Financial Results

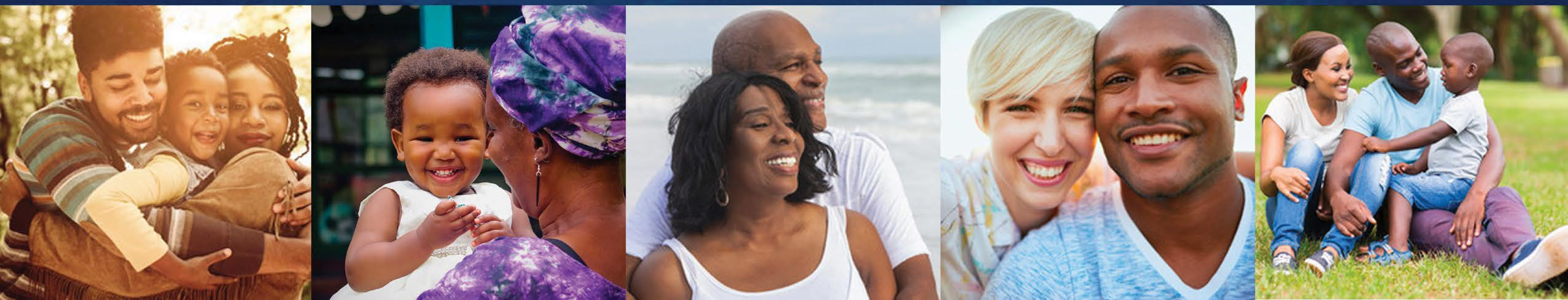
For The Nine Months Ended June 30, 2023

(Unaudited)

Barita

Investments Limited

Making Money Work For You Since 1977



$7.4B
Net Operating Revenue

$3.1B
Net Profits

$35.5B
Total Shareholder's Equity

$124.1B
Total Assets

44.7%
Efficiency Ratio

11.8%
Return on Average Equity

3.36
Leverage

Barita........Making Money Work For You Since 1977

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 9-month period ended June 30, 2023.

Our latest results reflect a continuation of the careful execution of our overarching strategy. As shared and previously communicated, we continue to build the capacity of our core business. To achieve this, we are executing strategies to fortify the essential foundational platforms to maximize the efficiency and effectiveness of our operations. One facet of this strategic imperative is our core system replacement project which has made significant headway in the last quarter, and we anticipate getting underway in FY24. These 'wins' complement the extensive security enhancements we have introduced to safeguard our clients' transactions, as well as the continued enhancement of our data driven capabilities. We continue to enhance and refine our Barita Online interface which is designed to facilitate more accessible communication and client servicing; allowing for transactions to be initiated, queries and concerns to be collated, streamlined and channeled toward resolution, and customers to have the convenience of updating their KYC (know your customer) information.

As we work on establishing the necessary systems to support and bolster the business and enable more efficient client transactions, our attention is also focused on building new lanes of revenue-generation for the group. To this end, we have successfully launched our newly developed Portfolio Management Services. This service is designed to offer bespoke and highly customized and personalized investment solutions to customers. Given the increasing complexity of the investment environment, we anticipate that this service will deliver substantial value to our clients.

Barita continues to maintain its industry-leading capital levels, reinforcing its resilience to varying market conditions and our ability to sustain and expand the growth of the business' alternative investments platform. Despite the improvement in market conditions following the challenges observed since March, our capital allocation decisions have remained methodical and judicious. This deliberate and focused strategy to building the business will redound to the long-term benefits of shareholders, in spite of the near-term headwinds.

During the period being examined, our parent group, Cornerstone United Holdings Jamaica Limited (CUHJL) and Cornerstone Financial Holdings Limited (CFHL) (together "Cornerstone") took proactive measures by submitting a claim in the Supreme Court. This legal action was initiated to conclusively address groundless allegations targeting CFHL and two of its senior officers. Despite the presence of these unsubstantiated allegations, as well as other baseless claims and attacks aimed at the Group and its senior leadership, rest assured that the Group remains strong, well-capitalized, and well governed. We remain resolute in the face of these and other challenges and continue to serve our valued customers and stakeholders with the utmost level of integrity and dedication. These challenges will not deter us from upholding our core values and fulfilling our responsibilities and that is what we are defending in the court system. While we protect our business through the courts, it is also of paramount importance that we protect the privacy, dignity and legacy of Rita Humphries-Lewin, and continue to act in ways that pay tribute to her.

Operating Performance

As our industry continues to navigate the headwinds of the market and business cycle downturns, Barita increased its net operating revenues by 2%, while net profit decreased by 20%. Net profit for the nine months to June of FY 2023 was $ 3.1 billion, relative to $3.8 billion over the prior period in FY 2022. Correspondingly, the resulting earnings per share was $2.58, 19% below the equivalent FY 2022 figure.

Barita's net operating revenue of $7.4 billion for the nine months to June was up 2% or $165 million relative to the prior year. The Group's nine months revenue outturn comprised the following:

Net Interest Income (NII):

NII reflected a $965 million (70%) decrease year-over-year ("YoY") to $423 million. Market conditions continued to be influenced by the BOJ's policy measures to contain elevated inflation, and as a consequence interest rates on funding liabilities remain elevated across the sector. The BOJ remains on a conditional pause to its interest rate hiking cycle which is likely to remain over the foreseeable future given concerns about a potential 'double peak' in inflation in advanced economies such as the USA, driven by a resurgence in oil prices. Consequently, NII could remain constrained in the next couple of quarters, albeit showing some recovery as existing assets reprice and our funding base grows to facilitate deployment into quality assets at attractive yields. While positioning for eventual recovery, we will continue diversifying our revenue sources to further support the resilience of our earnings.

Non-Interest Income:

Non-interest income reflected a robust year-over-year increase of 19% or $1.1 billion, to $7.0 billion relative to $5.8 billion in the same FY 2022 period. The increase in non-interest income was principally driven by a boost in gain on investment activities, which offset a 28% YoY reduction in foreign exchange translation gains; while fees & commission income recorded a commendable 8% growth YoY. The details of our non-interest income are as follows:

Gain on Investments:

Revenue from this line item rose by $1.1 billion or 40% to $3.7 billion relative to the comparable period in FY 2022. This included $3.6 billion from our alternative investment exposures, or 48% of revenue, with real estate generating 1.7 billion in Q1 FY 2023 to December 2022, $1.5 billion in Q2 FY 2023 to March 2023, and $376 million in Q3 FY23 to June 2023 from our exposure to the Barita Real Estate Portfolio Fund. Notably, the revenue attributable to the Barita Real Estate Portfolio Fund was largely related to appreciation in the value of one of the properties in the portfolio held by the fund.

This is consistent with our guidance in Q1 that given our current strategy with respect to traditional proprietary trading, which emphasizes maintaining ample liquidity to take advantage of potential mispricing of securities, our alternative investment exposure will continue to provide revenue diversification against the negative effects of price declines in traditional assets.

Fees & Commission Income:

This line increased by 8% to $2.7 billion (FY 2022: $2.5 billion). These revenues continue to be driven substantially by fees generated from asset management and investment banking, with the increase arising from portfolio management fees. Performance fees related to the management of the real estate holding vehicle, MJR Real Estate Holdings, accounted for $992 million of the fee revenues generated and translated to 13% of total revenue. Growing assets under management and supporting real sector initiatives through our investment banking activity remain key areas of focus, supported by robust liquidity management. Total assets under management increased by 3.2% YoY to $345 billion.

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

Barita's FX trading and translation gains declined to $431 million during the period, attributable to less favourable outcomes in relation to the impact of prevailing market conditions on its foreign currency position.

Operating Expenses:

Non-Interest Expenses for the nine months FY 2023 rose by 22% to $3.3 billion (FY 2022: $2.7 billion). The YoY rise in expenses is driven primarily by increases in administration costs (by $697 million or 48%) and staff costs (by $137 million or 12%), while the Group's expected credit losses ("ECL") was negative $136 million, relative to $92 million in FY 2022, reflecting writebacks of ECL on some loans that have been repaid. Consequently, the group's efficiency ratio increased to 45% for the 9 months period relative to 37% in the corresponding period in FY 2022, as it incurred interim costs to ensure the future effectiveness and efficiency of its business. The primary driver of the increase in administration costs are:

- *Professional & consultation fees*
- *Software maintenance*
- *Asset tax*
- *Management fees*

The outturn for management fees was due to lower head office charges in the prior period. Meanwhile, our expectation is that the additional costs being incurred via professional fees mainly related to our technology upgrade and fintech ambitions will unlock efficiencies and new capabilities.

Balance Sheet Highlights

In the nine months of FY 2023, the company's total assets increased by $14.4 billion to $124.1 billion (Sep 2022: 109.7 billion), funded primarily by increased retained earnings, repurchase agreements, and other debt facilities, including bonds and margin loans. Total shareholders' equity showed a net increase of $3.3 billion to $35.5 billion driven by increased retained earnings. Capital levels remain well above the FSC's early warning levels under current and more severe market conditions. Key balance sheet line items are discussed in brief below:

Assets:

Total Assets:

Barita's total assets stood at $124.1 billion at the June quarter's end, representing a $14.3 billion or 13% increase over the balance of $109.7 billion as recorded in the September 2022 audited financial statements. This increase is largely the result of a $14.4 billion growth in the securities portfolio, while total loans declined by 18% or $1.9 billion.

Pledged Assets and Marketable Securities:

Pledged assets and marketable securities combined grew by $14.4 billion or 13% year to date, moving to $100.3 billion to account for 81% of the Company's balance sheet. These lines represent substantially the Company's securities portfolio, which is largely comprised of credit assets to include local, regional & international government and corporate bonds.

Loans:

Barita's exposures to loans decreased by $1.9 billion or 18% to $8.7 billion. Barita's loans are largely comprised of secured credit facilities, including margin loans, which are extended to our clients.

Liabilities

Total Liabilities:

The increase in total assets was partially funded by the $11 billion or 14% growth to $88.6 billion in total liabilities during the nine months to June.

- ***Repurchase Agreements (repos):***
  The Company's funding from repos rose by $10.7 billion or 18% to $70.3 billion and was 79% of the Company's liabilities at the end of the nine months period to June.
- ***Secured investment notes:***
  Funding from these notes decreased by $4.6 billion to $6.6 billion and represented 8% of the company's total liabilities.
- ***Other Debt Facilities:***
  Other debt facilities amounted to $7.8 billion or 9% of the Company's liabilities and include bonds issued and margin loans.

Shareholder's Equity

The $3.1 billion in earnings retained during the period principally drove the $3.3 billion increase in shareholders' equity, which closed the period at $35.5 billion. Movement in the fair value reserve for the nine month period has been minimal, with a decline of $33 million. Our capital levels remain resilient, with capital adequacy of 30.9% compared to the FSC's early warning level of 14.0%.

Investment Strategy & Capital Management: Our Outlook

Consistent with sound practice and IFRS standards, the Group and its managed portfolios promote a valuation framework for investment properties that utilizes independent, accredited valuation experts to determine the most appropriate valuation methods. The method that is most appropriate, as determined by an accredited professional appraiser in their sole judgement, may differ between properties within the portfolio according to their relevant characteristics and may also differ over time for a particular property as details regarding the stage of realisation of its highest and best use evolve. For example, for a particular property, an independent valuation expert chose to use the Sales Comparison method before the acquisition of said property and, as further details on highest and best use emerged, used the Residual Income method in another period after the acquisition of the property. This is reflected in our Gain on Investments from our holdings in the Real Estate Portfolio Fund, period over period, and further details on how this is applied can be found in the upcoming fact sheet for that fund.

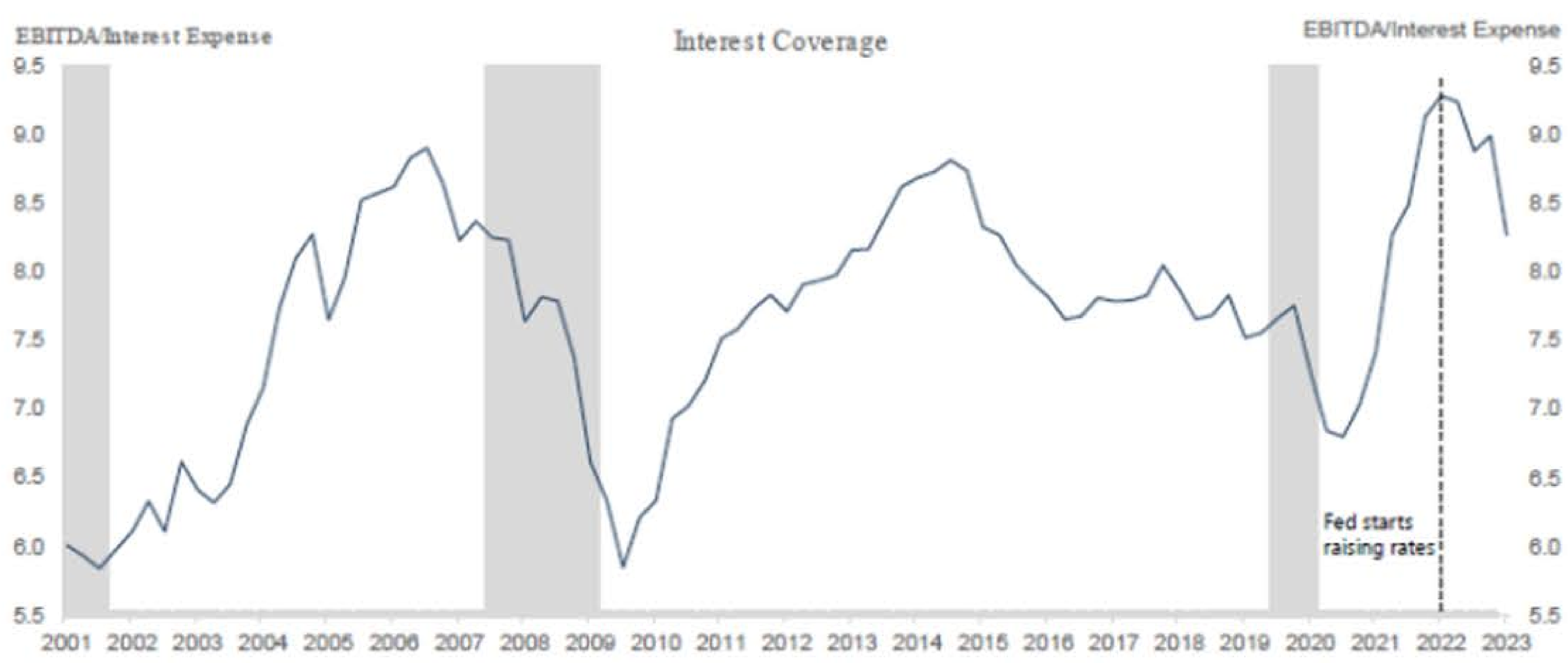
The outturn for the June quarter once again aligns with our deliberate strategy of establishing a strong foundation for Barita, with the goal of unlocking and sustaining significant value over the medium to long-run. In that respect we continue to progress through our alternative investment platform, in particular, our real estate initiatives. In this context, significant achievements were realized during the quarter as we reached critical milestones in our planning and the cultivation of strategic partnerships. Each of these accomplishments brings us closer to transitioning into the next stages of our alternative investment endeavours. As a result, we maintain our guidance that as we advance our local and international partnerships, the nature of the economics emanating from the real estate holdings will shift from revaluation gains and transition toward generating realized cash-based revenues following the financing, development, and sale of diverse real estate development projects over the next three to seven years.

Even as we execute on those strategic initiatives to evolve the business, we have remained resolute and unwavering in our focus amidst the confluence of challenging events currently impacting the investment landscape. The year-to-date (YTD) return of 16.8% in the S&P 500 in a relatively short time is an outcome that would tend to defy typical market expectations given the historic sharp increases in Central Bank policy rates in most advanced economies, in particular, the USA and Europe.

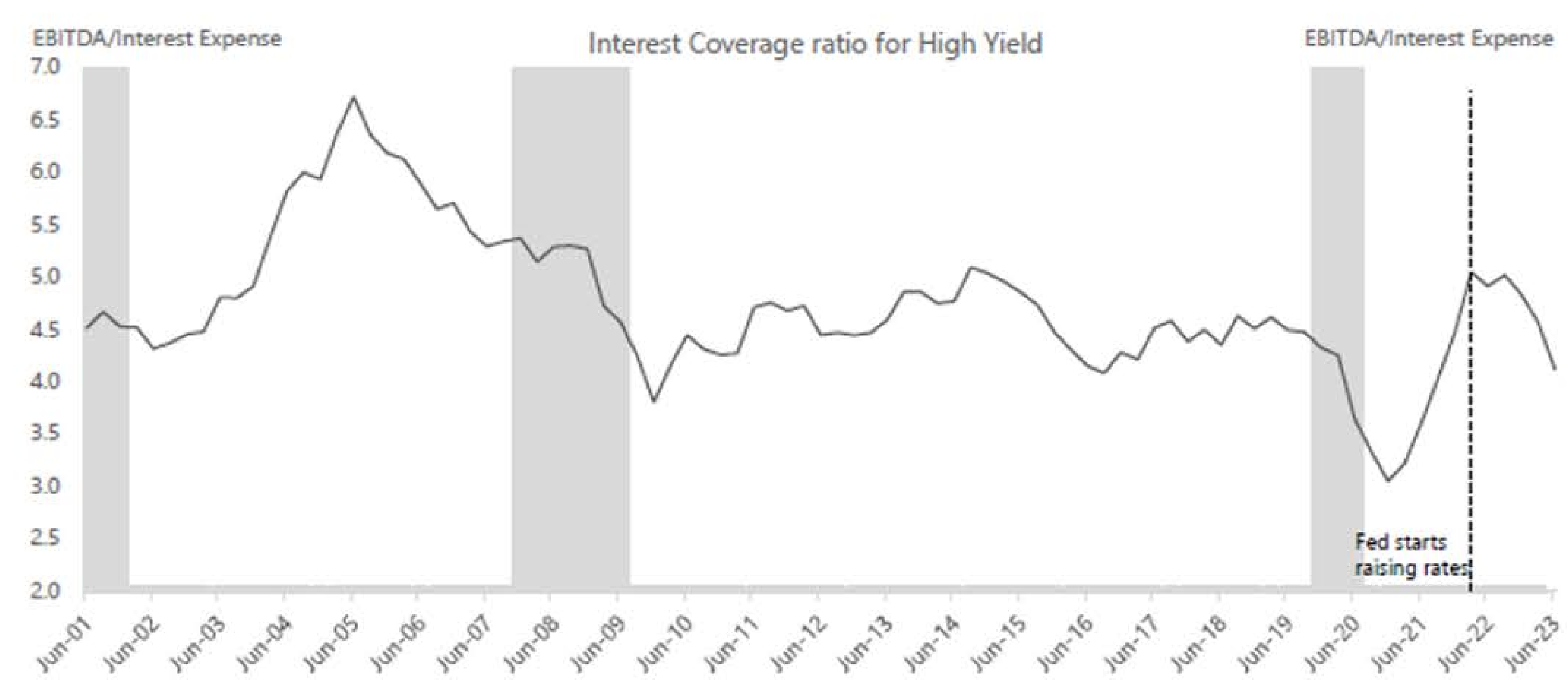
Since then, the IMF, in its July update to the World Economic Outlook (WEO), is expecting global economic growth of 3.0% in 2023 and 2024, an upward revision for 2023 from the April 2023 version of their report. This is because of much more resilient growth than was previously anticipated in the US. Nonetheless, it's important to note that these growth forecasts remain below the historical growth levels, underscoring a period of below-average economic growth. Notwithstanding the revised outlook, our perspective remains unchanged that the most systemically important economies, particularly the USA, are in the latter stages of their business cycle. As such, we recognize the potential emergence of residual risks could soon begin to show up across various facets of their economies. Some of those factors include:

- Potential escalation in the Russia/Ukraine conflict
- Potential slowdown in the China economic recovery
- Cumulative impact of the lagged effects of Central Bank policy hikes
- Potentially higher for longer inflation that causes further Central Bank policy rate increases
- Potential financial and real sector disturbances from the persistently elevated interest rate environment

Against that backdrop, we are beginning to see the emergence of some cracks in the US economy among some important economic indicators. We are already seeing a deterioration in the interest coverage ratio within both investment grade (IG) and high yield (HY) credits in the US, as illustrated in the figures below.

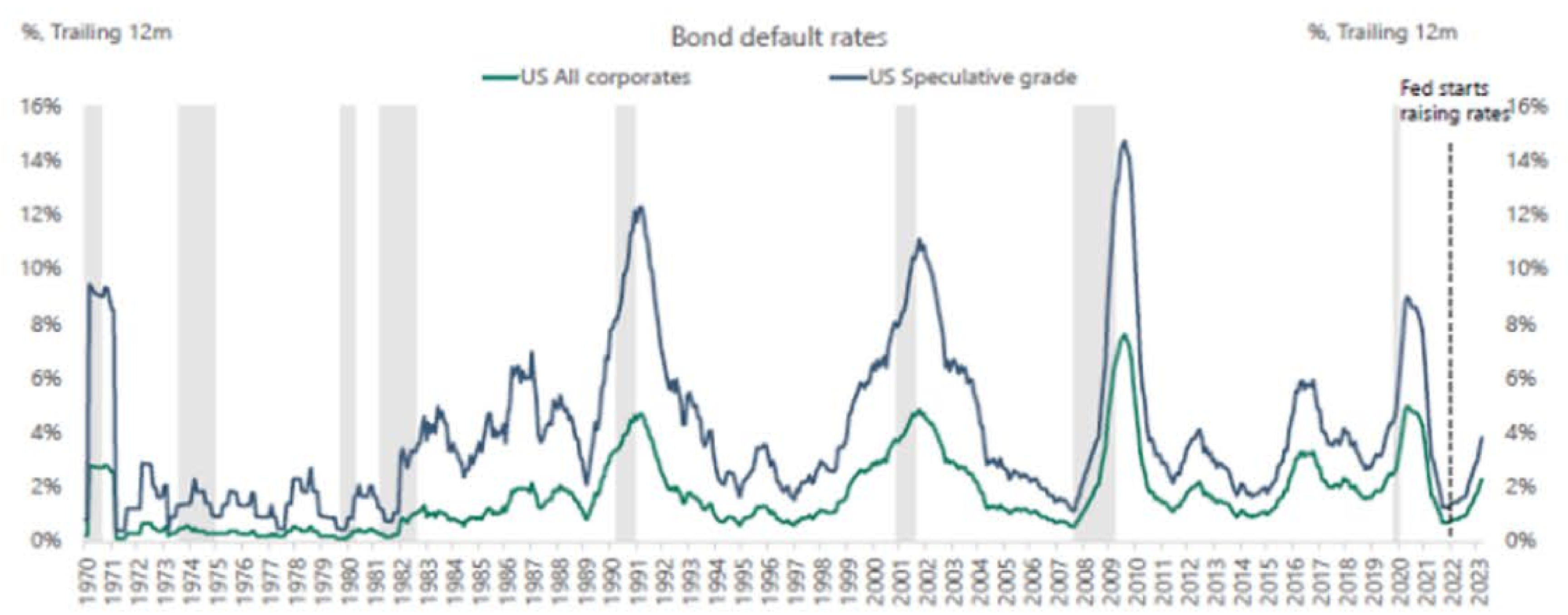


Source: Apollo Global Management



Source: Apollo Global Management

Further to the deterioration in interest coverage ratios, it appears as well that a credit default cycle is in an early innings:



Source: Apollo Global Management

Locally, the macroeconomy continues to show some resilience as well, with a strong labour market, and continued expectations for near-term economic growth to be above average. Notwithstanding, our business is fundamentally impacted by the decisions of the Central Bank, which has maintained its policy rate at 7% as well as continuing to constrain Jamaican dollar liquidity. Market participants have therefore continued to show a dominant preference for exposures at the shorter end of the yield curve. The implication is that the duration transformation role of our business, including our NII, will continue to be challenged in this environment. This again, therefore, underscores our methodical focus on diversifying through our alternative investment platform.

The sharp turn-around in risk asset markets, including the S&P 500 YTD performance and the still fairly narrow spreads on corporate credits, is best explained by what John Maynard Keynes called the 'animal spirits'. It is those that drive the excesses that eventually result in business cycle crises. Our response, as prudent managers of capital and making decisions under these conditions of uncertainty, is to focus squarely on building the resilience of the company, as we have been doing through three fundamental ways:

1. Build robust business lines that are capable of performing irrespective of the stage of the business cycle
2. Ensure our continued shock-absorbing capacity by maintaining above-average levels of capital as well as building formidable internal controls to manage non-financial risks
3. Continued investments in building a team of best in class investment talent

As it pertains to our investment in talent, we have recently added some significant capabilities to our business as follows, both in terms of function and individual capability:

1. **Damion Brown** – is Chief Investment Strategist and CEO of our real estate business at the Cornerstone level. This addition further signals our deliberate intentions around our alternative investments strategy and will add to the cadre of experts focused on optimizing the company's general investments during current and future market cycles. His top tier qualifications and experience in both traditional and alternative investments, as well as risk management, will add to the tested, balanced, and risk aware focus necessary for these activities.
2. **Kimar Findlater** – is Senior Manager of Internal Control and is a further investment in ensuring the integrity of our processes and governance. With his background in risk management, he will further bolster our first line of defence, complementing our prior and continuing investments in our second and third lines of defence.
3. **Sebrena Freeman** – is Chief Audit Executive for the Cornerstone Group and again signals our commitment to strengthening our control environment. Sebrena, with her rich audit and risk management experience has already bolstered the structure, governance, and breadth of our internal audit activities. Sebrena and her team are complemented by internal audit services from Ernst & Young.

Risk, Compliance & Governance

Governance and Compliance

Barita, CTMB, and Cornerstone continue to further strengthen their Governance and Compliance programmes to protect the business and to ensure adherence with applicable laws, regulations, guidance notes, policies, and best practice standards of sound governance.

Since 2015, the Cornerstone Board and shareholders have established a governance framework and ethos which ensures that our senior officers maintain the highest levels of prudence, integrity, and ethical standards in operating Cornerstone and its portfolio companies. The Board has instituted various reinforcement mechanisms, including training its directors and senior officers, to ensure the maintenance of these best practice standards, a catalyst for our success over the years.

Under the company's Anti-Money Laundering/Countering the Financing of Terrorism and Proliferation ("AML/CFTP") framework the Board is provided with a quarterly compliance report which details the company's adherence with regulatory and statutory obligations/requirements. Additionally, the Board is updated on the status of the company's Compliance Programme. This proactive approach ensures full awareness of the money laundering and terrorist financing risks faced by the institution and the effectiveness of the measures implemented to address these risks. We enhanced our AML/CFTP Policy to reflect material changes in The Proceeds of Crime Act and Regulations and stronger internal controls to mitigate possible risks. Our Board remains confident in the company's institutional framework that ensures that appropriate steps are taken to address any emerging compliance issues. Furthermore, independent examinations/audits conducted during the period have added reassurance, revealing no significant issues of concern. In the ongoing pursuit of excellence, the Board and Management further refined the Compliance framework to include:

1. developing the company's regulatory library;
2. developing the company's AML/CFTP Risk Assessment;
3. strengthening of the company's policies and procedures framework;
4. facilitating independent testing of our Compliance programme and adequately addressing any gaps identified; and
5. training of all team members and directors based on key responsibilities and functions on The Proceeds of Crime Act, the Jamaica Stock Exchange Rules, and 'Know Your Client' requirements.

Risk Management

BIL's risk governance is a critical component in the execution of the investment ethos and business operations. Our controls are designed and intended to be preventative and forward looking in nature to minimize instances of unexpected outcomes that could adversely impact our business strategy. Throughout 2023, the wider market has had its own set of challenges such as high inflation, rising interest rates, tight liquidity conditions. This meant our risk management framework was in full effect as we managed various elements of market uncertainty. Notwithstanding, as a result of our deliberate actions to build our capital base and our investments in our risk management capabilities and framework, BIL remains confident in its ability to navigate the challenges and is one of the strongest players in the financial sector with a capital adequacy ratio over 3 times the regulatory 10% minimum.

Our capital and liquidity risk architecture is built on a robust limit structure which is supported by frequent and proactive stress testing and risk reporting. The limit framework is designed in a "fit for purpose" manner that intricately identifies, measures, and assesses key risks. Our risk framework is underpinned by the Three Lines of Defence model, under which a culture of accountability and governance is permeated throughout all levels of the organisation. In crafting our policies and procedures, and our enterprise risk management framework, we engaged known audit firms KPMG and Ernst & Young ("EY") to ensure that our frameworks are robust and comprehensive. The enterprise risk management framework is supported by a periodic enterprise-wide risk assessment process where management proactively and continuously identifies risk drivers and identifies key opportunities to improve our risk posture.

Significant emphasis is also placed on independent checkpoints throughout operational and governance processes. The internal controls and internal governance tone is echoed top-down, from the Board to senior management, internal management committees and all facets of the operations. All employees are subject to the standards outlined in our Code of Conduct. Additionally, Barita has been very deliberate in recruiting strong and experienced individuals in key leadership and governance roles.

These risk and governance frameworks, managed by our second lines of defence, in addition to, not only the strengthening of our third line of defence through the onboarding of our Chief Audit Executive noted earlier, but also the risk management qualifications and experience resident in our first line of defence through our Interim CEO and Cornerstone's Chief Investment Strategist who have both previously served as Chief Risk Officers and our Deputy CEO who has served as the Chair of the Risk Committee of the Jamaica Securities Dealers Association; give the Board the confidence that the company is prudently managing its various risks, the company will remain safe, and our investors and clients will remain protected. These are buttressed by the commitment to high professional and ethical standards which are not only requirements of our organization, but requirements inherent in their professional qualifications.

A key foundation of a resilient and robust company that transcends multiple generations is effective and strong internal controls and risk discipline. This is core to our strategy and will continue to be a key pillar of focus as we build the value of the business while ensuring the safety of all key stakeholders.

Investing in the Human Capital of our People

During the quarter, our Foundation continued to execute its mandate of supporting the development of the core elements of human capital to improve the individual and collective outcomes of the most vulnerable in our society.

The Foundation continues to align activities with the Sustainable Development Goals and as we move forward, emphasis will be placed on Environmental, Social and Governance (ESG) related measurements in upcoming periods. An initial Impact Report has been completed assessing the direct outcomes of programmes and initiatives over the last year.

The review indicates that resources have been largely dedicated to work in education benefitting our early childhood learners and youth entrepreneurs. **We directly reached 1,283 persons**. Financial literacy sessions account for nearly 60% of the number of persons reached. Partnerships with 59 organisations allowed the foundation to extend support to underserved populations under the pillars of education and youth development, entrepreneurship, and health & wellbeing.

Education & Youth Development

The Foundation continues to pursue creating equity in access, resources, and mobility in diversifying education in Jamaica. During the period, in addition to resource and material support, the Foundation delivered financial literacy sessions across different groups to over 90 participants. Benefitting from interactive training sessions and workshops were parents and teachers at early childhood institutions, students sitting external examinations, and Barita Foundation scholars. Several donations to schools aimed at enhancing the learning environments were made to include fans and air conditioning units for ventilation and cooling, fences for security, and gravel for safe play.

The 2023 scholarship applications opened in May. Scholarship opportunities were open to students who sat the Primary Exit Profile exams in the current academic year, students sitting CSEC and CAPE exams, tertiary students, staff, and the premier scholarship – the Rita Humphries Lewin Scholarship for students pursuing degrees in Early Childhood Education. This is the second year the Foundation will be working at creating opportunities for young people to achieve their academic goals.

A partnership with the Cawna Library and Wilbert Stewart Early Childhood Development Centre saw the Cornerstone team participating in Read Across Jamaica Day activities. Other activities with the early childhood institutions include sponsorship of early learners Spelling Bee competition and awarding prizes for exemplary academic performance. The MICO Care Centre also received Foundation support towards their special needs training in the use of diagnostics tools. This will enhance their ability to support families whose children may have exceptional learning needs.

Entrepreneurship

A collaboration was established among the Foundation, the Planning Institute of Jamaica (PIOJ), and the Social Development Commission (SDC) to build the capacity of entrepreneurs from communities under the Community Renewal Programme (CRP). A series of training across the island's three counties has been planned, with the first taking place in June. Small business owners from Kingston and St Andrew, St. Catherine, and St Thomas participated in a two-day business development training facilitated by the Foundation. Participants were exposed to material geared at empowering them to scale their business operations to ensure continuity and sustainability. They left with the knowledge and awareness of how to access capital and other financial resources to support their businesses.

The FHI360 Local Partner Development / USAID project was concluded during the period, and the Foundation continues to work with the successful participants in post-project activities. Some participants are receiving additional resource support commencing in the coming period allowing for further strengthening of their enterprises.

Health and Well-Being

Donations were made towards events, ongoing programmes and activities, infrastructure, and other needs of beneficiary organizations. These donations help to fulfill a commitment towards supporting good health and well-being in our communities, such as the Forestry Department's National School Tree Planting Competition. The competition was open to Jamaican students from the Early Childhood to tertiary level. Among the awards provided by Barita Foundation were the Most Innovative – Early Childhood Institution category and Outstanding Teacher–Early Childhood Institution category.

Activities under the partnership with Project STAR gained momentum during the quarter. The objectives of this social change initiative align with the work of the Foundation in contributing to Jamaica's Vision 2030 goals. Barita Foundation will continue to participate in upcoming activities.

Celebrating and participating in national calendar events gave staff opportunities to support nation-building through voluntary activities. Labour Day 2023 was a buzz of activities for the team as several team members engaged in activities across St. James, Manchester, and Kingston. Benefitting from the team's efforts were Mustard Seed Community's Matthew 25:40 Boys Home, Mount Salem Primary and Infant School, and The Kiddies Park in Brooks Park – Mandeville.

Closing Remarks

We have consistently conveyed our strategic direction and intentions, and the results and achievements are a testament to our unwavering commitment to executing our strategy. The macroeconomic environment remains challenging, but we continue to put our curated talent and experience to work, and they have remained focused on the company's core strategy while tactically pivoting as necessary to take advantage of opportunities. This, along with our strong capitalization and consistent liquidity building thrusts, gives us confidence in Barita's capacity to thrive in any market environment.

While we acknowledge the likelihood of ongoing challenging market conditions in the short term, we maintain a cautiously optimistic outlook regarding the potential for a turning point that could spark a resurgence of financial market activity. In the intervening period we continue to advance our technology infrastructure, remain focused on our liquidity, diligently diversify our revenue streams, manage our expenses, and use our reorganization as part of a Financial Group to boost our efficiency and optimize our offerings to our clients. We express our sincere gratitude to the exceptional team at Barita whose expertise and dedication consistently serve the best interests our stakeholders. We also extend our heartfelt appreciation to our shareholders and clients, as their unwavering and steadfast confidence and trust have been instrumental in all our achievements.

Mark Myers / Chairman

August 14, 2023

CONSOLIDATED

Profit & Loss Statement As At June 30, 2023

	UNAUDITED 3 Months Ended June 30, 2023 $'000	UNAUDITED 3 Months Ended June 30, 2022 $'000	UNAUDITED 9 Months Ended June 30, 2023 $'000	UNAUDITED 9 Months Ended June 30, 2022 $'000
Net interest income and other revenue				
Net interest income	**62,326**	**359,853**	**422,554**	**1,387,573**
Fees and commission income	933,265	714,843	2,730,417	2,523,270
Foreign exchange trading & translation gains / (losses)	372,979	(152,798)	431,218	602,865
Gain on investment activities	443,013	1,723,153	3,703,746	2,645,197
Other income	43,416	24,932	99,256	63,767
Net operating revenue	**1,854,999**	**2,669,983**	**7,387,191**	**7,222,672**
Operating expenses				
Staff costs	457,771	432,046	1,300,351	1,163,310
Administration	674,339	494,959	2,141,279	1,444,173
Impairment/expected credit losses	(8,419)	34,337	(136,496)	92,757
	1,123,690	**961,343**	**3,305,134**	**2,700,240**
Operating profit	**731,309**	**1,708,641**	**4,082,057**	**4,522,432**
Share of results of associates	**18,356**	**42,403**	**68,606**	**75,295**
Profit before taxation	**749,664**	**1,751,044**	**4,150,663**	**4,597,727**
Taxation	(245,643)	(204,147)	(1,068,344)	(766,665)
NET PROFIT FOR THE PERIOD	**504,022**	**1,546,897**	**3,082,319**	**3,831,062**
Average number of shares	1,196,862	1,204,149	1,196,862	1,204,149
Earnings per stock unit	0.42	1.28	2.58	3.18

CONSOLIDATED

Statement of Financial Position
As At June 30, 2023

	Unaudited June 2023 $'000	Unaudited June 2022 $'000	Audited September 2022 $'000
ASSETS			
Cash and bank balances	2,558,196	1,507,528	1,027,765
Securities purchased under resale agreements	1,063,587	4,623,617	2,608,878
Marketable securities	32,529,150	24,931,279	24,285,629
Pledged assets	67,771,112	55,596,478	61,603,598
Investment in Associates	2,255,301	2,165,823	2,186,695
Loans	8,662,075	13,130,502	10,606,593
Receivables	5,192,693	3,569,051	3,101,644
Taxation recoverable	801,784	53,422	479,552
Due from related parties	1,426,395	1,562,521	938,835
Property, plant and equipment	1,151,736	1,255,067	1,207,854
Intangible assets	13,437	17,702	14,777
Investments	55,000	55,000	55,000
Right of use asset	212,904	229,829	231,882
Deferred tax asset	401,837	1,230,611	1,351,993
Total assets	**124,095,207**	**109,928,430**	**109,700,695**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	2,380	105,067	11,587
Securities sold under repurchase agreements	70,342,495	55,093,452	59,653,515
Secured investment notes	6,609,647	13,202,720	11,204,694
Other debt facilities	7,789,404	923,039	671,610
Lease liability	270,568	279,932	287,207
Payables	2,136,267	2,420,334	2,599,844
Dividend payable	-	-	3,026,563
Due to related parties	1,438,941	388,950	62,197
Taxation	-	114,088	-
Total Liabilities	**88,589,702**	**72,527,582**	**77,517,217**
Shareholders' Equity			
Share capital	32,736,761	33,239,752	32,389,351
Capital reserve	148,655	122,073	148,655
Fair value reserve	(4,101,271)	(2,368,265)	(4,068,759)
Capital redemption reserve	220,127	220,127	220,127
Stock option reserve	137,254	96,748	186,284
Retained earnings	6,363,979	6,090,413	3,307,820
Total shareholders' equity	**35,505,505**	**37,400,848**	**32,183,478**
Total liabilities and shareholders' equity	**124,095,207**	**109,928,430**	**109,700,695**

Mark Myers Chairman   Carl Domville Director

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Statement of Changes In Equity For the Nine Months Ended As At June 30, 2023

	Share Capital $'000	Capital Reserve $'000	Fair Value Reserve $'000	Capital Redemption Reserves $'000	Stock Option Reseve $'000	Retained Earnings $'000	Total $'000
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)
Balance at 30 June 2022	**33,239,752**	**122,073**	**(2,368,265)**	**220,127**	**96,748**	**6,090,413**	**37,400,847**
Balance at 30 September 2022	**32,389,351**	**148,655**	**(4,068,759)**	**220,127**	**186,284**	**3,307,820**	**32,183,478**
TOTAL COMPREHENSIVE INCOME							
Net profit for the period	-	-	-	-	-	3,082,319	3,082,319
Other comprehensive income	-	-	(32,512)	-	(49,030)	(26,159)	(107,702)
Total Comprehensive Income for the period	**-**	**-**	**(32,512)**	**-**	**(49,030)**	**3,056,159**	**2,974,617**
TRANSACTIONS WITH OWNERS							
Paid-in capital	347,410	-	-	-	-	-	347,410
	347,410	**-**	**-**	**-**	**-**	**-**	**347,410**
Balance at 30 June 2023	**32,736,761**	**148,655**	**(4,101,271)**	**220,127**	**137,254**	**6,363,979**	**35,505,505**

STATEMENT OF

Comphrensive Income For the Nine Months Ended As At June 30, 2023

	UNAUDITED 3 Months Ended June 30, 2023 $'000	UNAUDITED 3 Months Ended June 30, 2022 $'000	UNAUDITED 9 Months Ended June 30, 2023 $'000	UNAUDITED 9 Months Ended June 30, 2022 $'000
Net Profit for period	504,022	1,546,897	3,082,319	3,831,062
Unrealised gains/(losses) on FVOCI securities -	(1,166,212)	(1,097,366)	(32,512)	(2,111,753)
Other reserves	21,098	(31,174)	(75,190)	(2,293)
Total comprehensive income	**(641,092)**	**418,357**	**2,974,617**	**1,717,016**

CONSOLIDATED

Statement of Cash Flows
As At June 30, 2023

	Unaudited 9 Months Ended June 30, 2023	Unaudited 9 Months Ended June 30, 2022
Cash Flows from Operating Activities	$'000	$'000
Net Profit for the Period	3,082,319	3,831,062
Adjusted for:		
Depreciation and amortisation	97,819	98,935
Effect of exchange gain/loss on foreign balances	(206,721)	(412,699)
Impairment/expected credit losses (ECL)	(136,496)	92,757
Unrealised gain on investment FVTPL	(3,632,364)	(2,102,814)
Interest income	(4,384,186)	(3,014,005)
Interest expense	3,961,632	1,626,432
Income tax expense	1,068,344	766,665
Lease liability interest expense	16,295	17,136
Right-of-use assets amortisation	31,722	30,334
Share of profit from associates	(68,606)	(75,295)
Stock Option Expense	122,297	65,107
	(47,944)	923,615
Changes in operating assets and liabilities:		
Securities purchased under resale agreements	1,545,291	4,248,519
Securities sold under repurchase agreements	10,249,455	9,249,502
Secured investment notes	(4,654,742)	13,094,795
Receivables	(1,463,126)	(3,751,733)
Loans	2,177,810	(7,005,082)
Payables	(480,213)	(330,968)
Due from related companies	889,184	1,200,972
	8,215,715	17,629,619
Interest received	3,717,585	2,845,842
Interest paid	(3,329,609)	(1,366,092)
Lease payment	(30,769)	(28,477)
Income tax paid	114,579	(1,612,015)
Cash provided by operating activities	**8,687,501**	**17,468,878**
Cash Flows from Investing Activities		
Marketable securities	(11,259,804)	(16,663,839)
Investment in associates	-	(37,105)
Purchase of property, plant and equipment, intangible	(21,384)	(123,665)
Cash provided by investing activities	**(11,281,188)**	**(16,824,609)**
Cash Flows from Financing Activities		
Ordinary dividends paid	(3,026,563)	(3,886,878)
Proceeds from other debt facilities	6,984,991	778,612
Treasury shares acquired/sold	347,410	80,957
Cash provided by financing activities	**4,305,838**	**(3,027,310)**
Effect of exchange rate on cash and cash equivalents	**(172,514)**	**(22,189)**
Decrease/(increase) in net cash and cash equivalents	1,539,638	(2,405,230)
Net cash and cash equivalents at beginning of year	1,016,178	3,807,691
Net cash and cash equivalents at end of period	**2,555,816**	**1,402,461**

Notes to the Unaudited Financial Statements

As At June 30, 2023

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 74.5% 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, 2023, 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, 2022, 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, 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 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also classify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the group.

Amendment to IAS 16, 'Property, plant and equipment' (effective for accounting periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognise such sales proceeds and related cost in profit or loss. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The group is currently assessing the impact of this amendment.

Amendments to IFRS 3, 'Business combinations' (effective for accounting periods beginning on or after 1 January 2022). Minor amendments were made to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The adoption of these amendments is not expected to have a significant impact on the group.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for accounting periods beginning on or after 1 January 2022). This amendment specifies which costs a company includes when assessing whether a contract will be loss making. It clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The group is currently assessing the impact of this amendment.

3. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to June 30, 2023	Unaudited 3 Months to June 30, 2022	Unaudited 9 Months to June 30, 2023	Unaudited 9 Months to June 30, 2022
Gains on sales of investments	179,262	186,424	71,382	542,383
Fair Market Value Gains on Equity Portfolio	263,751	1,536,730	3,632,364	2,102,814
	443,013	1,723,153	3,703,746	2,645,197

4. Business Combination

The share of results of Associates reflected in these interim statements included estimates in the earnings of associate company for the period up to May 31, 2023.

5. Earning per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of $3,082,319,000 by the weighted average number of ordinary shares in issue during the period of 1,196,862,000 shares.

Top Ten Largest Shareholders of Barita Investments Limited as at June 30, 2023

SHAREHOLDERS	TOTAL	PERCENTAGE
CORNERSTONE FINANCIAL HOLDINGS LTD.-BUYING A/C	917,265,425	75.1618%
FIRST CITIZENS INVESTMENT SERVICES LIMITED	90,795,154	7.4399%
RITA HUMPHRIES-LEWIN	26,319,240	2.1566%
CREDIT UNION FUND MANAGEMENT COMPANY LIMITED	17,127,519	1.4034%
CORNERSTONE GROUP EMPLOYEE SHARE TRUST	15,129,428	1.2397%
TWEEDSIDE HOLDINGS LIMITED	14,073,348	1.1532%
NATIONAL INSURANCE FUND	8,191,553	0.6712%
TREVOR HEAVEN HOLDINGS LIMITED	7,787,075	0.6381%
JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND	6,420,126	0.5261%
KARL P. WRIGHT	6,292,000	0.5156%

Share Ownership by Directors of Barita Investments Limited as at June 30, 2023

DIRECTORS	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	6,000,000	0	6,000,000
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

Share Ownership by Senior Managers of Barita Investments Limited as at June 30, 2023

SENIOR MANAGERS	TOTAL	DIRECT	CONNECTED PARTIES
DANE BRODBER	356,322	356,322	0
ANMARIE WALKER-CATO	47,395	47,395	0
SONIA OWENS	35,000	35,000	0
MALINDO WALLACE	408,589	408,589	0
RAMON SMALL-FERGUSON	715,886	715,886	0
TERISE KETTLE	40,676	40,676	0
SARA YING HENRIQUES	0	0	0
DAVE DIXON	0	0	0
IAN ANDERSON	0	0	0
CAROLYN KEAN	0	0	0
PERCIVAL HURDITT	0	0	0
SANCIA THOMPSON	0	0	0
GEOFFERY ROMANS	0	0	0