused attention on capital management and sharp execution of our key strategic initiatives including the overhaul of our technology infrastructure.

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Investing in the Human Capital of Our People

One does not turn money into real wealth without breaking new ground and making bold moves.

Similarly, we are committed to unlocking the true wealth of our country by investing in people and strengthening social organizations. Barita Foundation believes in Jamaica's 2030 vision and continues to work hard at making a positive impact in our communities through our core areas of focus: education and youth development, entrepreneurship, and health and wellness.

Health and Wellness:

A public-private partnership with the Ministry of Health valued at \$5 million resulted in a young life being changed through a life-saving heart surgery. Barita and Cornerstone contributed \$4 million towards the successful surgery. We encourage similar collaborative efforts of this nature to achieve national objectives.

Entrepreneurship:

Further collaborations were executed with a local non-profit, Central Jamaica Social Development Initiative (CJSDI), based in Mandeville to implement a Youth Entrepreneurship Training Programme. Over forty youth participants are benefitting from training delivered by the country's premier small business experts to include the Jamaica Business Development Corporation JBDC, HEART Trust NSTA and the Rural Agricultural Development Authority (RADA). Micro-enterprises at different stages of development are being supported under this initiative and many will receive seed funding upon successfully completing the programme. The process includes assisting the businesses to get formally registered with the Companies Office of Jamaica.

Funding of an entrepreneurship program being implemented by the Portland Arts Vocational and Education Centre (PAVE) promises to expose even more youth to skills training and personal development opportunities. The project is scheduled to begin in July and will target youth hailing from the parish of Portland. This forms a deliberate effort to reach at-risk youth outside of urban areas.

Education and Youth Development:

Further, the Foundation continues to pursue the mandate of demystifying investments and providing exposure to financial literacy among grassroots youth and underserved communities. Approximately 161 persons benefitted from sessions covering a wide array of topics designed to broaden their financial knowledge base and empower them to make informed financial decisions. Beneficiaries of these sessions include a diverse group of high school students, rural and urban youth, parents as well as public sector employees. This remains a key deliverable in achieving measurable impact as we seek to engage especially our youth.

Support of the early childhood sector remains a constant in the work of the Foundation. In that regard, we continue to make contributions in support of strengthening early childhood institutions that are positioned to achieve the Early Childhood Commission's twelve operational standards. Upgrading work at three of the targeted five schools is slated to be completed over the next few months. This will mark the achievement of providing safer and better

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

equipped environments for our early learners and teachers. Additionally, the Barita Foundation Scholarship Programme was launched in May of this year. Scholarships were awarded under five categories:

1. The Rita Humphries Lewin Scholarship in Early Childhood Education
2. The Cornerstone/Barita Tertiary Scholarship
3. The Cornerstone/Barita CSEC/CAPE Scholarship
4. The Cornerstone/Barita PEP Scholarship and
5. The Cornerstone/Barita Staff Scholarship

The inaugural scholarship programme is valued at \$10 million and several students are expected to benefit from the awards in time for the start of the 2022/23 academic year.

The significant donations during the quarter and year to date towards charitable causes signal the commitment of the Foundation towards making an impact in diverse and underserved spaces. Beneficiaries included social service organizations, members of the special needs community, schools, and members of the creative sector. This support will continue as we build meaningful relationships that create an atmosphere of trust, partnership and accountability.

Closing Remarks

In our 2020 and 2021 prospectuses we outlined our intended use of funds. Thus far:

- More than \$3 billion has been directed to support various investment banking type transactions, which also straddle other areas of the business such as alternatives and structured finance
- The overhaul of the real estate Fund and the seeding of MJR accounts for approximately \$10 billion
- Our private credit outlay has been approximately \$5 billion
- The technology upgrade, to which we have committed approximately \$850 million, is on-course
- Barita continues to prospect for opportunities to expand its local and regional footprint.

Furthermore, we continue to focus on generating significant returns, particularly for our minority shareholders, who have seen a more than 1,175% increase in the value of their shareholding between September 2018 and June 2022. Meanwhile, the governance that serves to safeguard the interest of all our shareholders and other stakeholders, has also been deliberately strengthened, culminating in our Corporate Governance Index score increasing from "CC" to "A" during the same period.

We are confident that the strategic initiatives that we are pursuing will continue to redound to the benefit of all our shareholders, and more broadly all our stakeholders. I'd like to take this opportunity to also thank our various stakeholders for their continued support and, indeed their contribution to our success. The confidence

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

demonstrated by the investing public through our multiple capital raising activities, and the confidence demonstrated by our clients; complemented by the outstanding output of our talented and dedicated staff have been key tenets of our success. Our commitment to you is to continue working tirelessly to maintain your confidence as we revolutionize your relationship with money and deliver differential value to you, our shareholders and clients.

Mark Myers / Chairman

August 14, 2022

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

CONSOLIDATED

Profit & Loss Statement As At June 30, 2022

| | UNAUDITED 3 Months Ended June 30, 2022 \$'000 | UNAUDITED 3 Months Ended June 30, 2021 \$'000 | UNAUDITED 9 Months Ended June 30, 2022 \$'000 | UNAUDITED 9 Months Ended June 30, 2021 \$'000 |
|---|--|--|--|--|
| Net interest income and other revenue | | | | |
| Net interest income | 359,853 | 412,367 | 1,387,573 | 1,153,007 |
| Fees and commission income | 714,843 | 1,355,967 | 2,523,270 | 2,719,447 |
| Foreign exchange trading and translation gains/(losses) | (152,798) | 646,761 | 602,865 | 1,782,836 |
| Gain on investment activities | 1,723,153 | 214,129 | 2,645,197 | 1,004,938 |
| Dividend income | 8,256 | 248 | 30,571 | 877 |
| Other income | 16,676 | 12,986 | 33,196 | 26,565 |
| Net operating revenue | 2,669,983 | 2,642,458 | 7,222,672 | 6,687,670 |
| Operating expenses | | | | |
| Staff costs | 432,046 | 337,215 | 1,163,310 | 929,910 |
| Administration | 494,959 | 585,316 | 1,444,173 | 1,364,718 |
| Impairment/expected credit losses | 34,337 | 36,592 | 92,757 | 137,686 |
| | 961,343 | 959,123 | 2,700,240 | 2,432,314 |
| Operating profit | 1,708,641 | 1,683,335 | 4,522,432 | 4,255,356 |
| Share of results of associates | 42,403 | 41,805 | 75,295 | 41,805 |
| Profit before taxation | 1,751,044 | 1,725,140 | 4,597,727 | 4,297,161 |
| Taxation | (204,147) | (118,807) | (766,665) | (628,405) |
| NET PROFIT FOR THE PERIOD | 1,546,897 | 1,606,333 | 3,831,062 | 3,668,756 |
| Average number of shares | 1,204,149 | 1,085,578 | 1,204,149 | 1,085,578 |
| Earnings per stock unit | 1.28 | 1.48 | 3.18 | 3.38 |

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

CONSOLIDATED

Statement of Financial Position As At June 30, 2022

ASSETS

| | Unaudited June 2022 \$'000 | Unaudited June 2021 \$'000 | Audited September 2021 \$'000 |
|--|-------------------------------------|-------------------------------------|--|
| Cash and bank balances | 1,507,528 | 893,174 | 3,816,326 |
| Securities purchased under resale agreements | 4,623,617 | 7,913,928 | 8,872,136 |
| Marketable securities | 24,368,555 | 9,542,636 | 13,467,027 |
| Pledged assets | 55,596,478 | 51,966,912 | 50,293,982 |
| Investment in Associates | 2,165,823 | 2,038,085 | 2,053,423 |
| Interest receivables | 831,430 | 759,234 | 663,268 |
| Loan receivables | 12,916,795 | 2,887,247 | 5,911,713 |
| Receivables | 3,569,051 | 4,372,649 | 1,081,304 |
| Taxation recoverables | 53,422 | 53,422 | 53,422 |
| Due from related parties | 1,562,521 | 2,339,429 | 2,518,556 |
| Property, plant and equipment | 1,255,067 | 1,172,205 | 1,224,416 |
| Intangible assets | 17,702 | 22,173 | 19,478 |
| Right of use asset | 229,829 | 238,033 | 233,974 |
| Deferred tax asset | 1,230,611 | - | - |
| Total assets | 109,928,429 | 84,199,127 | 90,209,025 |

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

| | | | |
|---|-------------------|-------------------|-------------------|
| Bank overdraft | 105,067 | 70,181 | 8,635 |
| Securities sold under repurchase agreements | 54,562,128 | 46,207,850 | 45,312,626 |
| Secured investment notes | 14,116,850 | 4,772,691 | 1,022,055 |
| Interest payable | 540,232 | 213,341 | 279,892 |
| Lease liability | 279,932 | 274,067 | 274,840 |
| Payables | 2,420,334 | 1,721,136 | 5,915,703 |
| Due to related parties | 388,950 | 222,324 | 144,013 |
| Taxation | 114,088 | 411,326 | 943,708 |
| Deferred tax liabilities | - | 47,564 | 61,237 |
| Total Liabilities | 72,527,581 | 53,940,480 | 53,962,709 |

Shareholders' Equity

| | | | |
|---|--------------------|-------------------|-------------------|
| Share capital | 33,239,752 | 24,146,554 | 33,135,904 |
| Capital reserve | 122,073 | 127,376 | 122,073 |
| Fair value reserve | (2,368,265) | (109,554) | (256,512) |
| Capital redemption reserve | 220,127 | 220,127 | 220,127 |
| Stock option reserve | 96,748 | 37,769 | 86,800 |
| Retained earnings | 6,090,413 | 5,836,375 | 2,937,924 |
| Total shareholders' equity | 37,400,847 | 30,258,647 | 36,246,316 |
| Total liabilities and shareholders' equity | 109,928,429 | 84,199,127 | 90,209,025 |

Mark Myers
Chairman

Carl Domville
Director

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

CONSOLIDATED

Statement of Changes In Equity

For the Nine Months Ended
June 30, 2022

| | Share | Capital | Capital | Fair Value | Capital | Stock | Retained | Total |
|--|-------------------|---------|----------------|--------------------|----------------|---------------|------------------|-------------------|
| | | \$'000 | Reserve | Reserve | Redemption | Option | Earnings | \$'000 |
| | | | \$'000 | \$'000 | Reserves | Reserve | \$'000 | |
| | | | | | \$'000 | \$'000 | | |
| 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 | - | - | - | - | - | - | 3,668,756 | 3,668,756 |
| Other comprehensive income | - | - | 15,910 | (134,608) | - | 37,769 | - | (80,929) |
| Total comprehensive income for the period | - | - | 15,910 | (134,608) | - | 37,769 | 3,668,756 | 3,587,827 |
| TRANSACTIONS WITH OWNERS | | | | | | | | |
| Ordinary dividends paid | - | - | - | - | - | - | (809,860) | (809,860) |
| Balance at 30 June 2021 | 24,146,554 | | 127,376 | (109,554) | 220,127 | 37,769 | 5,836,375 | 30,258,647 |
| Balance at 30 September 2021 | 33,135,904 | | 122,073 | (256,512) | 220,127 | 86,800 | 2,937,924 | 36,246,316 |
| TOTAL COMPREHENSIVE INCOME | | | | | | | | |
| Net profit for the period | - | - | - | - | - | - | 3,831,062 | 3,831,062 |
| Other comprehensive income | - | - | - | (2,111,753) | - | 9,948 | (12,241) | (2,114,046) |
| Total Comprehensive Income for the period | - | - | - | (2,111,753) | - | 9,948 | 3,818,821 | 1,717,016 |
| TRANSACTIONS WITH OWNERS | | | | | | | | |
| Paid-in capital | 103,848 | - | - | - | - | - | - | 103,848 |
| Ordinary dividends paid | - | - | - | - | - | - | (666,332) | (666,332) |
| | 103,848 | - | - | - | - | - | (666,332) | (562,484) |
| OTHER RESERVES | | | | | | | | |
| Revaluation of properties | - | - | - | - | - | - | - | - |
| Balance at 30 June 2022 | 33,239,752 | | 122,073 | (2,368,265) | 220,127 | 96,748 | 6,090,413 | 37,400,847 |

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

STATEMENT OF

Comprehensive Income

For the Nine Months Ended
June 30, 2022

| | UNAUDITED 3 Months Ended June 30, 2022 \$,000 | UNAUDITED 3 Months Ended June 30, 2021 \$,000 | UNAUDITED 9 Months Ended June 30, 2022 \$,000 | UNAUDITED 9 Months Ended June 30, 2021 \$,000 |
|---|--|--|--|--|
| Net Profit for period | 1,546,897 | 1,606,333 | 3,831,062 | 3,668,756 |
| Unrealised gains/(losses) on FVOCI securities - | (1,097,366) | (51,493) | (2,111,753) | (134,608) |
| Other reserves | (31,175) | 40,972 | (2,293) | 53,679 |
| Total comprehensive income | 418,356 | 1,595,812 | 1,717,015 | 3,587,827 |

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

CONSOLIDATED

Statement of Cash Flows

As At June 30, 2022

Cash Flows from Operating Activities

| | Unaudited 9 Months Ended June 30, 2022 | Unaudited 9 Months Ended June 30, 2021 |
|---|---|---|
| | \$'000 | \$'000 |
| Net Profit for the Period | 3,831,062 | 3,668,756 |
| Adjusted for: | | |
| Depreciation | 98,935 | 79,422 |
| Effect of exchange gain/loss on foreign balances | (412,699) | (365,087) |
| Impairment/expected credit losses (ECL) | 92,757 | 137,686 |
| Unrealised gain on investment FVTPL | (2,102,814) | (63,050) |
| Interest income | (3,014,005) | (2,078,492) |
| Interest expense | 1,626,432 | 925,485 |
| Income tax expense | 766,665 | 628,405 |
| Lease liability interest expense | 17,136 | 14,568 |
| Right-of-use assets amortisation | 30,334 | 22,552 |
| Share of profit from associates | (75,295) | (41,805) |
| Stock Option Expense | 65,107 | 37,769 |
| Fair value gain on investment property | - | (6,600) |
| | <u>923,615</u> | <u>2,959,609</u> |
| Changes in operating assets and liabilities: | | |
| Securities purchased under resale agreements | 4,248,519 | 125,675 |
| Securities sold under repurchase agreements | 9,249,502 | 11,879,773 |
| Secured investment notes | 13,094,795 | 4,160,744 |
| Receivables | (3,751,733) | (1,256,623) |
| Loans receivable | (7,005,082) | (1,170,018) |
| Payables | (330,968) | (3,990,299) |
| Due from related companies | 1,200,972 | (411,814) |
| | <u>17,629,619</u> | <u>12,297,048</u> |
| Interest received | 2,845,842 | 1,836,910 |
| Interest paid | (1,366,092) | (830,686) |
| Income tax paid | (1,612,015) | (496,982) |
| Cash provided by operating activities | <u>17,497,355</u> | <u>12,806,290</u> |
| Cash flows from Investing/financing Activities | | |
| Treasury shares acquired/Paid In capital | 80,957 | - |
| Ordinary dividends paid | (3,886,878) | (2,638,067) |
| Marketable securities | (15,913,704) | (12,113,872) |
| Investment in associates | (37,105) | (1,996,279) |
| Purchase of property, plant and equipment | (123,665) | (423,884) |
| Cash provided by investing/financing activities | <u>(19,880,396)</u> | <u>(17,172,102)</u> |
| Effect of exchange rate on cash and cash equivalents | <u>(22,189)</u> | <u>(80,083)</u> |
| Decrease/(increase) in net cash and cash equivalents | (2,405,230) | (4,445,895) |
| Net cash and cash equivalents at beginning of year | 3,807,691 | 5,268,888 |
| Net cash and cash equivalents at end of period | <u>1,402,461</u> | <u>822,993</u> |

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Notes to the Unaudited Financial Statements

June 30, 2022

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 June 30, 2022, 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 June 30, 2022 | Unaudited 3 Months to June 30, 2021 | Unaudited 9 Months to June 30, 2022 | Unaudited 9 Months to June 30, 2021 |
|--|---|---|---|---|
| Gains on sales of investments | 186,424 | 193,072 | 542,383 | 941,888 |
| Fair Market Value Gains on Equity Portfolio | 1,536,730 | 21,057 | 2,102,814 | 63,050 |
| | <u>1,723,153</u> | <u>214,129</u> | <u>2,645,197</u> | <u>1,004,938</u> |

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

4. Business Combination

During the year additional shares were acquired in Derrimon, bringing the holdings to 20.26%. The share of results of associate reflected in these interim statements includes the company's portion of unaudited earnings for the period up to May 31, 2022.

5. Earning per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of \$3,831,062,000 by the weighted average number of ordinary shares in issue during the period of 1,204,149,000 shares

Financial Results

For The Nine Months Ended June 30, 2022 (Unaudited)

Barita

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Top Ten Largest Shareholders of Barita Investments Limited as at June 30, 2022

| Shareholders | Total | Percentage |
|--|-------------|------------|
| CORNERSTONE FINANCIAL HOLDINGS LTD.-BUYING A/C | 908,695,704 | 74.4596% |
| FIRST CITIZENS INVESTMENT SERVICES LIMITED | 90,795,154 | 7.4399% |
| RITA HUMPHRIES-LEWIN | 26,319,240 | 2.1566% |
| CREDIT UNION FUND MANAGEMENT COMPANY LIMITED | 17,129,999 | 1.4037% |
| BARITA FINANCE LIMITED | 14,655,373 | 1.2009% |
| JN FUND MANAGERS LIMITED | 11,346,912 | 0.9298% |
| CORNERSTONE GROUP EMPLOYEE SHARE TRUST | 9,031,204 | 0.7400% |
| 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 June 30, 2022

| 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 | 423,560 | 423,560 | 0 |
| James Godfrey | 6,223,228 | 0 | 6,223,228 |
| 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

For The Nine Months Ended June 30, 2022 (Unaudited)

\$7.2B
Net Operating
Revenue

\$3.8B
Net profits

\$37.4B
Total Shareholder's
Equity

\$109.9B
Total Assets

36.0%
Efficiency
Ratio

14.2%
Return on Average
Equity

Barita



baritainvestments



@BaritaLimited



@baritainvestments



www.barita.com



makingmoney@barita.com



888-429-5333

Share Ownership by Senior Managers of Barita Investments Limited as at June 30, 2022

| Shareholders | Total | Direct | Connected Parties |
|----------------------|-----------|-----------|-------------------|
| Jason Chambers | 1,244,322 | 1,244,322 | 0 |
| Dane Brodber | 0 | 0 | 0 |
| Anmarie Walker-Cato | 7,069 | 7,069 | 0 |
| Sonia Owens | 100,000 | 100,000 | 0 |
| Malindo Wallace | 79,839 | 79,839 | 0 |
| Ramon Small-Ferguson | 156,481 | 156,481 | 0 |
| Terise Kettle | 40,676 | 40,676 | 0 |
| Sara Ying Henriques | 0 | 0 | 0 |
| Junior Graham | 0 | 0 | 0 |
| Carolyn Kean | 0 | 0 | 0 |
| Ian Anderson | 0 | 0 | 0 |
| Percival Hurditt | 0 | 0 | 0 |
| Sancia Thompson | 0 | 0 | 0 |
| Geoffery Romans | 0 | 0 | 0 |