Barita

ANNUAL REPORT 2023

5 Years of Cornerstone: **A year of resilience & growth**

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01. Our Strategy & Vision

The vision of Barita Investments Limited (the "Company" or "Barita" or "BIL") of being the *Game Changers* in the investment industry remains our guiding principle, serving as our 'North Star' as we navigate beyond our 45th year. Our resolute focus remains on fortifying our business for growth and attaining business objectives through strategic investments in technology, people, and processes aimed at not only mitigating risks but also propelling the Company into a future of dominance.

Throughout the year, we delivered on this vision by achieving key milestones, including successfully completing the first phase of our core operating system upgrade, with phase two underway. We redesigned the Barita Roadmap, the Barita Goal-setting Products and Services assessment tool (GPS) providing an enhanced customer touchpoint and experience on our website. These initiatives serve as a springboard for enhancing portfolio management and offering goal/lifestyle investing opportunities for our customers.

Further enhancements were completed on Barita Online with the introduction of client-initiated updates and feedback, allowing us to maintain close contact with our customers while ensuring their needs are met efficiently. This underscores our commitment to leveraging technology to achieve our business objectives while delivering exceptional customer service. We continue to strengthen our IT security infrastructure and data privacy by introducing password-protected client statements, and we are on the verge of internally launching our Enterprise Data Warehouse, facilitating quicker access to data for informed decision-making.

In response to market dynamics, we launched the new FX Income Accumulator offering a low risk-based USD unit trust offering during the year, making it more appealing to investors. Our efforts to strengthen our Premium Wealth and Investment Banking teams have borne fruit, as evidenced by the successful execution of the first Initial Public Offering (IPO) on the Jamaica Stock Exchange (JSE) for 2023 and the origination of numerous innovative deals throughout the year, benefitting our customers.

As a key strategic priority, we initiated the restructuring of the Financial Holding Company (FHC), leading to increased efficiencies and a stronger team. We are confident that this move will not only benefit Barita, but also strengthen our client relationships and foster innovativeness, enabling our loyal customers to further democratize their wealth and experience a more personalized service.

Our ongoing investments in talent development, engagement and recruitment is a testament to our commitment to nurturing a high-performing team. We have welcomed key talent across all areas of our business and launched the Cornerstone Leadership Programme for an initial cohort of managers. Additionally, the launch of our Cornerstone University training platform and our two-year inaugural Cornerstone Analyst Programme highlight our commitment to fostering continuous learning and development for our team members. In light of that, we are pleased to announce that five young high-potential individuals were invited to complete rotations through various business units, at the end of which successful candidates were assimilated into the business.

Finally, our Barita Foundation, which was revamped and relaunched in 2023, has made significant strides in our communities. We have awarded 34 scholarships and 11 bursaries to students at the secondary and tertiary levels and have actively promoted entrepreneurship through training and financial education sessions.

As we reflect on the accomplishments of the past year, we are unyielding in our dedication to building positive change and providing outstanding value to our stakeholders. With great enthusiasm, perseverance, and determination, we look forward to the continued success and expansion of Barita in the coming years.

Strategic Journey

Our strategic journey for 2024 and beyond will focus on the following priorities:

Bold Impactful Growth

- Prioritizing our Sprint Agenda, we aim to implement technology platforms, tools and streamlined processes to fuel innovation and drive growth.
- Launching new revenue streams, our expansion efforts span both local and regional markets as we strive for continuous growth.
- Strengthening our operational capabilities to support rapid scaling while upholding strong governance, risk management and regulatory compliance standards.

Best Team In The Business

- Embedding our culture to foster a team that is not only happy, motivated and committed but also inclined to disrupt and innovate daily.
- Nurturing our team's growth through the Cornerstone University and Leadership programmes ensuring a continuous supply of top tier leaders in the industry.
- Leveraging our Financial Braintrust to deliver timely market intelligence.

Changing The Game, Impacting Jamaica And Revolutionizing Wealth Accessibility

- Expanding our "future-proof" technology platforms to establish ourselves as a Digital First business, delivering services through digital channels that exceed customers' expectations.
- Maintaining our dominance in the digital marketing space.
- Empowering our customers to elevate their MoneyIQ by applying insights and intelligence to their portfolios, providing tailored offerings, and enabling them to achieve success.
- Focusing our corporate social responsibility on nationally relevant and impactful issues in our communities through the work of our Barita Foundation.

We believe that these highlights, coupled with our daily efforts to enhance our services are pivotal elements for sustaining growth. Our focus remains strong on making Barita more accessible, convenient and customer centric. We are committed to our mission of being the Game Changers in the local and regional investment space, and we will accelerate our strategy to increase our capabilities in this regard.

Our Core Values

The (2x4) values we adhere to T.E.A.M.W.O.R.K.

1 WE PROMOTE CREATIVITY AND INNOVATION		2 WE DELIVER FRICTIONLESS CUSTOMER EXPERIENCES	
T	**TALENTED:** Smart people who are experts in the market, providing creative solutions and innovations.	**W**	**WORLD-CLASS:** We're very aware that the customer comes first, which is why we adhere to world-class service.
E	**ENTREPRENEURIAL:** We consistently challenge the status quo, bold enough to disrupt and revolutionize.	**O**	**OBSESSIVE:** We're not satisfied until you are.
A	**AGILE:** Rapid response, effective collaboration and total inclusion.	**R**	**RESPONSIVE:** We are always accessible to our customers and ready to attend to their needs and expectations.
M	**MODERN:** We're knowledgeable of, and responsive to, the ever changing customer preferences.	**K**	**KNOCKOUT:** An unparalleled knockout experience that puts customers as top priority never settling for the minimum.

Our Brand Pillars

Barita's brand is much more than a logo, a message or an aspiration – it's a reflection of who we already are – the core of our DNA. Our message is to plainly show who we are, how we differ from the competition and to demonstrate the value we provide.

BRAND PILLAR 1

We are Bold

We blend intel, innovation and insight with genuine interest in our communities, helping us to create the results that best serve the heart of our business - our customers.

BRAND PILLAR 2

We are Smart

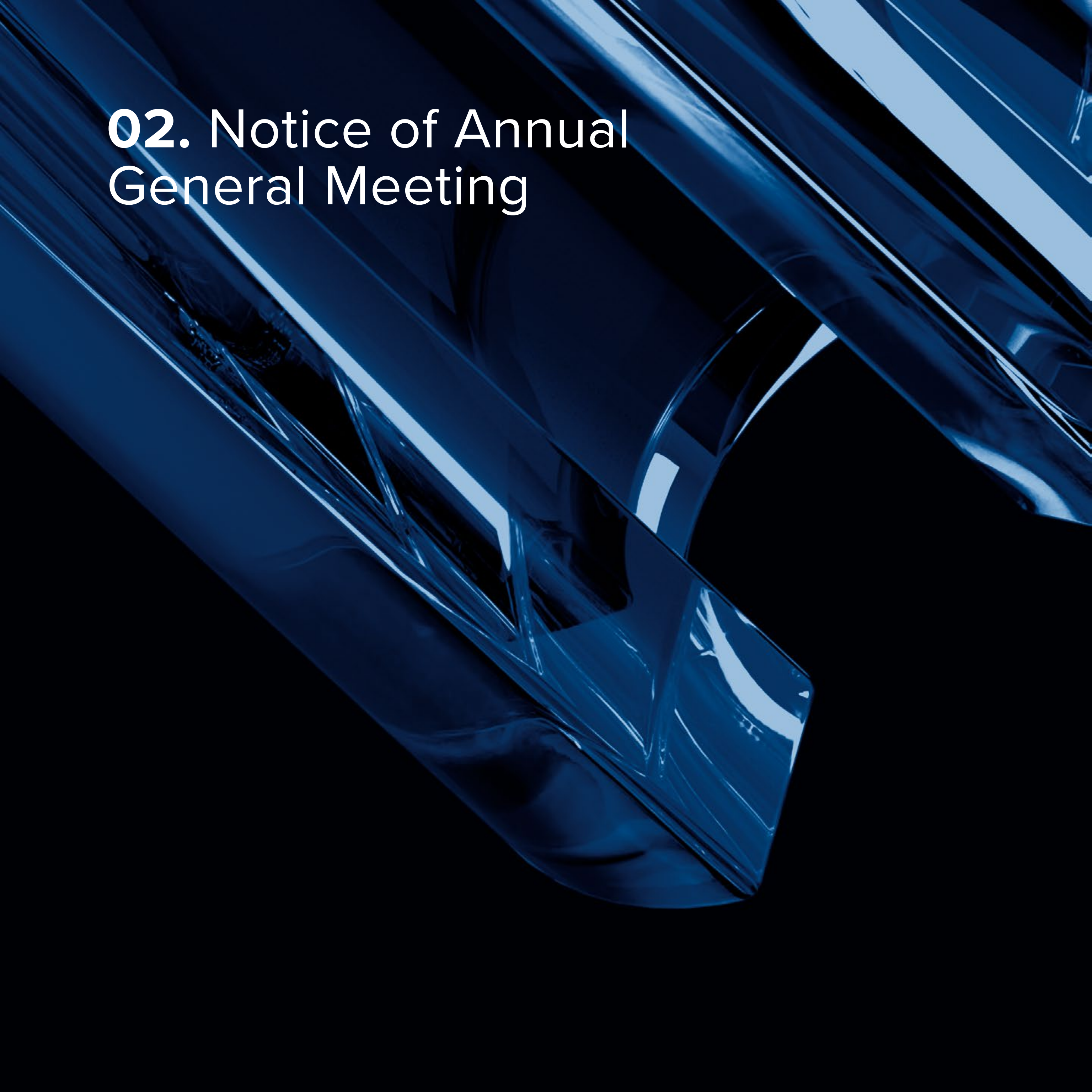
Simply put, we've built our team with the best and brightest minds in the industry.

BRAND PILLAR 3

We are Game Changers

Tech with the human touch... that's our superpower.

02. Notice of Annual General Meeting



Notice Of Annual General Meeting

Notice is hereby given that the Forty Sixth Annual General Meeting of Barita Investments Limited (the "Company") will be held on Friday, June 28th 2024 at 10:00 a.m., as a virtual-only meeting, to consider and if thought fit pass the following resolutions:

Ordinary Business

Ordinary Resolutions

1. To receive and consider the Directors' Report and Financial Statements for the year ended September 30, 2023, and the Report of the Auditors thereon.

Resolution 1

"THAT the Audited Accounts together with the Reports of the Directors and the Auditors circulated with the Notice convening the Meeting be and are hereby adopted."

2. To approve and ratify the Interim Dividend Payments and declare them final.

Resolution 2

"THAT the interim dividends of $2.48 paid on November 18, 2022 be treated on the recommendation of the Directors as the final dividends for the financial year ended September 30, 2023."

3. Election of Directors.

Article 93 of the Articles of Incorporation provides that one-third of the Board, or if the number of directors is not three or a multiple of three, then the number nearest to one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are Messrs. James Godfrey, Jason Chambers, and Phillip Lee, who being eligible, offer themselves for re-election.

The proposed resolutions are therefore as follows:

Resolution 3 (a)

"THAT Director James Godfrey who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

Resolution 3 (b)

"THAT Director Jason Chambers who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

Resolution 3 (c)

"THAT Director Phillip Lee who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

4. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors.

Resolution 4

"THAT BDO Jamaica, having agreed to continue to serve as auditors, be and are hereby appointed Auditors of Barita Investments Limited, to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors of the Company."

5. To approve Directors' Remuneration

Resolution 5

"THAT the amount included in the Audited Accounts of the Company for the year ended September 30, 2023 as remuneration for their services as Directors be and is hereby approved."

6. To consider any other Resolution(s) in respect of any other business which can be transacted at an Annual General Meeting.

Meeting instructions

1. Shareholders will not be able to attend the virtual-only meeting ("E-AGM") in person.

2. In order to comply with the Companies Act and facilitate participation of its shareholders in the E-AGM Barita will be utilizing an electronic software platform ("E-Platform"). Shareholders will be asked to register in order to participate in the E-AGM and may do so by logging-on to the E-Platform using **https://iteneri.com/barita**. In addition to viewing the E-AGM and voting on resolutions raised during the E-AGM on the E-Platform, shareholders will also be able to send their questions and/or comments during the E-AGM.

3. Further information as to how to log on to the E-Platform and register for the E-AGM will be provided closer to the date of the meeting. Please check the Company's website and social media pages and the Jamaica Stock Exchange's website for information and updates leading up to the meeting.

4. All shareholders who intend to participate in the E-AGM are required to register using their JCSD account number on the E-Platform. Information on your JCSD account number can be requested from our Registrar at:

   Jamaica Central Securities Depository Limited
   Email: jcsdrs@jamstockex.com
   Telephone: (876) 967-3271

5. Please note that registration must be completed for you to be admitted into the E-AGM and we encourage shareholders to register early so that any registration issues can be resolved ahead of the E-AGM. Shareholders who are unable to participate in the E-AGM and wish to vote by proxy must complete a proxy form, to include the Taxpayer Registration Number for their proxy holder and submit the proxy form to the Registrar: Jamaica Central Securities Depository Limited at 40 Harbour Street, Kingston at least 48 hours ahead of the E-AGM.

Dated this 28th day of March 2024

By Order of the Board

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Malindo Wallace

Corporate Secretary

Registered Office
15 St. Lucia Way
Kingston 5

Please note - A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more proxies to attend and on a poll to vote in his stead. Such proxy must be lodged at the Company's Registered Office no less than forty-eight hours before the time appointed for the meeting. The Proxy Form shall bear the stamp duty of J$100.00. A proxy need not be a member. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy Form. A suitable form of proxy is enclosed for convenience.

03. Our Business At A Glance

Cornerstone Group Corporate Structure

Cornerstone Shareholders

100% shareholding in CUHJ and CFHL. Identical shareholders and shareholdings in CUHJ and CFHL

CFHL
Barbados Incorporated
(Audited by BDO)

CUHJ
Jamaica Incorporated
(Audited by PwC)

Barita Investments Limited
Jamaica Incorporated
(Audited by BDO)

75% owned by CFHL

Cornerstone Financial Holdings Limited USA Inc.
USA Incorporated

100% (wholly owned by) CFHL

Cornerstone United Holdings USA Inc.
USA Incorporated

100% (wholly owned by) CUHJ

Cornerstone Trust & Merchant Bank Limited
Jamaica Incorporated
(Audited by PwC)

100% (wholly owned by) CUHJ

Barita Unit Trusts Management Co. Limited
Jamaica Incorporated (Audited by BDO)

100% (wholly owned by) Barita Investments Ltd.

CORPORATE STRUCTURE – ASSOCIATED COMPANIES

Derrimon Trading Co. Limited
Jamaica Incorporated

20% owned by Barita Investments Ltd.

OFF BALANCE SHEET MANAGEMENT RELATIONSHIPS

Pension Fund Projects

Investment Manager:
Barita Unit Trusts
Management Company

Unit Trust Funds

Investment Manager:
Barita Unit Trusts
Management Company

Barita Finance Limited
(St. Lucia Incorporated)

Investment Manager:
Barita Investments Limited
100% Shares held in trust by JCSD
Trustee Services

MJR Real Estate Holdings Limited (Jamaica Incorporated)

Investment Manager:
Barita Investments Limited
100% shares owned by the Barita Unit Trusts
Real Estate Portfolio

Our Business in Brief

The Barita Group is made up of Barita Investments Limited and its subsidiary, Barita Unit Trusts Management Company Limited (BUTM). Founded by Rita Humphries-Lewin in 1977, Barita has the distinction of being one of the oldest stock brokerages in Jamaica. The Company is regulated by the Financial Services Commission (FSC), is a member of the Jamaica Stock Exchange (JSE) and is licensed as a Primary Dealer and Cambio Dealer by the Bank of Jamaica (BOJ).

BUTM was incorporated in Jamaica in 1992 and is a licensed securities dealer. BUTM is the investment manager of the Barita suite of Unit Trust Funds. It currently offers six (6) unit trust products spanning fixed income, equities and real estate. BUTM is recognised as a strong player in the middle market retail segment and a leader in unit trust performance.

In August 2018, Cornerstone Financial Holdings Limited (CFHL) acquired majority shares in Barita and has continued and elevated the Company's mission and vision to be a premier investment force in Jamaica and the wider Caribbean.

Our Products and Services include:

- Stock Market investments on any of the three regional exchanges
- Fixed Income Trading
- Investment Banking Services
- Unit Trust Investments
- Currency Trading
- Structured Products
- Retirement Planning
- Wealth Planning
- Market Research

Barita serves its retail and wealth clients island-wide through its Head Office and three branches in Kingston, Mandeville and Montego Bay. Our investment banking arm focuses on structuring deals for corporate clients both locally and in the region. The Company serves its customer base with a team of 218 members across its operations island-wide.

PAUL SIMPSON
FOUNDER, PRESIDENT
& CEO OF CORNERSTONE

About Cornerstone

Cornerstone is comprised of two privately held investment holding companies (i.e. Cornerstone United Holdings Jamaica Limited and CFHL) founded with the objective of building a sustainable investment platform, with a view to driving shareholder value and economic growth, thereby transforming lives and helping to shape the future. Its shareholders are 'captains of industry' across the Caribbean, and relying on the insight borne of their collective expertise, they have assembled a Board of Directors for Cornerstone which charts and enables the execution of the strategic plans and direction of the group.

Cornerstone is committed to creating sustained differential value for its stakeholders through the effective deployment of human and financial capital throughout its portfolio companies. Its investment ethos involves prudent management of risk-adjusted returns by partnering with the principals of its target portfolio companies, and deployment of frictionless financial services products, companies and experiences propelled by innovation; this strategy has been accretive through added scale and synergies.

Cornerstone is the brainchild of Paul Simpson, who is the Founder, President and Chief Executive Officer. Mr. Simpson is an Investment Banker with over a decade of diverse experience across various senior executive and governance roles in organizations spanning the globe. He has a track record of driving transformational growth through entrepreneurship, value creation, mergers & acquisitions, founding and launching successful local and regional companies. He is also involved with several philanthropic engagements.

Under Cornerstone's management Barita has evolved to become one of the safest and strongest investment banks.

Cornerstone is involved in charting and enabling the strategic plans and direction of the Company. This has been made possible through the assistance of an exceptional team of highly skilled professionals who each bring specialized skills and expertise to their areas of responsibility. As Cornerstone seeks to achieve its mandate of developing an integrated financial services group, several roles have been consolidated within the Cornerstone group. These centralized roles include Risk Management, Finance, Investment Management, Legal, Compliance, and Strategy.

Under Cornerstone's management Barita has evolved to become one of the safest and strongest investment banks locally since its acquisition by Cornerstone. Under the guidance of Cornerstone the Company has invested heavily in its governance and risk management architecture, ensuring that its internal control environment is aligned with best-in-class standards, and has been steadfast in, inter alia, strengthening the Company's risk management framework, corporate governance, bolstering the delivery of services to clients across the group by deploying a digital first strategy using multiple channels and equally as important, nurturing a top notch team capable of delivering world class frictionless service to its clients.

Cornerstone Senior Management Team

Cornerstone Senior Management Team

Meet the Cornerstone Team

Paul Simpson

MBA

FOUNDER, PRESIDENT AND CEO

Mr. Simpson is the Founder, President and CEO of Cornerstone. He is an Investment Banker with over 15 years' experience having worked in the Caribbean, the United States and Europe in various roles. He holds a double major in Computer Science and Geology and an MBA from the University of the West Indies. He has served on various government, private and charity boards including the Youth Arm of UNESCO, YMCA and the Jamaica Tourist Board, where he was the Chairman of the Finance and Audit committee.

Jason Chambers, MSc.

CHIEF INVESTMENT OFFICER

Jason has over 21 years' of experience, spanning the range of Securities Trading, Investment and Treasury Management, Corporate Finance, and Corporate Banking. Most recently, Jason held the position of VP of Investment Management at the GraceKennedy Group. Jason also headed the Corporate Banking Unit within First Global Bank Limited where his functional responsibilities included the development, execution, and monitoring of business development strategies to grow the corporate banking business; management of credit structuring and assessment in accordance with the requirements of corporate clients within the parameters of the bank's lending policy; the upgrading of the credit policies of the bank to conform with current and emerging risks, and management of the credit quality of the portfolio in conjunction with the credit risk management unit of the bank. Jason was also a member of the senior management teams of the securities dealing subsidiaries of Guardian Holdings and GraceKennedy where he led the Asset Liabilities Management Committee ("ALCO") of GK Capital and served as a member of the GK Group ALCO. Jason is a graduate of the University of the West Indies, where he obtained a Bachelor of Science degree in Economics and a Master of Science degree from the University of London.

Gavin Jordan, MSc., CPA

CHIEF OPERATING OFFICER

Gavin has over 20 years' of accounting and financial management experience, spanning the financial services, food manufacturing and distribution sectors. Prior to his role at Cornerstone, he was the CFO for GraceKennedy Foods (USA) and Divisional CFO, GK Foods before that. At GK Foods, Gavin provided financial leadership to the subsidiaries in the Foods Division both locally and internationally; supported the development of the Division's strategy and the evaluation of various strategic initiatives. Gavin was also Finance Director and Company Secretary of Carreras and CFO of First Global Bank, where he was ultimately responsible for the day-to-day operations of the accounting and financial reporting functions. Gavin holds a BSc. in Accounting and Economics from the University of the West Indies, a Master of Science degree in Financial Management from the University of London and is also a Certified Public Accountant. He is a member of the American Institute of the Certified Public Accountants and the Colorado State Board of Accountancy.

Dane Brodber, CFA, CAIA, FRM, MBA

INTERIM C.E.O. BARITA INVESTMENTS LIMITED

Dane joined Cornerstone in 2019 as the Chief Risk Officer for the Group and was seconded to Barita in May 2022 as the Interim Chief Executive Officer. He has over 18 years' of experience in the financial services industry with extensive experience in Risk Management, as well as experience with Operational Risk, Strategy, Business Intelligence, and Financial Analysis. Prior to joining Cornerstone, he held the position of Regional Director, Market Risk Management at Scotiabank, where he had responsibility for the measurement, monitoring and governance of market risk exposures throughout the English-Speaking Caribbean. Dane earned undergraduate degrees in Mechanical Engineering and Economics & Business from Lafayette College and an MBA from the University of New Orleans. He earned the CFA Charter in 2006, the Financial Risk Manager (FRM) designation in 2007, and the Chartered Alternative Investments Analyst (CAIA) designation in 2019. Dane is the current President and former founding VP of CFA Society Jamaica. In his capacity as Chief Risk Officer he is responsible for the buildout, maintenance and oversight of the required risk management and supporting governance frameworks throughout the Cornerstone group.

Malindo Wallace, MBA, LLB, LEC

CHIEF LEGAL & COMPLIANCE OFFICER

Malindo has over 25 years' of experience spanning Legal, Treasury, Corporate Finance, and Investments. She joined the Cornerstone group as Legal Counsel on April 15, 2019 and was promoted to Group Legal Counsel and Chief Compliance Officer in 2020, and is now the Chief Legal & Compliance Officer, where she has responsibility for the Legal, Compliance and Corporate Secretarial functions for the Group. Prior to joining Cornerstone, Malindo held several key roles at GraceKennedy Limited, including Legal Officer (Group), Senior Manager, Treasury and Corporate Finance, and Treasury Manager before that. She is credited with the establishment of the Asset and Liability Committee for GraceKennedy Limited in 2010. Prior to that, Malindo was at UDC as Investment Manager. Malindo has extensive banking experience with NCB as well as Capital and Credit Merchant Bank. Malindo holds an MBA in Finance from Manchester Business School and a BSc. in Management and Accounts from the UWI. She also attained her LLB from the University of London and her LEC from the Norman Manley Law School.

Weldon Maddan, MBA, CFA

CHIEF STRATEGY & BUSINESS INTELLIGENCE OFFICER

Weldon has over 19 years' of banking experience spanning finance, marketing, risk, decision sciences and operations. He spent over 15 years at senior executive levels with Citigroup (Credit Cards, Consumer Lending, Consumer Finance and Retail Banking) with assignments in Canada, UK and Poland. He has held CFO responsibilities for Online Marketing, Citi Partners and the Customer Contact Leveraging business units at Citi Cards. He is the former Secretary of the Jamaica Bankers Association and Chairman of the Jamaica Institute of Financial Services. Weldon received a BSc. in Engineering from Boston University, an MBA in Finance from Columbia Business School and earned his Chartered Financial Analyst designation in 2007; he currently serves as Chairman on two statutory bodies, the National Resources Conservation Authority and the Town & Country Planning Authority.

Stephen Phillibert, MBA, CFA

CHIEF FINANCIAL OFFICER

Stephen has over 20 years' of experience in Finance & Accounting, General Management and Strategy, Mergers & Acquisitions and Financial Risk. He joined Cornerstone in 2020 from PanJam Investment Limited, where he held the title of Chief Financial Officer for six years, and prior to that spent approximately ten years at GraceKennedy Limited in various financial and strategic roles, ending as Head - Corporate Planning & Strategy for the group. In his capacity at Cornerstone, he is responsible for the financial operations of the group, including financial accounting and management, regulatory and financial reporting in accordance with regulatory requirements, capital and operational budgeting, tax planning and reporting, and oversight of the financial control environment. Stephen also provides support on projects of strategic significance. He holds an MBA from the University of Toronto, a BSc - Accounting from the University of the West Indies as well as the Chartered Financial Analyst designation.

Stephanie Murdock, MSc., PMP, SMC

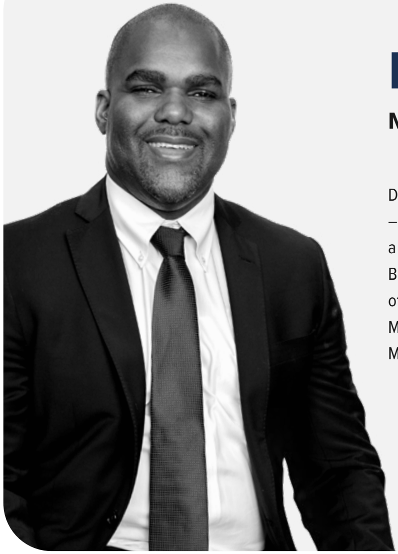
CHIEF HUMAN RESOURCES OFFICER

Stephanie has over 20 years' experience in the areas of Strategic Human Resource Development, Change Management, Leadership Development and Industrial Relations. She joined the Group from the National Export Import Bank of Jamaica where she held the position of General Manager, Corporate Services with responsibility for Human Resources, Administrative Procurement and Information Technology. Stephanie was recognized as one of seven Jamaicans to participate in the Advanced Leadership Development, Caribbean Emerging Leaders Dialogue, sponsored by McGill University, held in Ottawa, Canada. She is also a Certified Project Manager. Stephanie obtained both undergraduate and graduate degrees at UWI and Post Graduate Certification in Public Policy from Peking University, Beijing China. Stephanie also obtained a Certificate in Disruptive Strategy from Harvard Business School.

Sebrena Freeman, MSc., CISA, CRISC

CHIEF AUDIT EXECUTIVE

Sebrena joined us from Scotiabank where she served as the Director of Operational Risk, Caribbean (North & Central). Her experience in financial services spans more than twenty (20) years in the areas of Non-Financial Risk Management, Financial Accounting & Internal Audit. At Scotiabank, she pioneered the implementation of non-financial risk function within Jamaica and the Caribbean North & Central region where she served as the Director of Operational Risk, Caribbean. She joined Cornerstone as the Chief Audit Executive; in this capacity, she is responsible for bolstering the internal audit framework of the group to tighten the internal controls environment and strengthen the third line of defense by providing independent assurance and serving as a trusted advisor. She holds an MSc. in Enterprise Risk Management from Mona School of Business and Management (Distinction), a Bachelor of Business Administration (BBA) in Finance, and International Business (Hons.) from the University of Technology and earned the Certified Information Systems Auditor (CISA) and the Certified in Risk & Information Systems Control (CRISC) designations in 2011 from the Information Systems Audit & Control Association (ISACA).



Damion Brown,

MSc, CFA, F.R.M. P.R.M., C.A.I.A.

CHIEF INVESTMENT STRATEGIST AND C.E.O. – REAL ESTATE AND ALTERNATIVE INVESTMENTS

Damion Brown joined the Cornerstone team in November 2022, as Chief Investment Strategist and C.E.O. – Real Estate and Alternative Investments. Damion is an experienced financial services professional with a background in investment strategy, market risk and economics. He is formerly of Jamaica Money Market Brokers (JMMB) where he served in various roles including Group Chief Investment Officer. He is a graduate of the University of the West Indies where he received a MSc. in Economics and a BSc. in Economics and Management Studies. He has earned the CFA charter, the Financial Risk Manager (FRM), Professional Risk Manager (PRM), and the Chartered Alternative Investments Analyst (CAIA) designations.

Barita Group Corporate Structure

Cornerstone Financial Holdings Limited

Barita Investments Limited
(Wealth, Asset Management & Investment Banking)
75% OWNED

Barita Unit Trusts Management Company Limited
(Pooled And Unitized Funds Management)
100% OWNED

Derrimon Trading Co. Ltd.
(Retail Distribution)
20% OWNED

Off Balance Sheet Structures

Investment Manager:

Barita Unit Trusts Management Company Limited

Pension Funds

Investment Manager:

Barita Unit Trusts Management Company Limited

Unit Trust Funds

Investment Manager:

Barita Investments Limited 100% Shares held in trust by JCSD Trustee Services Limited

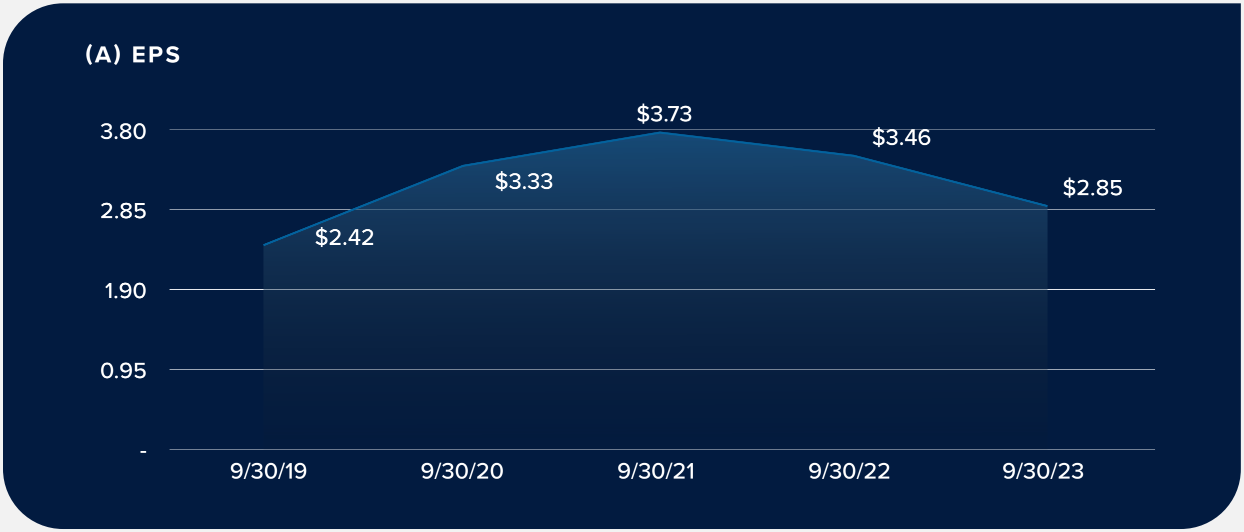
Barita Finance Ltd. (St. Lucia Incorporated)

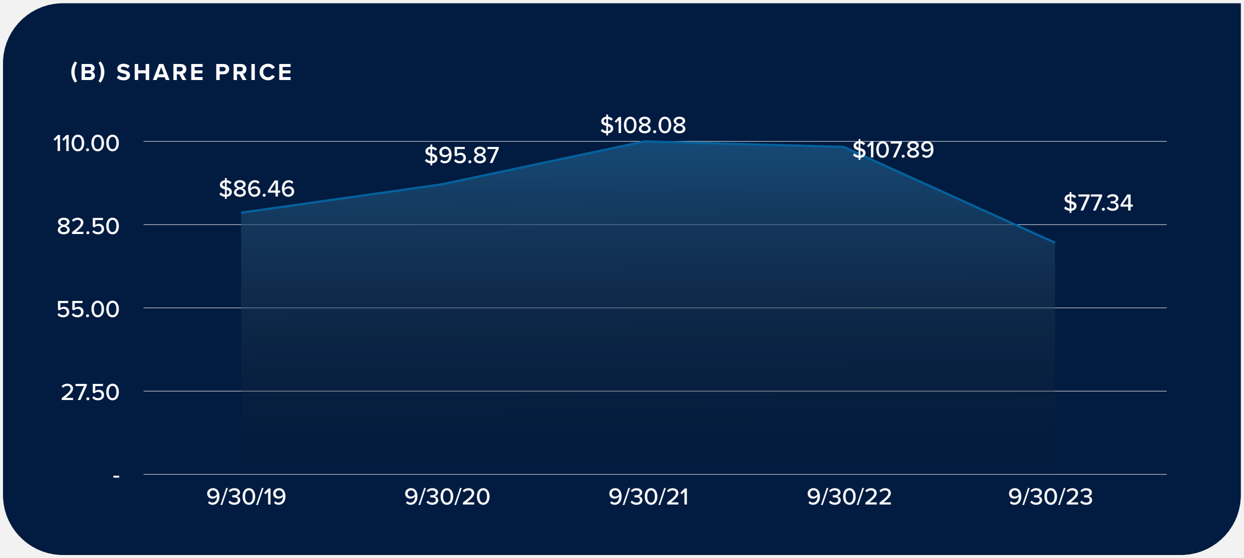
Investment Manager:

Barita Investments Limited 100% owned by Barita Real Estate Portfolio Fund

MJR Real Estate Holdings Ltd. (Jamaica Incorporated)

Performance Highlights





Financial Highlights

16.86% TOTAL ASSETS

J$128.2 BILLION

-19.1% NET PROFIT

J$3.4 BILLION

1.59% NET OPERATING REVENUE

J$9.1 BILLION

TOTAL SHAREHOLDERS' EQUITY

9.95%

J$35.4 B

BVPS

9.93%

J$28.66

EPS

-17.63%

J$2.85

5-Year Statistical Review

Consolidated Income Statement	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
Revenues					
Net interest income	650,999	882,589	1,541,340	1,672,170	581,191
Fees & commission income	693,273	1,827,376	3,378,654	3,022,287	3,403,170
Dividend income	30,670	8,677	1,054	31,842	86,771
Foreign exchange trading & translation gains	353,503	978,451	1,587,050	791,514	604,319
Gain on sale of investments and trading profits	1,873,298	1,412,958	1,580,546	3,361,280	4,356,726
Other income	378,031	103,918	27,618	72,640	61,971
Net Operating Revenue	**3,979,774**	**5,213,969**	**8,116,262**	**8,951,733**	**9,094,148**
Non-Interest Income	3,328,775	4,331,380	6,574,922	7,279,563	8,512,957
Non-Interest Income/Net Operating Revenue	84%	83%	81%	81%	94%
Operating Expenses					
Staff costs	553,550	846,090	1,254,306	1,710,201	1,735,769
Administration	896,738	1,151,116	1,790,780	2,091,226	2,873,530
Impairment of available-for-sale investment	75,162	110,794	6,447	3,985	325
Total expenses	**1,525,450**	**2,108,000**	**3,051,533**	**3,805,412**	**4,609,624**
Share of results of investment in associated company	-	-	57,144	96,167	95,028
Profit before tax	2,454,324	3,105,969	5,121,873	5,242,488	4,579,552
Taxation	741,543	347,440	1,063,276	1,021,226	1,164,552
Net Profit	**1,712,781**	**2,758,529**	**4,058,597**	**4,221,262**	**3,415,000**

Consolidated Statement of Financial Position Summary	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
Assets					
Cash and bank balances	787,920	5,277,608	3,816,326	1,027,765	1,969,835
Resale agreements	14,678,974	8,039,603	8,872,136	2,608,878	564,013
Investment Securities	11,042,562	13,939,095	14,128,717	24,285,629	22,331,633
Pledged Assets	10,928,445	35,425,728	50,293,982	61,603,598	83,717,008
Investment in associate	-	-	2,053,423	2,186,695	2,281,723
Receivables	748,517	2,986,408	1,081,304	3,101,644	2,866,597
Taxation Recoverable	-	183,299	-	479,552	398,511
Loans receivables	751,846	1,717,229	5,911,713	10,606,593	11,127,097
Due from related parties	1,624,584	1,979,035	2,518,556	938,835	753,516
Property, plant and equipment	353,275	609,821	1,014,416	993,654	943,136
Intangible Assets	33,531	18,399	19,478	14,777	21,501
Investments	55,000	55,000	55,000	55,000	55,000
Investment Property	-	203,400	210,000	214,200	225,000
Right of use asset	-	256,588	233,974	231,882	252,274
Deferred tax assets	-	-	-	1,351,993	687,797
Total Assets	**41,004,654**	**70,691,213**	**90,209,025**	**109,700,695**	**128,194,641**

Consolidated Statement of Financial Position Summary (Cntd.)	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
Liabilities					
Bank overdraft	71,819	8,720	8,635	11,587	45,109
Short term loans	-	611,947	1,022,055	11,204,694	5,940,517
Repurchase agreements	24,092,810	34,446,619	45,592,518	59,653,515	76,546,630
Lease Liability	-	282,298	274,840	287,207	308,395
Other debt facilities	-	-	-	-	8,300,997
Payables	1,739,686	6,970,314	5,915,703	6,298,017	1,466,664
Due to related parties	77,711	273,744	144,013	62,197	199,726
Taxation payable	730,500	-	943,708	-	-
Deferred tax liabilities	622,850	616,891	61,237	-	-
Total Liabilities	**27,335,376**	**43,210,533**	**53,962,709**	**77,517,217**	**92,808,038**
Shareholders' Equity					
Share capital	10,699,381	24,146,554	33,135,904	32,389,351	32,814,050
Capital reserves	111,466	111,466	122,073	148,655	175,988
Fair value reserves	685,248	25,054	-256,512	-4,068,759	-4,535,805
Capital redemption reserve	220,127	220,127	220,127	220,127	220,127
Retained earnings	1,953,056	2,977,479	2,937,924	3,307,820	6,689,943
Stock option reserve	-	-	86,800	186,284	22,300
Total Shareholders' Equity	**13,669,278**	**27,480,680**	**36,246,316**	**32,183,478**	**35,386,603**
Total Liabilities and Shareholders' Equity	**41,004,654**	**70,691,213**	**90,209,025**	**109,700,695**	**128,194,641**

Ratios & Share Information	2019	2020	2021	2022	2023
Net profit margin	43.0%	52.9%	50.0%	47.2%	37.6%
Operating expense/Net operating revenue	38.0%	40.0%	38.0%	42.5%	50.7%
Effective tax rate	30.2%	11.2%	20.8%	19.5%	25.4%
Return on average equity	20.5%	17.8%	13.7%	11.5%	10.1%
Return on average assets	5.7%	4.9%	5.0%	4.2%	2.9%
Earnings per share	$2.42	$3.33	$3.73	$3.46	$2.85
Book value per Share	$15.56	$24.39	$29.27	$26.07	$28.66
Share price	$86.46	$95.87	$108.08	$107.89	$77.34
Dividends Paid ($'000)	399,216	877,090	2,624,495	4,080,624	3,026,563

04. Governance

Message From Our Chairman

MARK MYERS
CHAIRMAN

Dear Shareholders,

The 2023 financial year marked the celebration of our 46th anniversary, while August 2023 represents the fifth anniversary of Cornerstone's acquisition of Barita. Throughout our time as a member of the Cornerstone group, the resilience of our business has been rigorously challenged by several key risk events including the emergence of what may be a once-in-a-lifetime global health crisis, one of the most severe economic contractions in our nation's history and a supply-side driven surge in inflation, coupled with the most aggressive tightening in global monetary policy in decades. Notwithstanding, through hard work and proactive and decisive leadership, the Cornerstone and Barita teams have delivered transformational growth during this period and a commendable performance for the financial year ended September 30, 2023.

Continued Strong Performance

Barita has generated substantial shareholder value in the five years since the end of the 2018 financial year, with shareholders' equity moving from $3.1 billion to $35.5 billion at the end of financial year (FY) 2023, coinciding with a 314% increase in the share price over that period. Total assets increased from $18.9 billion to $128.7 billion, with 60% of that growth achieved after the initial implementation of COVID-19 restrictions. This outcome was complemented by the introduction of additional products and services. Notably, with the establishment of our investment banking unit, we have raised more than $100 billion in capital for our clients across industries, contributing to the expansion of the productive capacity of our nation and beyond. Additionally, we introduced our alternative investment platform, which has been a central part of our growth in the face of the challenges met by our industry, particularly over the last three financial years.

> We have raised more than $100 billion in capital for our clients contributing to the expansion of the productive capacity of our nation and beyond.

In FY 2023, our alternative investments portfolio supported core revenue growth in the form of fee income and investment gains, which provided a buffer against the decline in our net interest income driven by the rapid tightening of monetary policy both locally and overseas, along with a more volatile performance in traditional asset classes. Given expectations for a continued challenging macroeconomic environment and low expected returns from traditional asset classes, our focus will remain on prudent balance sheet management to positively influence our Net Interest Income (NII) outturn, continued focus on the origination of higher-yielding private markets transactions and building out our long-term real estate strategy. Consequently, as the business evolves, we expect the return profile of our real estate portfolio to shift from primarily revaluation gains, towards realized cash-based revenue from the financing, development, and sale of the various real estate development projects. Further, we do expect to see a gradual recovery in NII as our earning assets reprice incrementally higher relative to our funding liabilities once the BOJ begins to reduce its policy rate.

Given the headwinds to revenue growth, coupled with our continued investments in our people, processes, technology and customer experience, in line with our previous guidance, the Company's efficiency ratio rose to 51% for FY 2023. Notwithstanding, the increased expenditure encompasses necessary investments to unlock future revenue growth for the Group and increase shareholder earnings.

Prudent Capital Management and Allocation

In contextualizing our investment approach, we observed a global economic backdrop which remained mired by a restrictive monetary policy stance in most developed market economies, against the backdrop of elevated inflation. Further emboldening policymakers was the economic growth outturn which proved more resilient than expected, particularly in the US. Despite this outperformance, our perspective remains that the USA, along with most systematically important economies are in the latter stages of their business cycle.

In the local context, the macroeconomic landscape displayed notable resilience, characterized by a robust labour market and sustained expectations of an above-average economic growth trajectory in the near term. However, our business is significantly exposed to the impact of the decisions of the Central Bank, which has held its policy rate firm at 7% and fostered a restrictive environment for liquidity in the Jamaican dollar.

Against this backdrop, Barita continues to maintain its industry-leading capital levels, supported by a rigorous governance, risk and internal control architecture. Invariably, this reinforces our resilience to a diversity of risks and market conditions and our ability to sustain and expand the growth of the business' alternative investments platform. Despite some improvement in market conditions since FY 2022, our capital allocation decisions have remained methodical and judicious. This intentional and diligent approach to growing the business will accrue to the long-term benefit of shareholders, regardless of the near-term headwinds.

The benefit of this approach is exemplified by our capital adequacy ratio (CAR), which stood at 28.4% at the end of FY 2023, compared to the FSC's early warning level of 14.0% and the regulatory minimum of 10%. This strong capital position will continue to support our overarching investment ambitions and growth initiatives.

Continued Investment In the Future Growth of The Group

As we continue to concentrate on establishing the requisite systems to fortify our operations and streamline client transactions, we have made enhancements to the Barita Online interface and introduced the Barita GPS Roadmap, an online interactive platform that customizes portfolios based on clients' goals, risk appetite and experience. Additionally, we have made significant headway on the core system replacement project, which is expected to be substantially progressed during FY 2024.

Our emphasis is also directed towards cultivating new streams of revenue for the organization. As part of this initiative, we have recently introduced our Portfolio Management Services, meticulously crafted to provide tailored and personalized investment solutions to our clientele. Anticipating the growing intricacies of the investment landscape, we expect this service to deliver significant value to our clients.

The group financial holding company reorganization exercise continues to progress, with significant inroads expected in 2024. While this is a requirement under the Banking Services Act, we stand to benefit from the removal of structural partitioning within the group, which will see Barita reaping the benefits of synergies from deeper operational integration and economies of scale. Given the significance of this initiative, as we approach its completion, we look forward to sharing more updates in future communications.

The Way Forward

The prevailing market conditions, primarily influenced by the Central Bank's restrictive monetary policy stance, is likely to remain a near-term challenge going into financial year 2024/2025. Notwithstanding, the Company is committed to maintaining effective capital and liquidity management, while focusing on the build-out of its real estate and private credit strategies and optimization of its balance sheet in response to the anticipated shifts in the monetary policy cycle in Jamaica and the United States.

In addition to maintaining prudent levels of capital and liquidity, we will also continue to place emphasis on strong internal governance and compliance systems, which is a crucial additional line of defense in the business.

In closing, we thank our dedicated team members, valued clients and shareholders for their unwavering support, which continues to anchor the Company's success.

Mark Myers
Chairman

Chief Investment Officer's Report:

The Year Ahead: Transformation, Efficiency and Prudence

JASON CHAMBERS
CHIEF INVESTMENT OFFICER

Dear Shareholders,

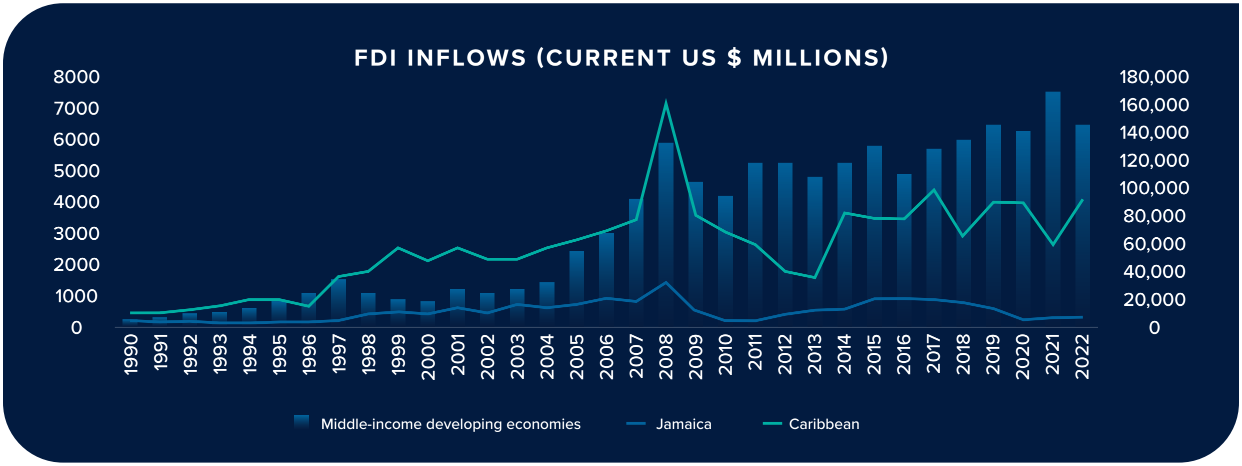
I am most excited to focus this year's letter on Barita's immediate future and the business philosophy that drives our decisions and ambitions, even as I take a retrospective view of our performance in the last financial year.

In the relatively short period of only five years under Cornerstone's ownership and guidance, Barita has exponentially grown its capital and profitability, and improved all key prudential ratios. This has occurred against the backdrop of the onset of a global pandemic, the ensuing significant increase in global interest rates in terms of pace and recent historical levels, and significant macro disruptions via the commodities markets, a consequence of amplified global geopolitical conflicts. These conditions materializing for at least one-half of the aforesaid review period. In the face of those significant headwinds the business thrived and has transformed itself into a formidable player in the regional capital markets. As we begin to write a new chapter in the Barita story, now is an ideal time for us to share with you our investment philosophy, some guidance on how you should think about our business and your continued relations with us as an investor, a shareholder, an employee, or even an undecided observer, watching from the sidelines. Let's begin with how we think about the business.

Our Business in a Broader Societal Context

Jamaica is being lauded globally for its impressive macroeconomic reform, including one of the fastest reductions in debt/GDP ratios in the western hemisphere. Part of that success is explained by the fiscal management that successive governments have exhibited in terms of prudent liabilities and expenditure management. In that respect, as the government essentially curtails its spending, and as interest rates begin to reverse course on the monetary policy side, we see that as an important signal to 'crowd-in' private capital towards funding the critical infrastructure that is needed to impel Jamaica into its next stage of development. We see this as a critical imperative and part of the social contract with our stakeholders, especially given the secular trends in foreign direct investments over the last decade.

Based on data from UNCTAD's World Investment Report database, Foreign Direct Investments (FDI) inflows to Jamaica peaked at US$1,437 million in 2008, and in the post global financial crisis (GFC) of 2007-2009, those FDI inflows dwindled to as low as US$218 million in 2011; similarly, the Caribbean region's FDI inflows peaked in 2008 at US$7,137 million, and ebbed in the post-GFC period at US$1,567 million in 2013. Neither Jamaica



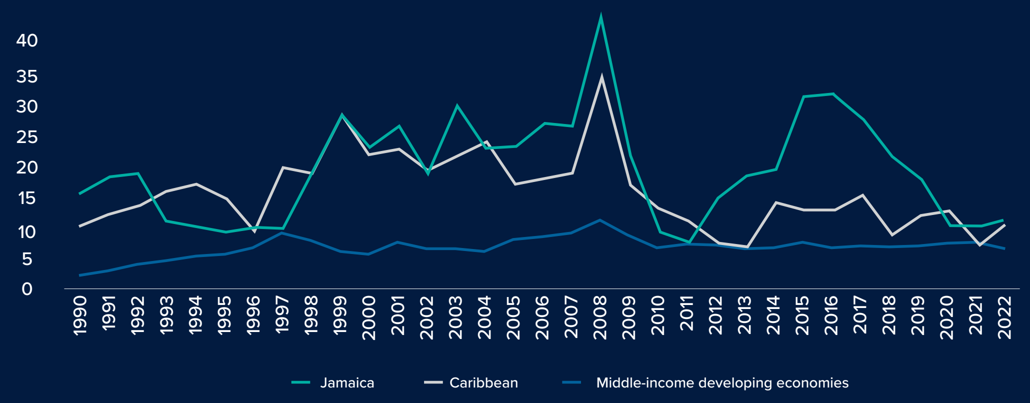
nor the Caribbean region has fully recovered to the pre-GFC levels of FDI inflows, a fact made worst by the onset of the global coronavirus pandemic in 2020. Notably, over the thirty-two-year historical period under review in the chart above, Jamaica is reflecting relatively flat point to point FDI flows which is in stark contrast to the commendable growth over the said period across the Caribbean and middle-income emerging economies.

FDI inflows can also be expressed as a percentage of gross fixed capital formation (GCF). In simple terms, GCF can be thought of as those investments in capital that will increase "the future potential income flows of the economy", according to the Statistical Institute of Jamaica. Examples of GCF include tangible fixed assets, such as buildings and infrastructure such as roads, bridges, machinery and equipment etc. There is also intangible GCF such as mineral exploration, investments in computer software and even entertainment, literary and artistic originals.. In view of this, the figure below (FDI Inflows as a % of Gross Fixed Capital Formation) demonstrates that there has been a marked decline in the relative proportion of FDI inflows to local GCF outlays. This is especially concerning as the trend over the review period shows that Jamaica's GCF is generally more reliant on FDI inflows relative to the experience across the Caribbean and middle-income emerging economies.

This is a critical consideration given the Government of Jamaica's commitment to its fiscal target of achieving a debt/GDP ratio of 60% by FY 2027/28. In that respect the GOJ has been austere in its management of its external and local liabilities, and importantly too, its capital expenditure. Therefore, given the trend in FDI inflows and the GOJ's adherence to fiscal prudence, it is the local capital markets that has an important opportunity to address the very urgent need for capital investments in the local economy. Barita's ultimate objective, therefore, is to respond to this need through the mobilization of signficantly higher private capital flows into infrastructure, real estate development, and energy for the ultimate objective of positively impacting the sustainable economic development of Jamaica.

Beyond the motive to transform society by funding critical infrastructure, empirically these assets have been shown to have resilient investment returns across various business cycles which means they offer a source of sustainable value optimization for investors, shareholders when added to a portfolio of traditional fixed income and public equity securities.

FDI INFLOWS AS A % OF GROSS FIXED CAPITAL FORMATION

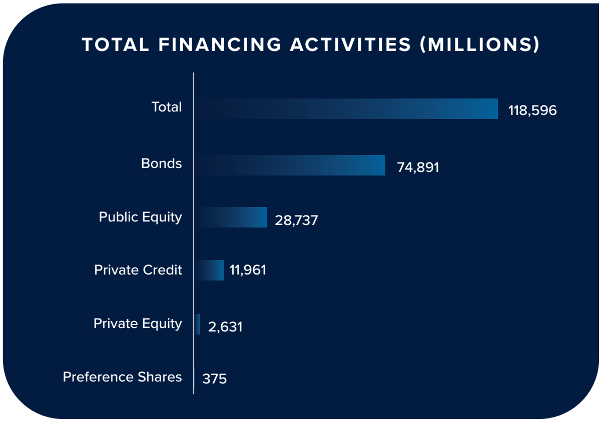


As the Figure below demonstrates, through their particular income and capital appreciation features, infrastructure investments, as tracked by the global EDHEC300 index, provided an important source of stability to investors' portfolios thereby counterbalancing the volatile drawdowns from traditional fixed income and equities. The Figure below demonstrates that during periods of market crisis the returns dynamics of infrastructure investments remained fairly stable; the 2008 financial crisis is an interesting example given that global equities at that time fell by 40%, while private infrastructure assets as tracked in the EDHEC300 index returned 3.4% in total returns.[1]

We have repeatedly noted that even as we seek to secure the best returns on shareholders' capital, our overarching ethos is to improve the society in which we conduct our business, in which we live and raise our families. During the period August 2018 to September 2023, Barita's total return to investors (dividends plus price appreciation) has been 1108%, which represents significant value creation for all our shareholders. Over the review period, the Investment Banking Division originated and funded approximately $12 billion worth of private credit deals to the real economy users of capital, particularly in real estate, manufacturing, construction and development, technology, gaming and health, all of which are critical sectors that impact the lives of ordinary Jamaicans. Unlike other forms of capital, private credit, in particular, is uniquely qualified to address the financing needs of medium-sized to smaller businesses on account of its greater flexibility, while still being well suited for a risk-aware appetite. The impact on the macro-economic front is also significant, given the well-known data that MSME's account for a significant proportion of the employed population, with an estimated 35% of the labour force connected to the MSME sector.

Beyond our work in private credit, we have been quite busy in the traditional capital markets since 2018 to September 2023, with over $118.6 billion in deals originated and funded, including private credit. Of that amount, $74.9 billion was in the form of bonds, for clients in construction & development, quick food service, financial services, gaming, and manufacturing and distribution. During the FY 2023, we also led the successful private equity raise for a local financial services company, which itself was a notable achievement for Barita.

1 Source: Adding Structure to Your Portfolio with Infrastructure (Blackrock 2023)



Barita 2.0: A Perspective on Our Transformation

"Skate to where the puck is going, not where it has been", is a quote attributed to Wayne Gretzky, a famed Canadian former ice hockey player, which he notes is the main factor that explains his success. While that sport may not resonate with many of us in this part of the world, the lesson certainly does, and it's simply about moving from what has already happened, and seek to build a fit-for-future business. As Jamaica transitions towards attaining and sustaining transformative growth, Jamaica will need an assortment of critical infrastructure to support that growth: that is where the puck is headed, and we have it in our cross-hairs through our real estate investments.

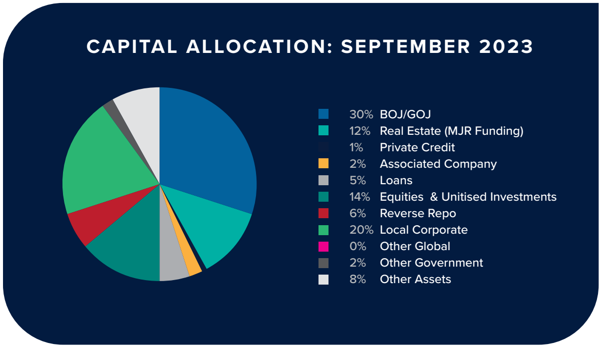
We have made very deliberate strategic investments in real estate holdings, with the largest parcels concentrated areas of Jamaica specifically slated for transformational development; consequently, we are excited by the possibilities of the direct, indirect and induced economic impacts that our real estate developments will have over the next five to seven years as we systematically convert current land holdings into finished real estate developments. As we noted in our last annual report, to maximize the value that will be created and to facilitate strong risk management, BIL will, in some instances, partner with financial and development partners in joint ventures on specific projects. Additionally, various structures will be created to facilitate the participation of stakeholders in the specific projects and provide various risk profiles that will suit differing stakeholder preferences. These structures include securitization, partial sale of economic interests and public listing of some projects, in part or in whole, upon completion. In the last financial year, we advanced the execution of our real estate strategy in the following ways:

- Management has engaged with potential strategic international partners, including senior executives from major international hotel brands; based on those discussions, further technical work on market considerations and planning is underway including engagement of specialized consulting services;
- Execution of the first development will commence in FY 2024/25. We we are finalizing the approach to the development with a view to reducing risks and enhancing the likelihood of positive outcomes, including the involvement of partners to reduce financing costs and ensure robust offtake; and
- Continued focus on building a robust governance and approval framework to ensure world-class standards as it pertains to request for proposal processes, review of contracts to address commercial, reputational and other issues, robust documentation and review of expenditures and adoption of appropriate frameworks from the construction industry.

Our Alternatives Business - a Formidable Anchor

We remain committed to protecting shareholder value via our capital allocation to alternative investments (alternatives). There have been significant learnings from our investments in regional energy infrastructure, private credit, and real estate investments over the last two financial years, and further, that experience has cemented our conviction to maintain and grow our position in alternatives. In that regard, we continue to make material progress in our allocations to non-traditional assets between the financial year 2018 and the financial year 2023. Continuing from FY 2022, our balance sheet position continues to show significant diversification beyond the composition that we had in 2018, wherein we had 53% of our total assets in GOJ/BOJ fixed-income securities. As shown in the capital allocation chart below, at the end of FY 2023, our balance sheet composition was generally the same year-over-year (YoY), reflecting a healthy diversification.

YoY, our net interest income (NII) decreased by 56% from $1.1 billion to $585 million. We need to put this in context: the primary driver of the declining NII was the rising cost of our book of liabilities during the year driven by the generally higher interest rate environment locally and globally occasioned by tighter monetary policy. The tighter monetary policy has led to our liabilities repricing faster than our maturing assets, which has led to a narrowing of the net interest spread. Notwithstanding the interest rate environment, BIL was able to both grow and diversify its liability base through a combination of strategy targeting of different client segments and the introduction of new financial instruments into the funding base. The effects of the interest rate environment underscore the significance of our uncorrelated position in alternatives and demonstrates the capacity of these assets to remain stable even as interest rates and business cycles become volatile. The second, and most important point is that this validates the tremendous preparatory work that our team has invested towards enabling value creation through geographic diversification of the overall Cornerstone group, through inorganic activities, which will redound to the benefit of Barita. We expect to provide further details on those activities in future reports. Finally, balance sheet optimization is a critical initiative for us going forward not just in response to current market and monetary policy conditions, but also in anticipation of the likely business model changes that will place greater emphasis on distribution of the various alternative investment strategies we have seeded, to third party local and international investors.



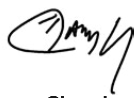
Critical Focus Areas for FY 2023/24

The BOJ has not given any definitive dovish signals that its policy rate will come down in 2024, in contrast to the current market expectations for the US Federal Reserve. Consequently, our expectation is for rates to remain elevated throughout 2024, thus supporting the re-pricing of material elements of our asset portfolio. The adjustment of portfolios to the current rate environment is supportive of a stabilization and recovery of traditional revenues, principally net interest income and trading revenues. Consequently, the critical focus for the business in 2024 will be on the following key value drivers:

1. prudent net interest margin management;
2. further evolving key strategic partnerships required to realize the Company's alternative investments mandate;
3. ongoing conservativism respecting liquidity and capital management strategies;
4. the continued seeding of private credit transactions ahead of the launch of discreet vehicles for growth in the execution of these various strategies even as we structurally reduce the friction associated with allowing for both attendant retail and institutional participation;
5. transformation of our investment management capabilities, sales and service organization, and broad operational capabilities towards offering best in class investment solutions to current and prospective customers seeking to generate sustainable wealth creation; and
6. unrelenting drive to optimize efficiencies across the Barita Group and its affiliates through the execution of an enterprise-wide integration plan.

In closing, I hope that you, our readers and various stakeholders, have gotten a better understanding of our ambition and serious intent to effect meaningful change in the Jamaican and wider Caribbean society from our position as stewards and allocators of capital, and most importantly, our unrelenting focus on delivering superior risk-adjusted returns to our shareholders.

The macroeconomic and geopolitical headwinds will remain as near-term challenges, but we are confident that our capabilities and steely focus on transformation, efficiency and prudent decision-making will tower above those challenges.



Jason Chambers
Chief Investment Officer

Board of Directors

Board of Directors

Mark Myers

CHAIRMAN

An astute businessman, Mr. Myers is the Managing Director of Restaurants of Jamaica Ltd. Mr. Myers holds a BSc. degree in Operations, Transportation and Distribution Management from Syracuse University's School of Management. A believer in contributing to the development of his country, he has served on several boards to include the Bank of Jamaica, JAMPRO (Jamaica Trade and Invest) and the Jamaica Observer Limited.

Paul Simpson, MBA

DEPUTY CHAIRMAN

Mr. Simpson is the Founder, President and CEO of Cornerstone. He is an Investment Banker with over 15 years' experience having worked in the Caribbean, the United States and Europe in various roles. He holds a double major in Computer Science and Geology and an MBA from the University of the West Indies. He has served on various government, private and charity boards including the Youth Arm of UNESCO, YMCA and the Jamaica Tourist Board, where he was the Chairman of the Finance and Audit committee.

Michael Hylton, K.C.

DIRECTOR, CHAIRMAN - CORPORATE GOVERNANCE & CONDUCT REVIEW COMMITTEE

Mr. Hylton has practiced law for more than 40 years, primarily as a commercial litigator. After a very successful career at the private bar with the firm Myers, Fletcher & Gordon, he was appointed Solicitor General of Jamaica in January 2001, serving in that position until his return to private practice in late 2007. He has extensive experience and expertise in complex commercial matters, especially those involving financial institutions and instruments, constitutional and administrative law, taxation and intellectual property. He specializes in advocacy, with a particular focus on Privy Council appeals (having successfully argued more than 30 appeals). He has chaired numerous public and private sector companies and committees. Chambers & Partners Global in its 2022 edition lists Mr. Hylton as its sole "Star Individual" in business law dispute resolution, and describes him as "the gold standard".

*Mr. Michael Hylton, KC retired from the Board effective June 30, 2023.

Duncan Stewart

DIRECTOR, CHAIRMAN - BOARD INVESTMENT COMMITTEE

Mr. Stewart is the General Manager of Stewart Motors Ltd. and he is also involved in leading related family businesses, Stewart's Auto Sales Ltd. and its affiliated companies, Stewart's Auto Paints Ltd., Tropic Island Trading Company Ltd. and Silver Star Motors Ltd. Mr. Stewart is also a director of the Automobile Dealers Association and the Richard and Diana Stewart Foundation. Currently, he is a sponsor of the family charity, Kind Hearts, which is run by his children and their cousins.

Carl Domville

**DIRECTOR, CHAIRMAN -
AUDIT COMMITTEE**

Mr. Domville is the former Chief Operating Officer and Group Treasurer of the Seprod Group of Companies. A Chartered Accountant, he is a trustee of the Seprod et. at. Superannuation Scheme. He is also a former President of the Jamaica Cooperative Credit Union League Limited, a former Chairman of The Gleaner Company (Media) Limited and a former director of Radio Jamaica Limited (“RJR”).

Phillip Lee

DIRECTOR

Mr. Lee is Group Managing Director for the companies owned and operated by the Lee family. These include Labels & Boxes Ltd. and Rotoflex Jamaica Ltd. which are the leading manufacturers of labels and packaging material in Jamaica. Mr. Lee has over 30 years of experience in the industry and his companies supply many of the largest Jamaican manufacturers including GraceKennedy Ltd., Red Stripe and Salada Foods Jamaica Ltd. He has been involved in numerous successful packaging projects for these companies and continues to be consulted by the owners of major brands for his expertise.

James Godfrey

DIRECTOR

Mr. Godfrey is the Co-Founder and Managing Director of S&G Road Surfacing Materials Ltd. With over 30 years entrepreneurial experience, Mr. Godfrey has built the entity into one of Jamaica's leading asphalt manufacturing and road work solutions companies. Since its inception, S&G Road Surfacing Materials Ltd.'s portfolio of completed projects includes parking lots, driveways, multipurpose courts, roadways, roundabouts and related infrastructure projects in partnership with National Works Agency, Gore Development Limited and China Harbour Engineering Corporation.

Robert Drummond, MBA

DIRECTOR

Mr. Drummond is a business executive and management consultant with over 30 years of experience leading and advising organizations through major strategic transformations. He has held executive appointments at prominent companies in Jamaica and the US, including First Global Financial Services Limited, NIKE, American Express and ITT Sheraton. As a strategy implementation specialist, he has contributed significantly through his research and publications including "Managing Resistance to Change" and "Organizational Turnarounds". He holds an MBA from Harvard Business School.

Jason Chambers, MSc.

DIRECTOR, MANAGING DIRECTOR - BUTM

Jason has over 21 years' of experience, spanning the range of Securities Trading, Investment and Treasury Management, Corporate Finance, and Corporate Banking. Most recently, Jason held the position of VP of Investment Management at the GraceKennedy Group. Jason also headed the Corporate Banking Unit within First Global Bank Limited where his functional responsibilities included the development, execution, and monitoring of business development strategies to grow the corporate banking business; management of credit structuring and assessment in accordance with the requirements of corporate clients within the parameters of the bank's lending policy; the upgrading of the credit policies of the bank to conform with current and emerging risks, and management of the credit quality of the portfolio in conjunction with the credit risk management unit of the bank. Jason was also a member of the senior management teams of the securities dealing subsidiaries of Guardian Holdings and GraceKennedy where he led the Asset Liabilities Management Committee ("ALCO") of GK Capital and served as a member of the GK Group ALCO. Jason is a graduate of the University of the West Indies, where he obtained a Bachelor of Science degree in Economics and a Master of Science degree from the University of London.

*Mr. Chambers demitted office as Managing Director - BUTM on 1 January 2023.

Corporate Governance

As global and geo-political events continue to influence and shape markets, economies and political actions worldwide, including in Jamaica, the Company appreciates that navigating the impact of such events rests heavily on strong corporate governance being part of the "DNA" of companies. With a continued emphasis on scaling its operations for the future, the Company is committed to satisfying legal and regulatory requirements, nurturing talent, continually enhancing its risk framework, bolstering its corporate governance framework, embracing the communities within which it operates and delivering best-in-class service to clients.

Barita Investments Limited aspires to be a standard bearer as it relates to complying with all applicable laws, regulations and rules. Both the Board and Management team of the Company are united in a shared vision and purpose of building wealth, not just for customers and shareholders, but of helping to build and positively impact Jamaica through our business activities. The Company's corporate governance framework has at its foundation, a commitment to ethical practices and principles in our business dealings and interactions with our customers and other stakeholders. The continuous improvement in the Corporate Governance Index Rating score awarded to the Company by the JSE over the past four years evidences the actionable and deliberate steps taken in this regard with the Company achieving a rating of A for 2021/2022.

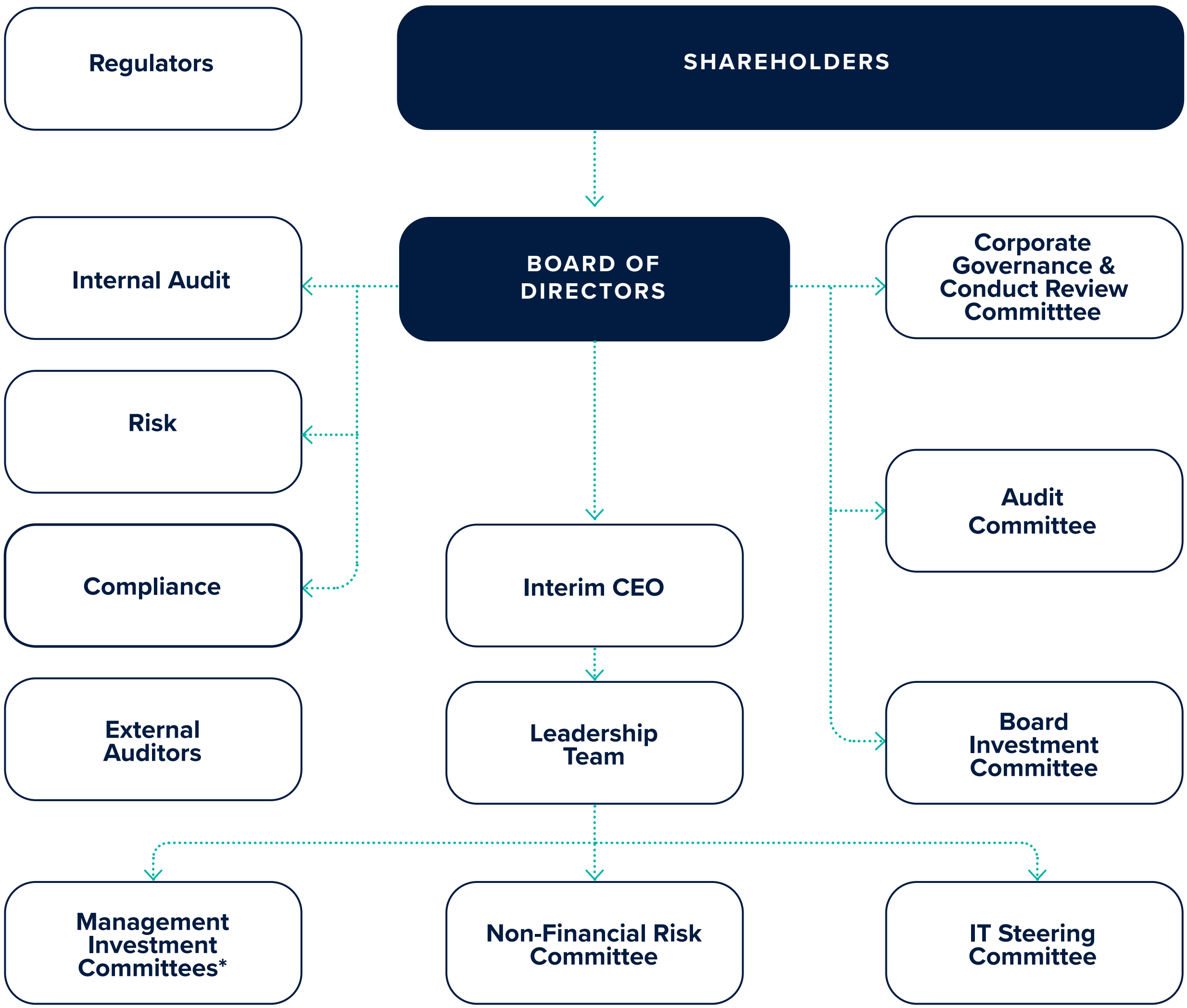
Our stronger corporate governance framework has served as the critical underpinning for the implementation of our various strategic objectives, which are driven by and center around satisfying the needs of our clients and providing integrated support through greater use of technology. To that end, our customer engagement in the future will see Barita providing more digital solutions to enhance customer experience, adding more delivery channels and access points as well as value-added products to help our clients build wealth. As we continue to 'hardwire" certain bedrock governance principles into our day-to-day operations, we have also enhanced risk management and controls generally.

The Company recognizes that with greater use of digital platforms and channels comes increased business risk posed by cyber-attacks, which continue to create undue threats in the form of financial and reputational loss and is expected to form part of general risks for businesses for the foreseeable future. It is of paramount importance to us that our clients' data is protected and so we have taken critical internal steps to strengthen our IT governance and to ensure compliance with the requirements of the Data Protection Act. Coupled with our focus to augmenting the business's capacity to exceed and build upon our operational and economic successes from previous years, as well as to excel generally, we are committed to embedding ethical principles into our daily business practices and operations.

Barita's Evolving Governance Framework

The Board of Directors is responsible for the Company's corporate governance framework and setting the tone at the top by providing critical guidance and direction to Management in the running of the business and setting the corporate strategy. Supporting the Board are three committees that provide leadership and oversight on specific aspects of the Company's governance activities. Their activities are aided by key units including Internal Audit, Compliance and Risk.

Our Governance Framework



*The Management Investment Committees consist of the On-Book Investment Committee and Off-Book Investment Committee.

Board of Directors' Responsibilities

The Board is the primary decision-making body of the Company charged statutorily with setting and directing the strategic course of the Company and advising, supervising and monitoring the work of the Management team against approved objectives and their effectiveness. The day-to-day management functions of the Company are delegated to the Management team, including implementing the key strategic objectives of the business. The Board also delegates some of its decision-making authority to its various committees, which are required to operate within prescribed terms of reference and parameters, to facilitate focus on technical or specialized matters. The Board remains ultimately responsible to stakeholders for the performance of the Company and for ensuring the Company operates within the parameters of applicable laws and regulations and in accordance with sound business practices.

Pursuant to its mandate the Board's responsibilities include the following critical duties and functions:

RESPONSIBILITIES OF THE BOARD	
GOVERNANCE:	• Overseeing the Company's approach to corporate governance and approving the development of principles and guidelines consistent with regulatory requirements and international best practices; • Ensuring adherence to corporate governance policies and guidelines and codes of conduct as well as regulatory and statutory requirements.
STRATEGY:	• Assisting with the development of the Company's vision and mission; • Overseeing the implementation of the Company's strategic plan, the organizational structure, and succession planning for senior management; • Reviewing and approving the Company's business plans and forecasts and reviewing actual performance against plans and forecast/budgets.

FINANCIAL PERFORMANCE:

- Evaluating financial results and ensuring that reports in respect thereof are produced in keeping with international standards so as to give a fair and accurate report of the Company's performance;
- Agreeing on the objectives of the Managing Director/ Chief Executive Officer and reviewing their performance.

HUMAN RESOURCES:

- Retaining the authority to appoint and remove the Managing Director/Chief Executive Officer as well as other senior executives;
- Ensuring the development of a succession plan for the Managing Director/ Chief Executive Officer and other senior executives.

RISK MANAGEMENT:

- Approving the Company's risk framework and policies and ensuring alignment with the Company's business strategy and goals;
- Identifying the principal business risks and ensuring the implementation of appropriate systems to mitigate and manage the key risks and to enable compliance with such policies.

INTERNAL CONTROLS:

- Assessing and reviewing the adequacy and integrity of internal systems and controls generally;
- Evaluating and reviewing the adequacy of the Company's compliance with applicable laws, rules and regulations.

COMMUNICATIONS:

- Reviewing the Company's communications framework to ensure the dissemination of information and required disclosures in a timely and fulsome manner with stakeholders;
- Ensuring the development of infrastructure to facilitate timely and accurate disclosure of information required to be disclosed.

Key Activities of the Board

During the financial year the activities of the Board included the following:

01	**Strategic Plans and Budget**	Receiving, reviewing and approving the Strategic Plans and Budget of the Company presented by Management.
02	**Routine & Ad Hoc Reports**	Receiving, reviewing and/or approving various routine reports, including the following: a. Interim Chief Executive Officer's Reports; b. Committee Reports; c. Compliance Reports; d. Management Reports; and e. Audited and Unaudited financial reports.
03	**Policies & Documents**	Establishing or materially updating the following Policies & Documents: a. Audit Issue Closure Guidelines; b. Terms of Reference for Board Audit Committee; c. AML/CFT Self-Assessment Framework; d. Accredited Investor Policy; e. Revamped Roadmap; f. Risk Policies; and g. Audit Committee Charter.
04	**New Core Operating System**	Reviewing progress of the implementation of a new Core Operating System for the business.

05	**Staff Engagement & Culture**	Ongoing review of reports on the Company's first ever Culture Survey, which allowed employees to provide detailed feedback to Management regarding their perception of the Company's culture and their level of engagement and mandated Management to effect the resulting initiatives.

Definitions

PARTICULARS	DEFINITION
“Cornerstone Entities”	Cornerstone United Holdings Jamaica Limited and/or Cornerstone Financial Holdings Limited
“Director” or “Directors”	The person(s) who are member(s) of the Board of Directors of the Company
“Executive Director” or “ED”	A director who is part of the current management of the Barita Group, and/or Cornerstone Entities (including a company affiliated with the Cornerstone Entities)
“Independent Director” or “ID”	A Director who: • does not have control or a Substantial Shareholding; • is not an employee of the Barita Group or Cornerstone Entities and has not been within the last three (3) years; • is not a significant/substantial shareholder and is not a close relative of a shareholder with Substantial Shareholding; • has not received and does not receive additional remuneration from the Company apart from a Director’s compensation and does not participate in a performance related pay scheme; • does not represent a shareholder with Substantial Shareholding; • has not had, within the last three (3) years, a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company.
“Non-Executive Director” or “NED”	A director who is not part of the current management of the Barita Group or that of the Cornerstone Entities
“Substantial Shareholding”	Minimum shareholding of five percent (5%) held in the Company

Board Structure & Expertise

Chairmanship

Mr. Mark Myers is the Chairman of the Company, and in this role, he has responsibility for the effective leadership of the Board and its committees and of their overall conduct and operations. He is an independent non-executive Chairman, which allows him to bring a greater level of independent oversight to the role, and allows for increased accountability from Management. He has years of experience crafting and implementing strategy at the highest level and is well equipped and qualified to lead the Board. In addition to chairing Board meetings, he also leads all general meetings of the shareholders.

Composition

As at September 30, 2023, the Board of Barita consists of eight (8) members, six (6) of whom are Independent Directors. The Chairmanship of the Board of Directors and executive leadership of the Company are undertaken by different individuals consistent with sound corporate governance principles. All of the Company's Board committees are chaired by Independent Directors. The Board has an effective blend of expertise, experience, and skill sets to guide the decision making of the Board and to direct and counsel the Management team.

Appointment, Term, Election & Retirement

Pursuant to the Company's Articles of Incorporation ("Articles") Directors who are employed to the Company in another capacity cease to hold office as a director upon termination of any employment contract with the Company. Further, under Article 93, at least one-third of the Directors are required to retire each year at the Annual General Meeting; the retiring Directors are eligible for re-election by the shareholders on the recommendation of the Board. Messrs. James Godfrey, Jason Chambers, and Phillip Lee retire by rotation and are eligible for re-election.

Expertise & Experience

The Board believes an optimal balance of skills and expertise among its members is required in order for the Board's deliberations and decision-making process to benefit from diversity of thought, input and ideation, and in order for the Management team to be provided with the level and quality of guidance required to sustain the business. As such, the composition of the Board is constantly assessed based on the needs of the Company, and new directors are selected to fill any gaps in skill sets and expertise perceived relative to the existing talent available for the Board to draw on, as driven by, inter alia, the strategic focus at the relevant point in time. Consideration is given to each prospective director's reputation in their respective professions, areas of discipline, proven skill, proficiency, their honesty and integrity, and their ability to devote time to the work of the Board and its committees. The Board believes that the existing breadth of skill, knowledge and experience of the Directors is well balanced and provides the depth of critical thinking and relevant business acumen required to support the business' decision-making process. As a result, no new Directors were onboarded during the period under review.

BOARD EXPERIENCE & EXPERTISE

	Corporate Governance	Financial Literacy	Strategy	Financial Services	CEO Level Experience	Risk Management	Legal Expertise	Listed Company Experience	Information Technology
Mark Myers	✓	✓	✓		✓			✓	
Paul Simpson	✓	✓	✓	✓	✓	✓		✓	✓
Duncan Stewart	✓	✓	✓		✓	✓		✓	
Robert Drummond	✓	✓	✓	✓	✓	✓		✓	
Jason Chambers	✓	✓	✓	✓	✓	✓		✓	
Carl Domville	✓	✓	✓			✓		✓	
Phillip Lee	✓		✓		✓			✓	
James Godfrey	✓		✓		✓			✓	
Michael Hylton K.C.	✓		✓			✓	✓	✓	

DEFINITIONS:

Corporate Governance - having an understanding of basic governance principles
Strategy - demonstrated experience in developing, implementing and delivering strategic objectives
Financial Literacy - ability to analyse and interpret financial statements
Financial Services - experience in banking and/or securities industries
CEO Level Experience - demostrated experience managing a business
Risk Management - proven ability in identifying, assessing and managing risks
Legal Expertise - proven ability and understanding in the application of legal principles
Listed Company Experience - at least one year's experience as a director of a listed company
Information Technology - experience in IT governance/technology strategies and innovation

Board and Committee Attendance Record

During the financial year, the Board met on eight occasions, while each Committee met on six occasions in the case of the Audit Committee, five occasions in the case of the Board Investment Committee and 3 occasions by the Corporate Governance & Conduct Review Committee. All meetings of both the Board and its various committees were held virtually, a format which serves the Board and Committees well by facilitating greater agility in their respective operations. As a result of this agility, the attendance record of the Directors continues to be exceptional with over 90% attendance record for the Board of Directors, and 2 of the 3 Committees also enjoyed perfect attendance by Directors during the period under Review.

BOARD & COMMITTEE MEMBERS' ATTENDANCE	Classification	**Board Meetings** Oct. 1, 2022 – Sept. 30, 2023	**Audit Committee** Oct. 1, 2022 – Sept. 30, 2023	**Board Investment Committee** Oct. 1, 2022 – Sept. 30, 2023	**Corporate Governance & Conduct Review Committee** Oct. 1, 2022 – Sept. 30, 2023
Number of Meetings		**8**	**6**	**5**	**3**
Mark Myers	ID/NED	8	N/A	N/A	N/A
Carl Domville	ID/NED	8	6	N/A	3
Jason Chambers	ED	8	N/A	5	N/A
Robert Drummond	ID/NED	8	5	N/A	N/A
Duncan Stewart	ID/NED	7	4	5	N/A
Paul Simpson	NED	8	N/A	5	N/A
James Godfrey	ID/NED	8	N/A	N/A	N/A
Phillip Lee	ID/NED	8	6	N/A	3
***Michael Hylton K.C.**	ID/NED	5/7	N/A	N/A	2/2

*Mr. Hylton retired from the Board effective June 30, 2023 and as at the same date is no longer a member of the Corporate Governance & Conduct Review Committee.

Board and Management-Level Committees

Board – Level Committees

AUDIT COMMITTEE	BOARD INVESTMENT COMMITTEE	CORPORATE GOVERNANCE & CONDUCT REVIEW COMMITTEE

Management-Level Committees

MANAGEMENT INVESTMENT COMMITTEES	NON-FINANCIAL RISK COMMITTEE	IT STEERING COMMITTEE

Pursuant to regulatory requirements, and in recognition of the need to ensure that the expertise of Directors in various areas of specialty is brought to bear for the benefit of the Company in its pursuit of best practices in governance, the Board delegated some of its responsibilities to the following committees, all of which are chaired by independent non-executive directors:

- Audit Committee - Chaired by Carl Domville
- Corporate Governance & Conduct Review Committee - Chaired by Michael Hylton K.C. (Retired)
- Board Investment Committee - Chaired by Duncan Stewart.

Each committee has a Board-approved charter, which sets out, inter alia, its mandate, authority and responsibilities. The Chairman of each committee is responsible for reporting to the Board on the activities of the respective committees, and making recommendations, as necessary or required, at each Board meeting.

AUDIT COMMITTEE

The Audit Committee provides guidance and oversight on financial reporting and risk issues in accordance with its terms of reference. The Audit Committee is responsible for assisting the Board in overseeing the financial and operational reporting process, assessing the effectiveness of the internal controls and risk management systems as well as overseeing the external and internal audit processes. The Audit Committee also has responsibility for reviewing and recommending to the Board for approval policies and procedures which touch and concern its areas of responsibility, as well as ensuring compliance with legal and regulatory requirements. It serves as a conduit between our internal auditors and the Board regarding the strengthening and maintenance of internal processes via internal controls and operating compliance. It also interacts directly with the External Auditor on matters involving the preparation of the audited financial statements.

Activities undertaken by the Committee over the Reporting Period

During the reporting period, the Audit Committee undertook the following activities (in brief):

1. Review Terms of Reference of the Audit Committee;
2. Review Audit Issue Closure Guidelines;
3. Review Internal Audit Plan;
4. Receive Risk Reports and approve the revision of limits;
5. Review of quarterly unaudited financial statements and the audited financial statements with members of the Management team and recommending approval of their release to the JSE to the Board;
6. Review Internal Audit Charter;
7. Review of the External Auditor's proposed audit strategy, scope and fees for the audit of the year-end financial statements;
8. Receive and review Special Internal Audit Report assessing the design and effectiveness of certain aspects of the Company's internal controls and making recommendations for improvement in relevant processes and control;
9. Review AML/CFT Policies and Procedure;
10. Receive and review routine Internal Audit Reports pertaining to various audits undertaken.

BOARD INVESTMENT COMMITTEE

The Board Investment Committee has strategic oversight of the investment and funding activities of the Company as well as the management of the various risks inherent in these activities. Its responsibilities include:

- Overseeing the development and maintenance of the investment policy and to ensure alignment of the investment policy with the Group's risk appetite, as well as the prevailing and expected business and economic climates;
- Ensuring the adequacy of the governance structure of the investment processes of the Company as well as the various systems and internal controls designed to ensure the investment portfolios are managed according to the investment policies as well as within various internal and regulatory limits and guidelines;
- Periodically reviewing the organization, strategy and effectiveness of the Company's investment function;
- Oversight of the Company's funding strategy and policies to include but not be limited to matters surrounding share issuance or repurchase, debt issuances, dividend policy setting and the initiation or amendment of terms of revolving credit facilities.

Activities undertaken by the Committee over the Reporting Period

During the reporting period, the Board Investment Committee undertook a number of activities including the following activities (in brief):

1. Establishing or materially updating the following policies to ensure they adequately reflect risk management best practice, key industry updates, and Barita's strategy, risk management process and framework:
    a. Assets and Liabilities Management Policy;
    b. Foreign Exchange Risk Management Policy;
    c. Treasury Liquidity Management Policy;
    d. Investment Management Policy;
    e. Credit Risk Management Policy;
    f. Enterprise Risk Management Policy & Governance Framework;
2. Receiving and reviewing the following reports;
    a. Risk Reports;
    b. Market Reports;
    c. Investment Reports;
    d. Real Estate Investment Strategy & Plan;
    e. Investment Banking Reports;
    f. Economic Reports;

3. Assessing Investment Asset Holdings and use of capital;
4. Monitoring execution of liquidity strategy and receiving Liquidity Management Strategy Reports;
5. Receiving and reviewing reports on matters arising from the Management Investment Committees.

CORPORATE GOVERNANCE & CONDUCT REVIEW COMMITTEE

The following areas fall under the purview of the Corporate Governance & Conduct Review Committee pursuant to its terms of reference:

- Reviewing Board procedures to ensure compliance with international corporate governance best practices and business trends;
- Identifying and managing conflicts of interest which may arise from transactions conducted with related parties;
- Engaging independent consultants to undertake board evaluation;
- Considering matters relating to the appointment, orientation, training, conduct, compensation and tenure of Directors of the Board.

Activities undertaken by the Committee over the Reporting Period

During the reporting period, the Corporate Governance & Conduct Review Committee undertook the following activities (in brief):

1. Receiving and reviewing reports on related party transactions;
2. Reviewing or materially updating the following policies;
    a. Corporate Governance Policy:
    b. Communications Policy;
    c. Investments Function Governance Framework;
3. Overseeing Corporate Governance training for the Board.

MANAGEMENT-LEVEL COMMITTEES

In addition to the Board-Level Committees the Barita Governance framework is supported by three standing committees ("Standing Management Committees") which also act as escalation bodies along with other ad hoc management committees. The Standing Management Committees act as a complement to the Board-Level Committees and enable more comprehensive governance of risks. Details of the scope of the Standing Management Committees are as follows:

Management Investment Committees ("MIC") – The MIC standing membership comprises a mix of persons including the Group CIO, who chairs the committee, the CEO, the Group CRO, Deputy Chief Executive Officer, Vice President, Finance and Vice President, Operations. The committees meet a minimum of once per month or as required by the Chair and is responsible for providing strategic direction and setting appropriate limits within the parameters determined by the Board in the management of investment related risks but with specific focus on the following matters:

- Capital structure and related matters;
- Funding Risk;
- Liquidity Risk;
- Interest Rate Risk;
- Credit Risk;
- Net Interest margin on the Company's Assets and Liabilities;
- Foreign Exchange Risk;
- Pricing of assets, liabilities and funding products;
- The development and execution of investment strategies designed to maximise portfolio returns within stated risk limits.

IT Steering Committee ("IT SteerCo") – The IT SteerCo membership comprises the Group COO, who chairs the committee, the Group CIO, the CEOs of CTMB and Barita, the CTO for CTMB, the VP of IT for Barita, the Head, Project Management Office, and two external subject matter experts. The committee meets monthly or as required by the Chair and its role includes:

- Approving Group and subsidiaries' IT strategy;
- Ensuring that there are adequate policies and procedures in place to provide for data security of customer and company information;
- Ensuring IT capabilities are sufficiently monitored and reviewed to ensure the infrastructure is capable of meeting the demands of the Group and subsidiaries;
- Overseeing the IT practices to ensure the Group's and subsidiaries' priorities are met;
- Contributing to and approving strategic and operational plans for IT resources which align with the Group's mandate;

- Identifying and considering strategic IT initiatives required for the Group and subsidiaries to meet their strategic objectives;
- Reviewing and approving IT Investments which align with strategic and operational priorities;
- Reviewing the IT workforce capability and recommending strategies for development if required to ensure the Group and subsidiaries' priorities can be delivered; and
- Reviewing progress and approving final deliverables for all projects.

Non-Financial Risk Committee ("NFRC") – The NFRC's membership comprises a mix of persons including the heads of businesses and persons from the first, second and third lines of defense and executives of Cornerstone. The committee's role is as follows:

- Policy Management;
  - Create, review, and provide recommendations to the Board on policies addressing non-financial risk categories;
  - Approve/recommend risk assessment outputs as requested by the Chair;
- Promote and embed the enterprise-wide risk culture;
- Enterprise Risk Management (ERM) Framework Monitoring;
  - Make recommendations on changes to the ERM Framework;
  - Monitor Key Risk Indicators and Risk Appetite;
- Ensure sound identification, assessment, and management of existing and emerging risks (internal and external) to the enterprise;
- Approve New Initiatives Products or Business Changes (NIPC) Risk Assessments and provide advice and counsel on NIPC proposals.

General Board

DIRECTOR TRAINING

In order to ensure that the Board of Directors continues to be effective in discharging its responsibilities, it is important that the Board be kept apprised of current legal and regulatory developments and trends which have implications for the success of the business operations, as well as developments relating to the financial services industry, generally. Through the Corporate Governance & Conduct Review Committee, the Directors are provided with continuous education and training on matters which have a direct bearing on their ability to effectively discharge and undertake their duties and responsibilities, as well as information about the business, products and macro-economic developments. During the financial year 2022-2023, the Directors were exposed to training programmes arranged by the Corporate Governance & Conduct Review Committee on the following topics:

INSTITUTION	INSTRUCTOR	TITLE OF PROGRAMME	DATE
JIFSA	**Dr. Jide Lewis - Deputy Governor, BOJ**	**Annual BOD/CEO AML Forum "FATF 40 Recommendations – Why we must do more"**	**FEBRUARY 9, 2023**
Change Solutions Limited	**Virtual/Online Instruction**	**AML/CFT Training for Directors**	**SEPT 15-OCT 15, 2023**
The Companies Office	**Inger Hainsley Bennett – Customer Service Manager - The Companies Office of Jamaica**	**The Companies Amendment Act 2023 – Regarding Beneficial Ownership for Companies**	**SEPTEMBER 22, 2023**

BOARD EVALUATION

The success of the Company is directly tied to the performance of the Board of Directors and their effectiveness in guiding the Company, seeing to the implementation of the Company's various strategic and other initiatives and managing the risks that attend the business. Accordingly, the Board believes that regular evaluation is critical to enable assessment of the health of the Board, gaps in performance, and any other areas of weakness that need to be remediated, so that deficiencies can be addressed in a timely manner, and that there is continuous improvement in Board efficacy. The Board recognizes that the objectivity and transparency of the assessment of its operations is essential to deriving the intended benefits of that assessment, and accordingly, the Board evaluation process is facilitated biennially by a well-respected external consultant.

The evaluation exercise assists Directors in reviewing and assessing their performance, and the progress made over the last financial year, and to identify development opportunities for the overall Board, Committees and individual Directors. The process involves:

- Director's Self Evaluation;
- Peer Review, in which each Director evaluates the other Directors;
- Collective Board Review;
- Assessment of each Committee and its effectiveness; and
- Analysis by the external consultant of the feedback received from Directors, and preparation of a report which is submitted to the Board Chairman as well as the Committee Chairmen.

The external consultant also provides a report to each Director about himself/herself and all Directors receive comments on the external consultant's general observations based on the collective feedback received. Finally, the Board Chairman receives details of each Director's Self Evaluation so he may determine whether any further steps are warranted or useful.

The evaluation process requires the Directors to opine on a wide number of areas including the following:

- The size, composition, breadth and depth of competencies of the Board;
- The Board's participation in the formulation of strategic plans and capital budgets;
- The Board's efficacy in formulation of policy to support critical areas of business management;
- The Board's effectiveness in development of corporate governance policies, structures and processes;
- The Board's performance in relation to supervision of the critical areas of the Company's operations; and
- The Board's understanding of the Company's vision, strategy, plans and environment as well as its risks and how to mitigate them.

DIRECTORS' COMPENSATION

The Directors' compensation is based on a formula which includes a basic retainer and a fixed payment per Board or Committee meeting attended. These fees take account of the responsibilities that Directors are required to discharge, as well as the time commitment involved in doing so effectively. Additionally, Directors are reimbursed travel-related and other expenses incurred in the discharge of their duties. Directors do not receive any additional compensation based on positive or improved financial performance of the Group, nor do they receive share-based compensation.

BOARD/ COMMITTEE	QUARTERLY RETAINER *	BOARD MEETING FEE **	AUDIT COMMITTEE MEETING FEE**	CORPORATE GOVERNANCE & CONDUCT REVIEW COMMITTEE MEETING FEE**	BOARD INVESTMENT COMMITTEE MEETING FEE**
Board Chairman	$1,245,000	$40,000/ meeting	N/A	N/A	N/A
Board Members	$300,000	$40,000/ meeting	N/A	N/A	N/A
Committee Chairman & Members	$100,000	N/A	$20,000/ meeting	$20,000/meeting	$20,000/ meeting

* Gross

** Non taxable

ROLE OF THE COMPANY SECRETARY

In keeping with the provisions of Barita's Articles of Incorporation, the appointment and removal of the Company Secretary are within the purview of the Board of Directors. The Board has appointed Ms. Malindo Wallace as Company Secretary, and she has shown herself to be suitably qualified, and to have the requisite knowledge and experience, to perform the duties of the position, as required by the Companies Act of Jamaica.

The Company Secretary ensures that appropriate and timely information is provided to the Board and its Committees, and is responsible for advising and supporting the Chairman and the Board on all governance matters. All directors have access to the Company Secretary, who also has managerial oversight for the Company's compliance with its regulatory and statutory obligations.

SHAREHOLDER ENGAGEMENT AND COMMUNICATION

Shareholder engagement remains an important component of our governance ethos and the Company makes every effort to ensure that there are multiple avenues and channels for investors and shareholders to access information and communicate with the Company generally. In addition to the timely disclosure of information by way of uploads to the JSE's website, our website **www.barita.com** and various social media platforms allow shareholders and investors to engage and interact with the Company.

The Annual General Meeting provides another means by which shareholders have the opportunity to interact directly with Directors. At the Annual General Meeting, Management provides an overview of the Company's performance over the financial year, as well as insight into its strategic plans and direction. We have also commenced having Investor Briefings which is yet another avenue of shareholder engagement. At these meetings shareholders have the opportunity to directly address both Directors (in the case of the AGM) and Management on the Company's plans, performance and objectives. These meetings are livestreamed so that shareholders who are unable to physically attend can access the information provided and participate directly despite their absence; we intend to continue this practice for the foreseeable future.

Shareholders and customers can also express their views and ask questions generally by sending emails to **question@barita.com**.

BARITA'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH

Barita is on a mission to revolutionize the financial services industry in Jamaica by upending traditional perspectives on access to wealth, and the creation of financial independence. Barita considers sustainability for itself and all its stakeholders to be at the heart of these endeavours, and it is therefore no surprise that ESG is an important consideration of how Barita does business.

Barita gives careful thought to how it engages with the world, and leverages all its resources in a manner designed to have the most positive impact on the world. Through the Barita Foundation we have been able to exercise our corporate social responsibility as we lend support to certain efforts that are aligned with its purpose of advancing educational opportunities at all levels but in particular at the early childhood level. The work of the Barita Foundation over the period has also been seminal in exemplifying Barita's focus on education and youth development, entrepreneurship, and health and wellbeing.

In addition to the various activities and undertakings of the Barita Foundation, and the ongoing support to Project STAR, in undertaking its business activities the Company has sought to focus on key areas that will allow the Company to contribute in a meaningful and sustainable way to economic developments within the country such as energy, infrastructure and real estate development. Through our allocation of capital to these areas and our private credit activities and other investment solutions, we have been able to assist in driving developments in these spaces through our clients.

Barita also supports and enables positive ESG outcomes:

a. with customers through its core business - the core of Barita's strategy is to make investments and consequently financial success available to a wider cross section of the population;

b. with its employees - through various health and wellness initiatives as well as the maintenance of hybrid work arrangement for our team members which in addition to the direct benefits to employees has benefits to the wider environment given climate change;

c. through its focus on and commitment to corporate governance and stakeholder engagement - which involves constant assessment of the social and economic environment in which the Company conducts business, and benchmarking of standards and behaviours against international best practices.

ORGANIZATIONAL POLICIES, PROCEDURES & PRACTICES

A suite of policies, procedures and guidelines developed over the past two years serve as critical signposts for how we operate. Two such policies, which were implemented during the financial year, are the Whistleblower Policy and the Investment Function Governance Framework.

Policies & Procedures

Whistleblower Policy – The Whistleblower Policy is an important element of our governance framework as it serves as an avenue in the detection of corruption, illegal or other undesirable or reportable conduct by team members or directors. It provides a mechanism by which members of staff who become privy to or aware of reportable conduct can disclose such conduct while maintaining their anonymity. Management commits to handling all reports under the Policy promptly and to conduct investigations fairly and impartially regardless of, inter alia, position/title or tenure with the Company. The intended objectives of the Policy are to:

- encourage employees to make, in good faith, protected disclosures of reportable conduct within the group without being subjected to any form of occupational detriment or retaliation;
- provide a systematic, group-wide process for managing and addressing any suspected reportable conduct;
- encourage a culture of openness, accountability, ethical behaviour and integrity; and
- enable Management of the group to be informed early about reportable conduct.

Investment Function Governance Framework - This Policy sets out the guidelines which govern the collaboration between the distinct segments of the investment function in conjunction with other policies, with the broad objective of detecting and managing potential sources of conflict of interest. The varying sources of conflict between the departments within the Investment Division are managed through effective delegation of authority, the maintenance of information barriers and the alignment of incentives and separation of duties. The intended objectives of the Policy include:

- Identifying the key potential areas of collaboration between the various departments;
- identifying potential areas of conflict of interest between the various departments; and
- outlining standard operating protocols to avoid/mitigate the areas of conflict noted and manage the distribution of material non-public information.

Organizational Practices

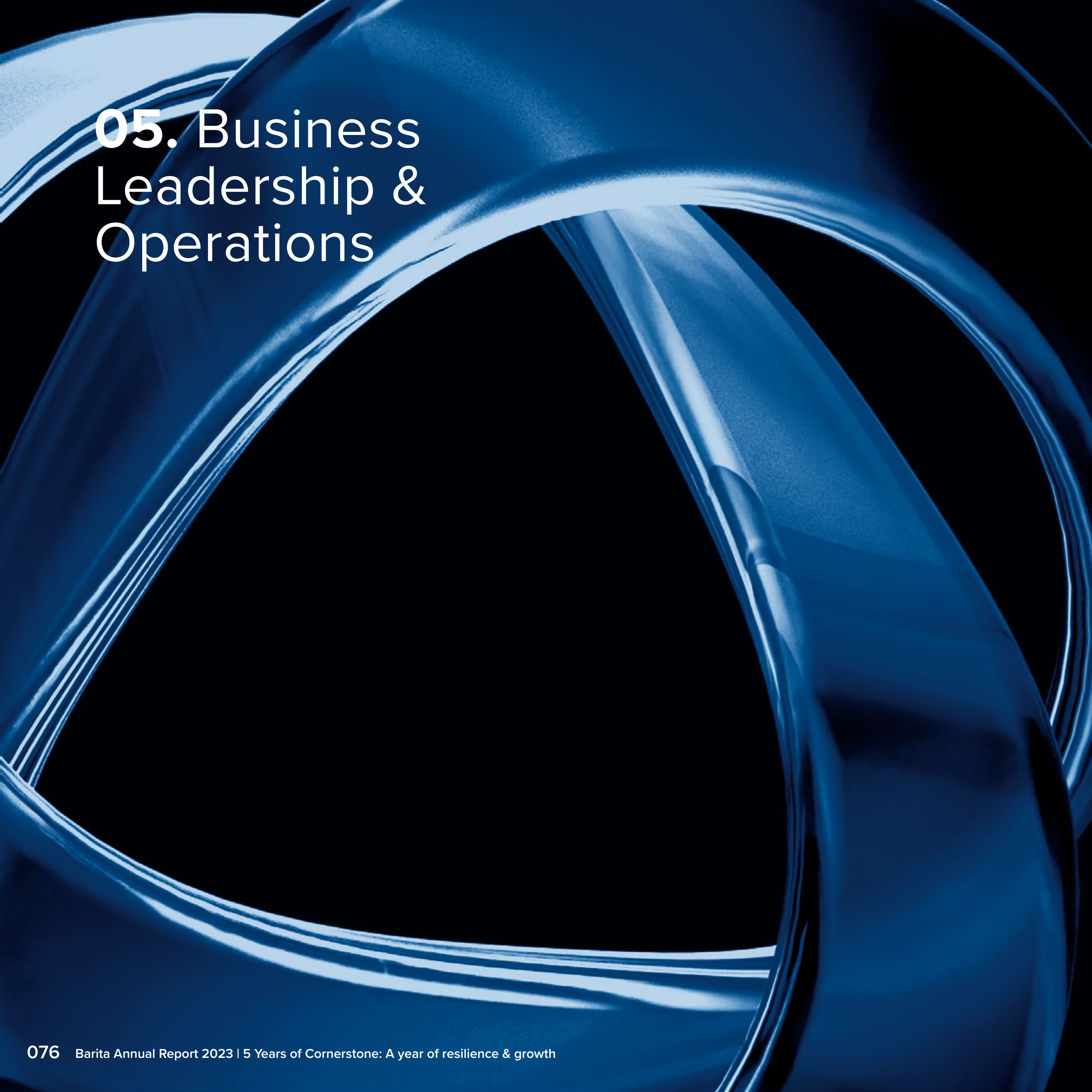
Cornerstone University – Barita believes that ongoing development and training of its team is critical to its resilience and sustainability of its profitability and to the ongoing transformation of the Company. To that end in partnership with One-on-One, we have launched an internal education platform white labelled Cornerstone University, which currently has over 300 courses on various topics ranging from Business communication to Programming Languages. The Cornerstone University is accessible to all employees of the Company who can take courses at their convenience from home or office. The introduction of our own learning management platform represents the fulfillment of a dream to ensure consistent access to learning and development programmes to staff at all levels as we continuously work to create a work environment that is conducive to high levels of employee productivity and engagement.

Financial Modeler Programme – This Programme was conceptualized to nurture and harness analytic problem-solving skills and strong technical and business resources to support the Company's growth plans. As such six (6) candidates across the Group were selected for the Programme comprising the first cohort who will benefit from targeted training aimed at enhancing their capabilities relating to Business Knowledge as well as Coding and Problem-Solving Skills. The group embarked on an immersive experience to sharpen these desired skills. The Programme was built around a specified key improvement opportunity relating to each candidate's existing role and analytic contributions across the group. The candidates obtained hands-on model development experience and exposure areas include Visual Basic programming in Microsoft Excel, Python development in Jupiter Notebook and data manipulation with SQL. Having benefitted from collaboration and joint learning sessions, the candidates now assist with process automation reviews across the group and make recommendations for efficiency improvements.

Regulatory Compliance

As the financial landscape continues to evolve as a result of the digital transformation, inter alia, with new forms of business risk being heightened, most notably cyber-security risk, Barita has taken concomitant steps geared at further strengthening its Compliance Programme to ensure adherence with laws, regulations, guidance notes, policies and standards of sound governance. 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 its regulatory and statutory obligations/requirements. The Board is also updated on the status of the Company's Compliance Programme to ensure full awareness of the money laundering and terrorist financing risks faced by the institution and the effectiveness of the implemented measures to address these risks. Barita has taken deliberate steps to strengthen its internal controls to mitigate possible risks. The Board is confident in the institutional framework that ensures that appropriate steps are taken to address any emerging compliance issues. Additional assurance came from independent examinations/audits in which no significant issues were identified during the financial year. Further refinement of the Compliance framework was undertaken by the Board and Management to include:

- strengthening of policies and procedures regarding AML/CFTP;
- facilitating independent testing of our Compliance Programme and adequately addressing any gaps identified; and
- training of all team members and directors based on key responsibilities and functions on the Proceeds of Crime Act, Jamaica Stock Exchange Rules, and 'Know Your Client' requirements.



05. Business Leadership & Operations

Message from our Interim CEO

DANE BRODBER
INTERIM CHIEF EXECUTIVE OFFICER

BARITA'S RESILIENT JOURNEY: NAVIGATING CHALLENGES, ACHIEVING MILESTONES, AND PAVING THE WAY FOR A DYNAMIC 2024

In the face of widespread challenges in the Securities Dealer sector, Barita embraced a proactive approach, leveraging its strengths to not only overcome obstacles but also identified new avenues for growth and innovation. This came amidst the backdrop of various macroeconomic factors, including elevated interest rates, tight liquidity of the Jamaican dollar, and a decrease in consumer spending; requiring industry players to exemplify extraordinary fortitude and agility in navigating the ever-evolving financial landscape.

Barita reaped the benefits of strategic decisions made in previous years by the adept and experienced leadership of the Company to allocate a portion of its capital to real estate, diversifying revenues and capitalizing on the value inherent in selected real estate assets. These investments not only provided a reliable avenue for portfolio diversification but also generated added value for our clients through our revamped real estate fund. This was supported by the amplification of our capital base through a series of capital raises totaling $34.5 billion between 2019 and 2021, which not only provided a stable base to support its alternative investment exposures, but facilitated the formidable resilience Barita exhibited through the challenges of this year's economic environment.

This fiscal year also featured record growth in repurchase agreements, indicative of Barita's efforts to expand and deepen client relationships while positioning itself for anticipated changes in the operating environment, akin to its strategic investments in real estate.

Demonstrating our adaptability and commitment to operational excellence in resource management and sound investment decisions, we maintained our focus on enhancing our core system implementation project. This milestone marks a significant step forward as the strategic enhancement and modernization of our internal systems underscore our dedication to technological advancement and operational efficiency.

At the heart of our commitment to providing unparalleled convenience for our loyal customers lies the ongoing refinement of Barita Online with the latest enhancement allowing customer-initiated updates and facilitating client feedback. This dedication to enhancing our digital platform reflects our deeply held belief in leveraging technology to serve our customers better as we remain committed to our posture of democratizing wealth. We will continue to invest strategically in elevating the customer online experience and continue to positively impact our relationship with the customer, deepen our connection and also heighten customer satisfaction and engagement.

In addition to technological advancements, we undertook a concerted effort towards data protection as we prioritized safeguarding sensitive information and ensuring the privacy and security of client data. This included implementation of robust security measures for our client statements.

Celebrating our fifth anniversary under the stewardship of Cornerstone, Barita has undergone a transformative journey in the Jamaican financial environment. The financial stability exhibited by Barita during the challenging COVID-19 pandemic demonstrated the prudence of our capital and liquidity management strategies.

The deliberate decisions to boost its capital base, diversify its exposures through alternative investments, and invest in its risk management, internal control and governance capabilities during these five years with Cornerstone at the helm have helped the Company to withstand adverse external shocks and positioned it as a leader in the Jamaican financial landscape.

A key element contributing to our success is our investment in talent. The Company's ability to attract and retain top-tier professionals has bolstered operational capabilities and strategic vision. The infusion of skilled individuals enhanced our internal capabilities and played a crucial role in maintaining a competitive edge within the dynamic financial sector.

Barita's brand has flourished under the Cornerstone umbrella, becoming synonymous with trust, expertise, innovation, and client-centricity. We continue to create value for our clients through the launch of the FX Income Accumulator low risk unit trust fund and our Portfolio Management Services curated to meet the specific needs of clients. The Barita G.P.S assessment tool was also launched in 2023 to create tailored portfolios for our clients based on their financial circumstances, goals and risk profile. The strategic alignment of the brand and the expansion of our suite of products and services to meet the evolving needs of our clientele has contributed to our enduring market appeal, customer loyalty, and commitment to excellence.

In the face of widespread challenges Barita Investments embraced a proactive approach everaging its strengths to not only overcome obstacles but also identify new avenues for growth and innovation.

While Barita navigated the challenges of 2023, The Barita Foundation continued to be a powerhouse of positive impact, recording monumental victories that resonated far and wide. These achievements testify to the Barita Foundation's strength and commitment to creating meaningful change and leaving an indelible mark on communities and causes. From groundbreaking initiatives to impactful partnerships, such as our annual scholarship awards where 34 scholarships and 11 bursaries were presented to primary, secondary, and tertiary students across Jamaica. The Barita Foundation's initiatives continued to positively influence the lives of countless individuals of all ages and contributed to the betterment of society at large. These wins reflect the Barita Foundation's dedication to social responsibility and underscore its ability to catalyze positive change, inspiring compassion, empowerment, and progress throughout the community.

The global stage continues to be marked by geopolitical uncertainty, adding an extra layer of complexity to the financial services sector. We recognize the importance of staying agile and responsive to geopolitical developments, fortifying our risk management frameworks, and safeguarding our investments in an ever-changing geopolitical landscape.

The ongoing commitment to investment in future proofing our business and the Group through technology, remains a cornerstone of Barita's strategy for 2024. The continuous proactive stance in embracing technological advancements positions us to navigate the intricacies of the digital era.

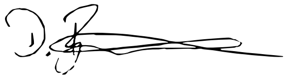
Within the framework of the Financial Holding Company (FHC) reorganization, which began in FY 2023, we are keenly focused on optimizing operational synergies, efficiencies group-wide and capitalizing on the strategic advantages provided by this structure. The reorganization efforts are designed to foster greater collaboration and innovation across the organization, facilitating expanded product offerings to our clients and reinforcing our position as a leader in the financial services sector.

Across the broader group we anticipate the launch of a digital bank. This initiative reflects the group's forward-thinking approach, recognizing the transformative power of digital banking in meeting the evolving needs of consumers. Pursuing a digital bank aligns with our commitment to providing cutting-edge financial services and embracing innovative solutions that enhance accessibility and convenience for our current and new customers.

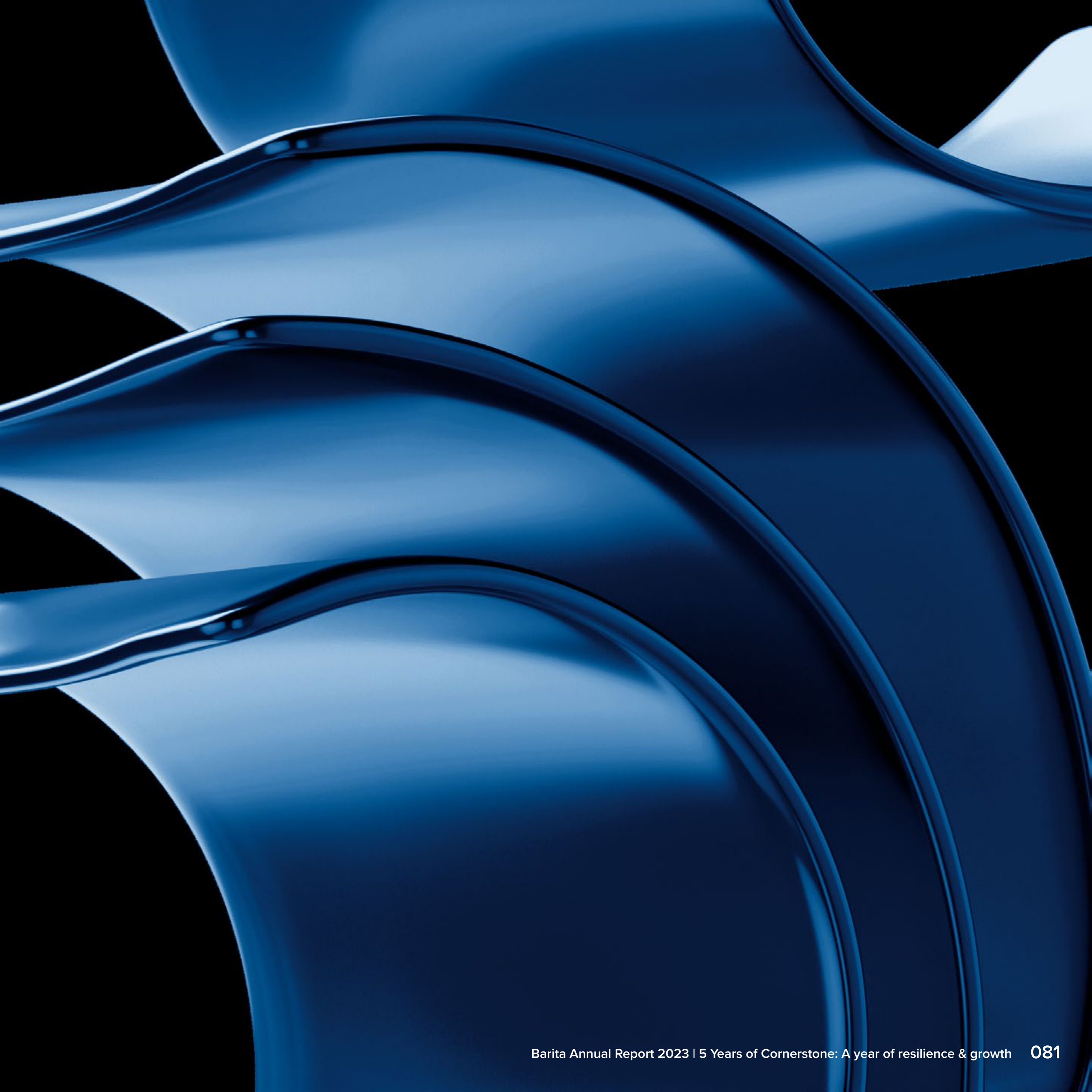
While we acknowledge the dynamic nature of the financial services landscape and the potential obstacles that 2024 may present, Barita remains unwavering in its proactive approach to addressing these complexities. By remaining vigilant and adaptive, we are actively navigating local market and geopolitical intricacies, advancing our technological infrastructure, optimizing the reorganization of our FHC, and exploring innovative opportunities in digital banking. We eagerly anticipate implementing more initiatives and groundbreaking plans to advance the business in FY 2024.

Amidst the potential challenges and uncertainties that lie ahead in FY 2024, I must commend the dedication and hard work of the team for their steadfast commitment and tireless efforts. We recognize the valuable role that each team member has played in guiding us through challenging times to achieve success.

Our teams' collective dedication, resilience, and strong commitment have enabled us to seize opportunities for growth and innovation, the cornerstone of our success. Together, we are well-positioned to not only weather uncertainties but also to thrive and lead in this rapidly evolving financial services landscape.



Dane Brodber
Interim Chief Executive Officer



Barita Executive Team

Barita
Executive Team

Jason Chambers, MSc.

DIRECTOR
MANAGING DIRECTOR - BUTM

Jason has over 21 years' of experience, spanning the range of Securities Trading, Investment and Treasury Management, Corporate Finance, and Corporate Banking. Most recently, Jason held the position of VP of Investment Management at the GraceKennedy Group. Jason also headed the Corporate Banking Unit within First Global Bank Limited where his functional responsibilities included the development, execution, and monitoring of business development strategies to grow the corporate banking business; management of credit structuring and assessment in accordance with the requirements of corporate clients within the parameters of the bank's lending policy; the upgrading of the credit policies of the bank to conform with current and emerging risks, and management of the credit quality of the portfolio in conjunction with the credit risk management unit of the bank. Jason was also a member of the senior management teams of the securities dealing subsidiaries of Guardian Holdings and GraceKennedy where he led the Asset Liabilities Management Committee ("ALCO") of GK Capital and served as a member of the GK Group ALCO. Jason is a graduate of the University of the West Indies, where he obtained a Bachelor of Science degree in Economics and a Master of Science degree from the University of London.

*Mr. Chambers demitted office as Managing Director - BUTM on 1 January 2023.

Dane Brodber
CFA, CAIA, FRM, MBA

INTERIM C.E.O.

Dane has over 18 years' of experience in the financial services industry with extensive experience in Risk Management, as well as experience with Operational Risk, Strategy, Business Intelligence, and Financial Analysis. Most recently, Dane held the position of Regional Director, Market Risk Management at Scotiabank, where he had responsibility for the measurement, monitoring and governance of market risk exposures throughout the English-Speaking Caribbean. Dane earned undergraduate degrees in Mechanical Engineering and Economics & Business from Lafayette College and an MBA from the University of New Orleans. He earned the CFA Charter in 2006, the Financial Risk Manager (FRM) designation in 2007, and the Chartered Alternative Investments Analyst (CAIA) designation in 2019. Dane is the current President and former founding VP of CFA Society Jamaica. In his capacity as Chief Risk Officer he is responsible for the buildout, maintenance and oversight of the required risk management and supporting governance frameworks throughout the Cornerstone group.

Ramon Small-Ferguson MSc CFA, FRM, CAIA

DEPUTY CHIEF EXECUTIVE OFFICER - BIL AND MANAGING DIRECTOR - BUTM

Mr. Small-Ferguson is currently the the Deputy Chief Executive Officer, Barita Investments Limited & Managing Director, Barita Unit Trusts Management Company Limited. He joined the Cornerstone Group in 2019 as VP, Asset Management & Research at Barita Investments Limited in 2019 from the Jamaica National Group where he was Chief Investment Strategist and Head of Research at the Group's investment subsidiary. His professional background spans the areas of Investment Research, Treasury & Portfolio Management, Corporate Strategy and Investment Banking. He currently serves as a Director on the Investment Advisory Board of the Salvation Army Caribbean Territory, a member of the Board and the Chairman of the Audit & Compliance Committee of the Council of Voluntary & Social Services, the umbrella arm for charities in Jamaica, and is an Alternate Director of the Jamaica Stock Exchange. He is also the sitting President of the Jamaica Securities Dealers' Association (JSDA), the industry level group for investment banks in Jamaica. Mr. Small-Ferguson has earned the Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA), and Certified Financial Risk Manager (FRM) designations. He also holds a Bachelor of Business Administration (BBA), Finance & Marketing (Hons) from the University of Technology, Jamaica and a Masters of Science in Quantitative Management (MSQM) from NYU Stern Business School, New York University.

*Ramon Small-Ferguson was appointed Managing Director of BUTM effective on 1 January 2023.

Geoffery Romans MBA

SENIOR VICE PRESIDENT, RISK MANAGEMENT

Geoffery is a senior Risk Management executive with over 10 years risk management experience within the Caribbean Region. His vast risk management experience spans banking, insurance, treasury operations, off-shore banking and investment for multiple entities. He is formerly from the Bank of Nova Scotia Jamaica Limited and a founding member of Scotiabank's English Caribbean Market Risk Unit where he served in varying roles such as Senior Manager Interest Rate Risk and Balance Sheet Management and most recently, Regional Director, Market Risk Management. He earned his MBA in Financial Management Specialty from Heriot-Watt University, Scotland, UK and his BSc in Mathematics (1st Class Hons) from the University of the West Indies.

Sara Ying Henriques MBA

VICE PRESIDENT, OPERATIONS

Sara joined Barita on October 1, 2020 as Head, Operations and is now Vice President, Operations. Prior to joining Barita, Sara garnered a wealth of experience in Treasury & Asset Management Operations within the financial services sector. She holds an MBA and Bachelor of Science (BSc.) degree in Business Administration from the University of Technology both with a major in Finance.

Terise Kettle MBA

SENIOR VICE PRESIDENT, INVESTMENT BANKING

Terise joined Barita on March 2, 2020 as Vice President, Investment Banking and is now Senior Vice President, Investment Banking. Prior to joining Barita, Terise held key roles within the financial services sector including Assistant Vice President, Corporate & SME Banking and Team Lead – Relationship Manager (Corporate & Commercial Banking). Terise holds a Master of Business Administration in Banking and Finance with Distinction and a Bachelor in Management Studies and Accounting with Honours from the University of the West Indies. Additionally, she has Project Management Certification from the University of the West Indies.

Anmarie Walker-Cato MBA, FCCA

VICE PRESIDENT, FINANCE

Anmarie has spent much of her life cultivating expertise across multiple areas of finance and accounting. Today she stands as our Vice President, Finance, having also held the positions of Assistant Vice President, Finance at Proven Wealth Limited and Senior Manager – Financial Control at First Global Bank Limited (FGB). A highly-qualified professional, Anmarie holds a BSc in Accounting and Management Studies from UWI, an MBA from Florida International University (FIU) and is an ACCA-certified Chartered Accountant.

Stephanie Sterling, LLM, LEC

VICE PRESIDENT, LEGAL COUNSEL

Stephanie joined Barita in March 2020 as Legal Counsel and is now Vice President, Legal Counsel. Prior to being called to the Bar, Stephanie gained financial advisory experience as a Consultant at PricewaterhouseCoopers and garnered commercial law experience as an Attorney-at-Law at Myers, Fletcher, & Gordon and Debbie-Ann Gordon & Associates. She holds a BA (Economics and History) from Stanford University, LLB (Hons) from the University of London and a LEC from the Norman Manley Law School. Stephanie has also obtained a Master of Laws (Banking and finance law) (Merit) from the University of London. Currently, Stephanie is the Chairperson of the Jamaica Business Development Corporation and the National Compliance Regulatory Authority.

Sonia Owens MBA

VICE PRESIDENT, TREASURY & FINANCIAL INSTITUTIONS

Sonia joined Barita in 1984 and held several positions over the years including Trading and Investments Manager, culminating in her most recent promotion to Vice President, Treasury & Financial Institutions. She holds a Bachelor of Science Degree in Banking and Finance from the University of the West Indies, has attended several professional training courses with JIM, JIB, CI Financial and Euro Finance and has completed an MBA at Edinburgh Business School.

Ian Anderson MBA

VICE PRESIDENT, INFORMATION TECHNOLOGY

Ian joined Barita as Vice President, Non-Financial Risk & Enterprise Risk Management on June 1, 2020 and now holds the position of Vice President, Information Technology. Prior to his posting at Barita, Ian spent the majority of his career at Scotiabank Jamaica, where he served in varying capacities for over seventeen (17) years. Ian earned an MBA in Management Information Systems from the Mona School of Business and a Bachelor of Science degree in Computer Science from the University of the West Indies.

Dave Dixon MBA

SVP, SALES AND SERVICES

Dave joined Barita, with over 25 years in the financial industry. Prior to joining Barita Dave was the Director for Sales and Service at Scotia Investments having progressively been entrusted with increased responsibilities for leading sales teams at Scotia Group in the last fifteen years. Dave brings to the role significant experience in sales leadership, wealth management and distribution of Mutual Funds and Unit Trusts, business development along with strong leadership skills having led multi-functional sales teams. Dave is responsible for leading Barita's retail branch network, customer experience, and developing retail strategic sales plans based on the company's goals. Dave is a Fellow of the Institute of Canadian Bankers (F.I.C.B) and holds a Master in Business Administration with a specialism in finance from the Heriot-Watt University.

Sancia Thompson MBA

V.P., PREMIUM WEALTH & CORPORATE SOLUTIONS

Sancia joined Barita, with over 20 years in the financial industry. Her sales career commenced as a Financial Advisor at JN Fund Managers Limited, where she grew her assigned portfolio through consultative selling and portfolio advisory services. She has held several leadership roles at Sagicor and more recently as Regional Manager at NCB Capital Markets. Sancia brings to the role significant experience in wealth management and distribution, new product development, business development along with strong leadership skills having led multi-functional teams. She is responsible for developing strategic sales plans based on the company's goals by creating bespoke sales experiences delivered by an innovative and passionate team. She holds a Bachelor in Business Administration from the University of Technology and attended Florida International University where she attained a Master in Business Administration.

Kerrie Baylis

VICE PRESIDENT, STRATEGIC BUSINESS DEVELOPMENT AND INVESTOR RELATIONS

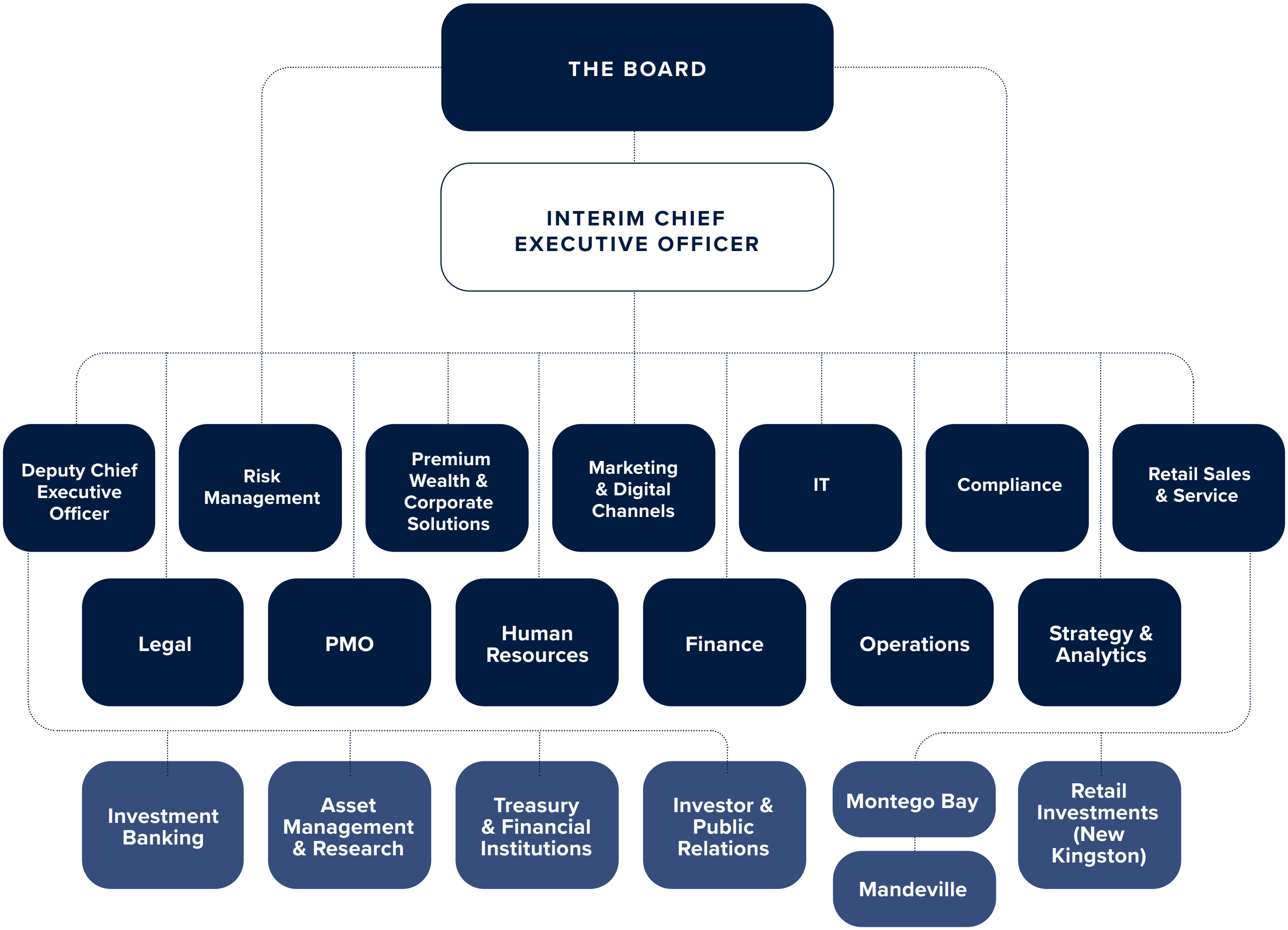
At just 22 years old, Kerrie obtained her Law Degree (Hons) from the University of Surrey in the UK. Her introduction into the financial sector came from early mentorship and training at US multinational Investment Bank, Morgan Stanley. Kerrie brings seven years of combined experience in wealth and portfolio management, investment analysis and investment advisory services. A former Miss Jamaica World (2009) and Miss Jamaica Universe (2013), Kerrie's strong relationship management skills, coupled with her in-depth product knowledge has seen her evolve into one of Jamaica's top performing financial advisors. In her role as Head of Investor and Public Relations at Barita, Kerrie will lead an innovative team focused on delivering personalized financial solutions to individual and corporate clients.

Dianne Wallace MBA

VICE PRESIDENT, MARKETING

Dianne has been a key player on the Barita Marketing team since 2004. As VP of Marketing, she is responsible for keeping the brand and its offerings fresh and relevant to our clients, partners and brokers with a strategic mix of integrated marketing programs, creative executions and strong partnerships. She holds a Bachelor of Arts in Business Administration (Marketing Major) from the University of Technology and an MBA in Business Administration from Nova Southeastern University.

Organizational Chart



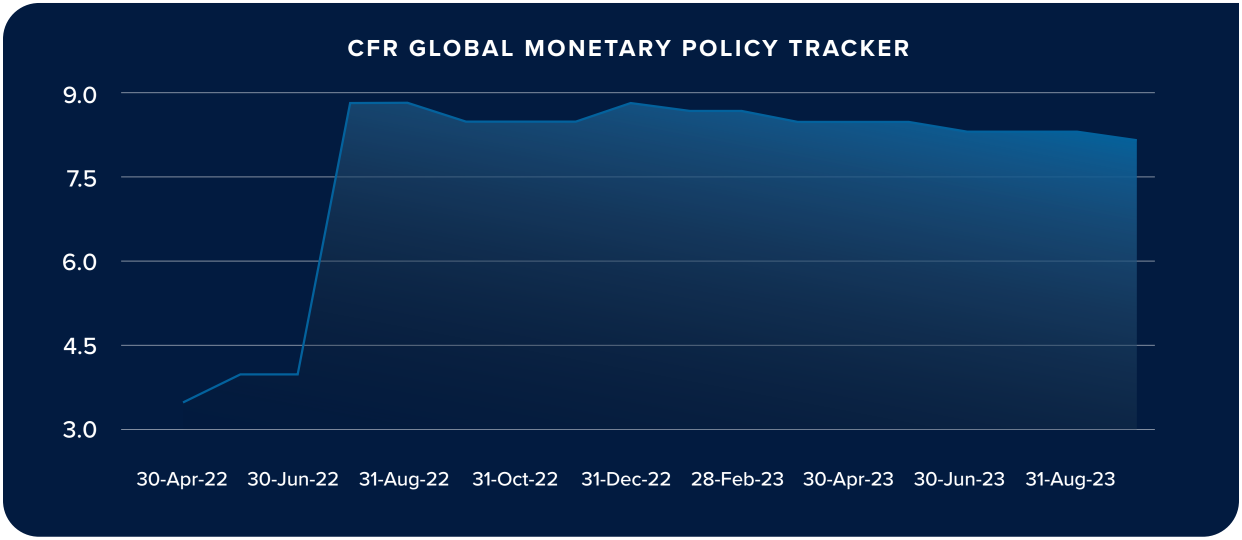
06. Management Discussion & Analysis

GLOBAL MARKET REVIEW

The global economy began showing signs of slowing growth at the end of 2022 leading into 2023. This came as the strong pandemic rebound began to dissipate, particularly due to the negative ramifications of the ongoing war in Ukraine and still historically high inflation. However, since then, the global economy, particularly the US has proven to be more resilient than previously expected. While US inflation registered a significant decline from over 8.2% at the end of September 2022, to 3.7% at the end of September 2023, amidst the restrictive monetary policy stance by the Federal Reserve, consumer spending and sentiment have remained relatively upbeat. This has culminated in several agencies, such as the IMF, slightly increasing their forecast for global economic growth throughout the year. For example, global growth for 2023 was projected to be approximately 2.9% by the IMF in January, with the forecast in July of 2023 being raised to 3.0%. Additionally, key economies such as the US are now widely expected to avoid a major recession, something that seemed a surety less than a year ago.

Global Interest Rates and Fixed Income

While economies across the globe have done well to recover from the downturn during the pandemic, a legacy that it contributed to indirectly, historically high inflation, remains. In the United States, while current levels are far below the peak, the recent point-to-point inflation reading remains above the Federal Reserve's target of 2.0%. In this context, while we are currently hovering around the peak of the monetary policy cycle (with some developing world Central Banks already returning to cutting rates), interest rates remain elevated, and global Central Banks have echoed a higher-for-longer narrative. This is evidenced by the Council of Foreign Relations' (CFR) Global Monetary Policy Tracker, which monitors global monetary policy from over 54 countries pointing to global monetary policy remaining tight, with a slight trend towards easing as of September 30th, 2023.



Notably, the Federal Reserve, which has been increasing the policy rate for the majority of 2022, has paused at a Federal Funds Target rate of between 5.25%-5.50% as of their September 2023 meeting. Other major economies such as Canada and the UK, with the Bank of Canada and the Bank of England respectively, also indicated a pause in rates at their latest policy meetings, while opting to communicate that they do not foresee rate cuts in the short term.

While interest rates remain elevated, the expectation of peak monetary tightening has allowed for a better bond market performance in 2023. That is, while the US dollar remained strong, the declining inflation and pauses in hiking cycles at major Central Banks arrested the rout seen in 2022 in emerging market bonds. This was evidenced by the JP Morgan Emerging Market Bond Index, which is meant to track the performance of select emerging market bonds generating a price return of 3.9% for the financial year ending September 30th, 2023, compared to a loss of 27.8% for the comparable period in 2022.

Global Equity

Equities in 2023 have done well despite swimming against the tides of higher rates. This may be due to the perception of being close to the end of the tightening cycle coupled with a stronger-than-expected economy, defying recession expectations. The S&P 500 produced a gain of approximately 19.6% over the year ended September 30th, 2023. These gains were led by the information technology, communications services, and consumer discretionary sectors. In addition to this, in line with the broad-based strength seen in the general economy, earnings and operating income for the S&P 500 have also been relatively strong, with the latest estimates putting the third quarter 2023 operating earnings 8.1% higher than the comparable period last year.

Despite the positive price and earnings performance, we remain cautious about global equity markets. While still strong, the expectation remains for growth to slow in the medium term, which may be brought forward depending on the duration of the Federal Reserve's restrictive policy stance. In addition to this, the strong return seen in the US market has not been as broad-based in 2023. This is illustrated by the S&P 500 equally weighted index rising approximately 0.3% for the year-to-date as at the end of September 2023, while the S&P 500 market-weighted index rose over 11.7% over the same period, the widest such divergence in over 20 years.

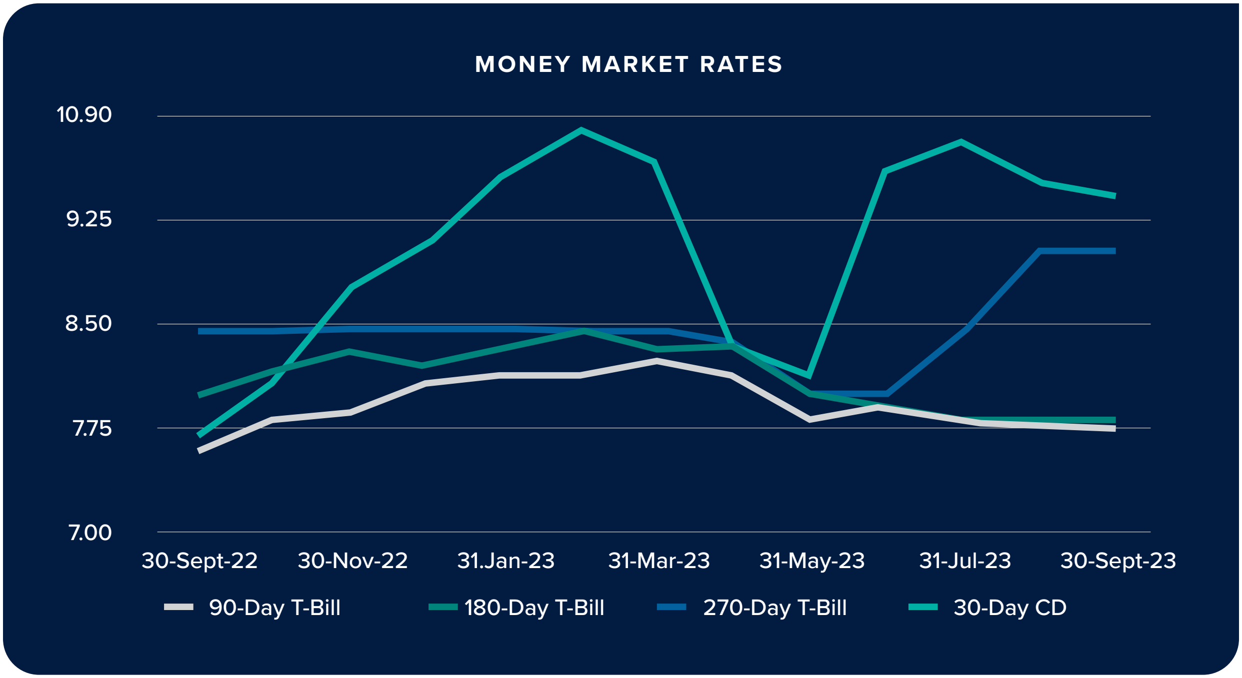
DOMESTIC MARKETS

The Jamaican economy grew at a rate of approximately 3.4% in the second quarter of 2023. This compared to a 4.3% expansion YoY in the second quarter of 2022, based on seasonally adjusted quarterly data. Notably, while this represented an expected slowdown, it nonetheless pointed to resilient growth as the country was long expected to avoid a major recession in 2023. However, it is expected that in the short term, growth will slow to what is thought of as a more stable long-run rate of a little above 1.0%. The continued growth in economic activity was coincident with a decline in the rate of unemployment from 6.6% in April 2022, to a record low of 4.5% as per the July 2023 labour market survey. This was combined with a steady increase in the labour force participation rate from 64.7% to 65.6%.

DOMESTIC INTEREST RATES AND FIXED-INCOME

The confluence of factors that led to the global inflation spiral also impacted Jamaica in 2022, prompting the Central Bank to enter a policy rate hiking cycle. However, like most of the world's developed market Central Banks, the BOJ has paused the hiking of the policy rate since September of 2022 and has since held the rate firm at 7.0%. This comes as the rate of inflation fell within the target bound of 4.0-6.0%, with the reading for September 2023 coming in at 5.9%. The rationale that the BOJ has given for its recent pause includes the downward trend in key drivers of headline inflation, including inflation expectations, and the general stability in the exchange rate.

In line with the BOJ's pause, the upward movement in market interest rates has slowed, but rates remain relatively elevated. At the end of September 2022, the 30-day certificate of deposit (CD) rate stood at 7.67%, increasing by 175 basis points (bps) to 9.42% at the end of September 2023. The yields for 90-day, 180-day, and 270-day Treasury bill (T-Bill) rates stood at 7.57%, 7.96%, and 8.42%, respectively at the end of September 2022. However, at the end of September 2023, the 90-day and 270-day yields increased to 7.73% and 7.81% respectively, representing increases of 15 and 59 basis points. Conversely, the 180-day T-Bill registered a decline in the yield by 15 bps to 7.81% during the same period.



DOMESTIC EQUITIES

Domestic equities extended their 2022 slump into 2023. Further to this, the JSE Junior Market (Junior Market), which saw positive price performance for the majority of 2022, entered negative territory in 2023. For the financial year ending September 30th, 2023, the JSE Main Index (Main Market) was down 10%, while the Junior Market index was down 6%. Similarly, for the calendar YTD, the Main Market was down 8% and the Junior Market was down 1%. As such, the Junior Market continues to outperform the Main Market index by a significant margin. Further, disaggregating local equities by sector, we see that the Financial Sector index was down 16% for the YTD. The Manufacturing and Distribution index on the other hand saw a slight increase, rising 1% YoY and 3% YTD. Financial services companies have been hit particularly hard during 2022 amidst rising interest rates and other monetary policy decisions by Central Banks worldwide and the BOJ aimed at reducing liquidity. While some financial sector firms have seen rebounding profitability (other firms continue to grapple with fair value losses on debt securities) and have even taken advantage of higher rates, sentiment nonetheless remains low for the sector.

FOREIGN EXCHANGE

At the end of September 2023, the Jamaican dollar stood at J$155.48 to US$1.00, representing a depreciation of 1.74% YoY. The relatively muted devaluation came within the context of a strengthening in the pace of the recovery of the tourism sector, along with stable remittance inflows over the year. Additionally, the BOJ supported US dollar liquidity with intervention through B-FXITT, supplying a total of US$845 million over the year. Notwithstanding, the Net International Reserve (NIR) remained at healthy levels, with the BOJ reporting US$4.7 billion at the end of September 2023, compared to US$3.8 billion last year. At the end of September 2023, the NIR represented 24.0 weeks of goods and services imports.

REVENUE

Net operating revenue for FY 2023 increased by 2%, driven by growth in some of the Company's main business lines, including fee and commission income (+13%) and realized gains on investments (+30%). Net interest income declined by 65%, while foreign exchange trading & translation gains also fell by 24%, with both lines subduing overall revenue growth. Other income of $150 million contributed positively to operating revenue growth, rising 44%.

REVENUE SUMMARY	FY 2023 ($000)	FY 2022 ($000)	% CHANGE
Net Interest Income	581,191	1,672,170	-65%
Fee & Commission Income	3,403,170	3,022,287	13%
Other Income	148,742	104,482	42%
Foreign Exchange Trading & Translation Gains	604,319	791,514	-24%
Fair Value and Realized Gains on Investments	4,356,726	3,361,280	30%
Net Operating Revenue	9,094,148	8,951,733	2%

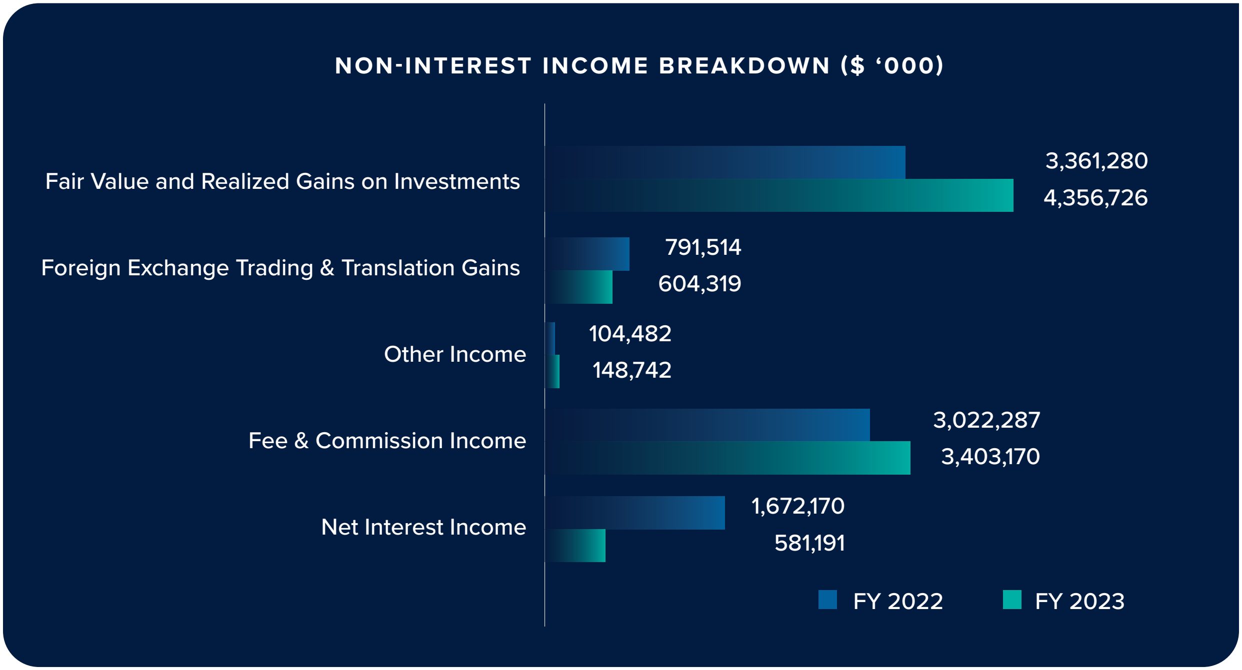
NET INTEREST INCOME

Net interest income (NII) reflected a J$1.1 billion or 65% decrease YoY to J$581 million. Consistent with our guidance throughout the year, this outcome reflected the ongoing influence of the BOJ's restrictive monetary policy measures. Consequently, interest rates on funding liabilities remained elevated across the securities sector. However, with the BOJ and the US Federal Reserve pausing their rate hiking cycles, and early signs of an economic slowdown brewing in the US, the rate hiking cycle may have peaked. This, in turn, opens the possibility of reversing the NII trajectory in FY 2024 and beyond as liabilities begin to reprice downward. While we anticipate this shift for NII, our focus remains firmly on expanding the Group's alternative investments, credit, and fixed-income portfolios. Notwithstanding, NII is highly influenced by both local and global monetary policy and given the uncertainty surrounding the length of the current inflation and interest rate cycle, market conditions could restrict the growth rate of NII generated from traditional asset classes.

NON-INTEREST INCOME

Non-interest income reflected robust YoY growth of 17% or J$1.2 billion, to J$8.5 billion relative to J$7.3 billion in FY 2022. The increase in non-interest income was principally driven by a 30% increase in gains on investment activities, and a 13% increase in fees and commission income, offsetting a decline in foreign exchange gains.

The details of our non-interest income are as follows:



- **Gain on Investment Activities:**

  Revenue from this line item rose by J$995 million or 30% to J$4.4 billion relative to FY 2022. Our alternative investment exposures accounted for 82% or J$3.6 billion of this outturn. The revenue contribution from alternative investments in this line item was attributed to our exposure to the Barita Real Estate Portfolio Fund. Notably, the revenue derived from the Barita Real Estate Fund was primarily generated from appreciation in the values of the underlying property portfolio held by the fund. Further, revenues were generated from a $359 million gain on the sale of investments and a J$444 million fair market value gain on our equity portfolio.

- **Fee and Commission Income:**

  This line item increased by 13% to J$3.4 billion (FY 2022: J$3.0 billion). These revenues were comprised substantially of fees generated from asset management and investment banking. Performance fees related to the management of the real estate holding vehicle, MJR Real Estate Holdings Limited, accounted for J$1.1 billion of the fee revenues generated during the year. Growth in assets under management and capital markets activity remains a key focus, supported by robust liquidity management. Total assets under management increased by 7.2% YoY to J$361.6 billion.

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

  The Group registered FX trading and translation gains of $604 million in the period, representing a J$187 million or 24% reduction (FY 2022: J$792 million).

OPERATING EXPENSES

Non-interest expenses for FY 2022 rose by 21% to J$4.6 billion (FY 2022: J$3.8 billion). The YoY rise in expenses is driven by the following:

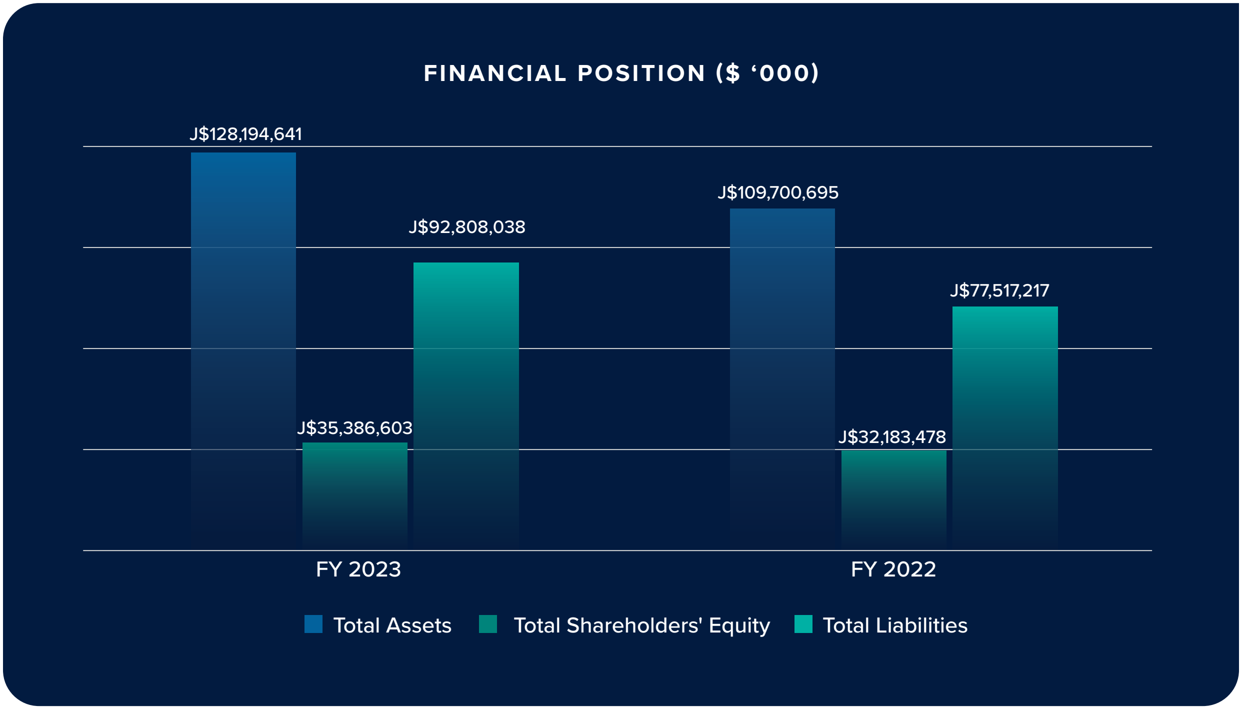
- Staff Costs: Grew 1% YoY to J$1.7 billion which reflected the Company's strategic effort to optimize the staff complement in our ongoing drive for future shareholder value creation.
- Administrative Costs: Grew 38% YoY from J$2.1 billion to J$2.9 billion, resulting from the continued investments in the transformation of the processes, technology and customer experience required to support further growth and value creation.
- Impairment/Expected Credit Losses: For FY 2023 impairment of financial assets was negligible, compared to a loss of J$4 million in FY 2022. This decline is reflective of changes in the asset composition with relatively lower residual credit risk.

Our philosophy is anchored in a growth-oriented strategy that emphasizes prioritising revenue-enhancing expenditures while focusing on cost-cutting measures in non-essential areas. However, the faster pace of the rise in operating expenses drove an uptick in the Group's efficiency ratio to 51%, versus 43% in FY 2022. It is important to contextualize the investments we have made to unlock future growth; investments that accounting standards constrain us to expense and therefore result in a rising efficiency ratio. We have been deliberately investing in our people, processes, technology, and customer experience. Consistent with our prior guidance, this strategic approach signifies our commitment to making investments that will unlock future revenues for the Group and increase earnings for shareholders.

NET PROFIT

Net profit for FY 2023 amounted to J$3.4 billion, a decrease of approximately J$806 million (19%) relative to FY 2022. The decrease was attributable to the subdued growth in net operating revenues (2%) combined with the faster growth in operating expenses (21%). Following the acquisition of a 20% stake in Derrimon Trading Company Limited (DTL or Derrimon) in FY 2021, the holding has continued to contribute to overall profitability via the share of profits from associate line item, with an outturn of J$95 million, representing a 1% decrease from FY 2022.

STATEMENT OF FINANCIAL POSITION



For FY 2023, the Company's total assets increased by J$18.5 billion, while funding from repurchase agreements and secured investment notes reflected a combined increase of J$11.6 billion. Total shareholders' equity increased YoY, driven chiefly by a J$3.4 billion increase in retained earnings.

Key balance sheet line items are discussed in brief below:

- **Assets:**

  Total Assets:
  Barita's total assets stood at J$128.2 billion at the end of FY 2023, representing a J$18.5 billion or 17% increase over FY 2022. This increase is largely the result of a J$20.2 billion combined growth in marketable securities and pledged assets, J$942 million in cash and bank balances, and J$521 million in loans, partially offset by a decline in reverse repurchase agreements.

Pledged Assets and Marketable Securities:
Pledged assets and marketable securities, combined, grew by J$20.2 billion or 23% to J$106.0 billion to account for 82% of the Company's balance sheet as at the end of FY 2023. These lines represent substantively 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 increased by J$521 million or 5% to J$11.1 billion. Barita's loans are 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 20% or J$15.3 billion to J$92.8 billion.

Repurchase Agreements (repos):
The Company's funding from repos rose by J$16.9 billion or 28% to J$76.5 billion, which accounted for 82% of the Company's liabilities at the end of FY 2023.

Secured Investment Notes:
Funding from these notes decreased from J$11.2 billion to J$5.9 billion (47%), and now represents 6% of the Company's total liabilities.

- **Shareholders' Equity:**
A J$3.3 billion increase in retained earnings led to total shareholders' equity increasing 10% YoY to $35.4 billion ($32.2 billion in FY 2022). This was partially offset by movement in the value of assets that comprised our investment portfolio, leading to a J$467 million reduction in our fair value reserve during the year. Our capital reserves remained robust, with a capital adequacy ratio of 28.4%, compared to the FSC's early warning level of 14.0%, and just under three times the regulatory minimum of 10.0%. The capital adequacy of the Company remains resilient even under severe stress tests conducted by the Group's risk management division.

Consistent with international best practice, Barita's dividend policy continues to be guided by a risk-based approach, ensuring that capital and liquidity levels are adequate and robust before and after the payments of dividend. This includes confirming that the levels of capital and liquidity are adequate to withstand shocks while supporting the execution of Barita's strategic objectives. In this regard, capital and liquidity levels are simulated through severe but plausible stress tests to test their resilience.

On January 9, 2024 Barita declared a dividend of $1.634 per share, representing 57% of Barita's FY 2023 earnings. Barita's ability to sustain continued dividends is a function of its deliberate actions to build and maintain strong levels of capital and liquidity.

07. Risk Management

Risk Management

The objective of Barita's risk management programme is to ensure that risk-taking activities are aligned with its strategy and consistent with its risk appetite. Through an active and effective Risk Management process, Barita's Board of Directors commits to ensuring:

- The right risks are taken;
- The right amount of risk is taken;
- There is an appropriate reward for the risks being taken; and
- Risks that are inherent to the strategy, as well as those that could threaten the strategy, are proactively identified and appropriately managed.

Risk Management Framework

Barita's Enterprise Risk Management (ERM) Framework is multi-dimensional and aims to provide a suite of policies, limits and tools to identify, assess and manage risks. It is underpinned by developing a risk culture through active involvement and training of the various risk owners across all the functional areas of the organization. The framework, including the governance structure through which it is executed, is continually reviewed and designed to ensure the confidence of Barita's clients, shareholders, employees and other stakeholders as the Company executes on its strategy and takes advantage of opportunities.

GOVERNANCE

The Board has ultimate responsibility for risk management within Barita and delegates this function to the Audit Committee and Board Investment Committee. The Board, through these committees, reviews and approves the associated policies, limits, and risk appetite levels, based on the advice and counsel of various Management committees.

The Management Investment Committee is responsible for the oversight of Barita's asset and liability management and trading activities and the associated risk exposures, including any contingent exposures from off-balance sheet activities, and provides advice and counsel on financial risk related policies and limits.

The Group has also established a Non-Financial Risk Committee, which is mandated to elevate the awareness of existing and emerging risks across the organization and highlight their effect on the ability to achieve strategic objectives and carry-on daily operations. The committee, which comprises senior team members from the functional areas of the businesses, provides advice and counsel on non-financial risk related policies and new product or initiative proposals.

RISK APPETITE FRAMEWORK

Barita's Risk Appetite Framework (RAF) articulates the amount of risk it is willing to take to meet its strategic objectives. The RAF includes risk tolerances, targets, measures, and limits. This, along with the broader suite of Key Risk Indicators, are a key component in the cultivation of Barita's risk culture and ensures that Barita remains within appropriate risk boundaries and efficiently manages risk to find the optimal balance between risk and return. The risk appetite is continuously reviewed and updated as the Company's strategy and operations evolve.

POLICIES AND PROCEDURES

A critical dimension of the Risk Management Framework is the establishment of robust and appropriate policies and procedures. These include, but are not limited to, policies related to various financial risk exposures, internal control, compliance, information technology, business continuity and product development. Having been given a real-world test through the COVID-19 pandemic, Barita has developed its business continuity policy and updated its business continuity plans, tested them and made improvements where necessary ahead of operationalization in preparation for both potentially plausible and less probable threats and other business disruptions during the year.

RISK MANAGEMENT TOOLS

Having identified and prioritized existing and emerging risks, several risk tools have been built and deployed within the organization to manage these risks. These include an enterprise risk assessment exercise and our third-party risk assessment framework, which will be a necessary complement to our strategic priorities for the coming financial year.

Our tools are regularly reviewed and updated to ensure effectiveness and relevance to Barita's business and financial strategies.

STRONG AND PERVASIVE RISK CULTURE

Strengthening Barita's risk function also includes cultivating a strong risk culture where the risk framework is an enabler to strategy through the collective understanding, engagement, and accountability for the key risks relevant to Barita's strategic objectives and the corresponding risk appetite throughout the organization.

The culture will be supported by Barita's risk governance structure. Risks are managed within the framework of policies and limits that are approved by the Board of Directors. At least on a quarterly basis, the Board reviews key current and emerging risk exposures and performance against approved limits and the Board's Risk Appetite. Senior management committees, including the Management Investment Committee and Non-Financial Risk Committee meet more frequently to review the state of the various risks; while the Risk and Compliance functions provide independent oversight of the significant risks of the Barita Group on a continuous basis.

THE CULTURE IS ALSO SUPPORTED BY THE THREE-LINES-OF-DEFENCE MODEL. WITHIN THIS MODEL:

- The various business lines that actively take these risks, and the units that support them are the risk owners and act as the First Line of Defence by actively managing these risks. This is the primary conduit through which the risk culture is cultivated.

- Risk and other control functions act as the Second Line of Defence by objectively challenging the First Line; providing independent oversight over risk taking activities; and developing and executing the frameworks to measure, monitor, report and control risk.

- Internal Audit acts as the Third Line of Defence by testing to provide independent assurance of the effectiveness of the First and Second lines of defence.

Principal Risks

MARKET RISK

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, and foreign exchange rates), the correlations among them, and their levels of volatility. Market risk exposures primarily come from Barita's investment, funding, underwriting and trading activities. In its investment and funding activities, Barita primarily invests in various fixed income instruments and funds these with repurchase agreements and capital. In its underwriting activities, Barita will from time-to-time purchase some or all the investment banking issuances it arranges for further distribution to its client base. In its trading activities, the Barita Group primarily buys and sells currencies, equities and bonds for its customers and its own proprietary trading portfolios.

These activities are controlled through the Management Investment Committee, which has oversight for Barita's asset liability management and trading processes. The exposures are managed through policies, processes, limits and controls designed to achieve a balance between earning net interest income, pursuing profitable trading and investment banking opportunities; and managing the resulting exposures and their potential impact on earnings and capital.

CREDIT RISK

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to Barita.

Credit risk arises in Barita's margin lending operations, and in its investment and trading activities where counterparties have repayment or other obligations to Barita.

The risk management function develops the programmes, policies and limits that govern the exposure to various counterparties, and the credit quality of its assets whether to bond issuers, clients, or institutional counterparties. The Credit Risk Management Policy and key related limits are subject to review and approval by the Board.

LIQUIDITY RISK

Liquidity risk is the risk that Barita, although solvent, either does not have sufficient available resources to enable it to meet its obligations as they fall due or can secure them only at excessive cost resulting in financial losses, loss of customer confidence and regulatory penalties.

Effective liquidity risk management is critical to maintain the confidence of clients and counterparties and ensure that Barita remains able to perform its core functions under adverse circumstances.

Barita manages its liquidity risk by:

- Forecasting cash inflows and outflows by currency to anticipate emerging liquidity needs; and conducting regular stress tests to assess the vulnerabilities inherent in its balance sheet structure and the adequacy of liquidity resources under stressed conditions.
- Maintaining a pool of highly liquid, unencumbered assets that can be readily sold, or pledged to secure borrowings, under stressed conditions.
- Managing the structure of its funding relative to its liquidity position to ensure that it is sufficiently diversified by term and type of client.
- Maintaining, testing and updating its Contingency Recovery Plan, which outlines the necessary responses to varying levels and stages of stressed conditions.
- Proactively identifying, building and securing alternative sources of funding to ensure the adequacy of its contingency options and position itself to take advantage of material opportunities.

OPERATIONAL RISK

Operational risk is the risk of loss, resulting from people, inadequate or failed internal processes and systems, or from external events. These events can result in financial loss, regulatory sanctions and reputational damage to Barita.

Barita has a detailed Enterprise Risk Assessment process that enables it to identify the most important risks facing the organization and ensures focus on the key activities necessary to manage those risks. These are supported by various tools designed to enable the monitoring of controls and the management of various risks, including those surrounding new initiatives and third-party engagements. The exposures are highlighted and tracked by the Non-Financial Risk Committee; and key risk indicators are tracked to identify emerging risks.

INFORMATION TECHNOLOGY RISK

Information Technology (IT) risk refers to the likelihood of deficiencies related to the IT environment including security, data governance and integrity, reliability, and necessary supporting infrastructure to handle business requirements.

IT risks arise from the technology driven nature of Barita's business, from online interfaces with clients to system capabilities to handle growing volumes. This includes cyber security risks, which continues to be a growing and ever evolving phenomenon for financial institutions locally and worldwide.

Through Barita's IT Steering Committee, robust technology planning and development processes ensure that technological capabilities are sufficient to support the strategic requirements of the organization, with execution capability further assured by the addition of our Project Management Office.

Continuous and proactive evaluation and update of the security environment serve to minimize exposure to cyberattacks and other current and potential IT security exposures.

Employees and customers are consistently sensitized to ensure understanding of current and evolving IT security risks and to reinforce the desired behaviours.

PEOPLE RISK

People risk refers to the likelihood that Barita does not adequately attract, retain, and develop employees with the requisite knowledge and aptitude to meet the strategic needs of the organization and fill key roles as they emerge or become vacant. People risk also includes the risk that the culture does not sufficiently instil the desired performance and conduct.

Barita is focused on cultivating its talent pool to support its growth. In particular, there is a focus on ensuring the development of resources to fill key current roles, should they become vacant, execute on strategic projects, and to fill roles that will emerge in the future. The people strategy is augmented by a continuous focus on cultivating a culture that makes excellence, innovation, and teamwork habitual, and is supported by various engagement activities and the design of the appraisal and compensation structure.

STRATEGIC RISK

Strategic risk refers to the possibility of Barita making strategic choices that are not sufficiently resilient to changes in the business and competitive environment, or that cause other material risk exposures that are not adequately identified or managed.

This risk also includes the failure of the governance and performance management environment to execute its strategy.

The Cornerstone Group and, by extension, Barita has a robust process for strategy formulation and execution. This includes processes surrounding the identification of opportunities in the context of the competitive environment, current and prospective market developments, and lifestyle trends. The strategy is approved by the Board of Directors, and ownership and accountability for strategy implementation is supported by communication of the strategy to all employees and the alignment of strategy to individual objectives through key performance indicators. The Project Management Office serves as a key enabler to our strategy formulation and execution. Strategy implementation is closely monitored and managed at the Barita and Cornerstone Executive levels, with quarterly updates provided to the Board. The Cornerstone Group has active and engaged Boards, which are available on a continuing basis to opine on key strategic decisions.

REPUTATIONAL RISK

Reputational risk is the risk that Barita does not recognize or appropriately manage reputational threats as perceived by members, providers, customers, employees, brokers, shareholders, and other key stakeholders, which may result in negative publicity and inhibit the Company's ability to perform and grow.

Barita manages its reputational risk through its code of conduct, governance practices, risk management programmes, and policies and procedures. Reputational risk, including the active management of Barita's desired reputation, is also a key consideration in the Strategy formulation process and in its day-to-day operation, particularly including its Investment Banking and Investment Advisory activities.

08. Human Resources

Over the past year, the Human Resource team was once again tasked with demonstrating our ability to adapt to evolving conditions and exercise foresight and good judgement. As Cornerstone experiences ongoing growth, acquiring and retaining talent remains one of our key priorities. Moreover, we are actively evolving as an enabler and driver aiming to elevate this capability to the next level. The Cornerstone Group Human Resources had a dynamic, efficient and people-focused financial year. During the FY 2022/23 several programmes were developed and executed with a specific emphasis on employee development, enhancing the employee experience and fostering a positive employee impact.

EMPLOYEE DEVELOPMENT & WORKFORCE DEVELOPMENT

Cornerstone University

The cornerstone of our success lies in the dedication and growth of our employees, and their continuous development remains a key focus for the organization. In partnership with One-on-One, Group Human Resources launched an internal education platform white labeled Cornerstone University. Currently hosting over 300 courses touching on topics from Business Communication to Programming Languages, Cornerstone University is accessible to all Barita employees. They can conveniently take courses at their leisure from the comfort of their homes or offices at their own pace. The introduction of our own learning management platform represents the fulfillment of a dream to ensure consistent access to learning and development programmes for staff at all levels.

Individual Development Plans

In 2023, Barita launched its Individual Development Plan (IDP) as an enhancement to its existing performance management framework. These personalized plans outline specific objectives/activities tailored to each employee's career development, essentially serving as a career roadmap for their professional growth. The IDP is aimed at assisting employees to enhance their knowledge and skills, improve competencies, and help them achieve personal and career goals both within and external to the organization.

Financial Modeler Programme

Having identified the need for analytical problem solvers and strong "on the ground" technical and business resources to support the ambitious growth plans of Barita and the group, the Financial Modeler Programme was conceptualized.

Six (6) candidates were selected from across the Group to participate in the first cohort for this programme. Their participation aimed at enhancing their proficiency in Business Knowledge, Coding and Problem-Solving Skills; these 6 team members underwent an immersive experience designed to expose them to activities that sharpen these desired skills.

The programme was structured around a specified key improvement opportunity aligned with each candidate's existing role, and analytical contributions across the Group. Through hands-on model development, the candidates gained valuable experience while receiving close supervision and guidance from Group Risk Management. Areas of exposure included Visual Basic programming in Microsoft Excel, Python development in Jupiter Notebook and data manipulation with SQL. The assignments were interconnected, providing candidates with additional insights through collaborative and joint learning sessions. As a result, the candidates now assist with process automation reviews across the Group, offering valuable recommendations for efficiency improvements. We look forward to continuing this successful programme in the coming years.

EMPLOYEE EXPERIENCE & DIGITIZATION

Cornerstone Connect

Strengthening a positive employee experience and, consequently, fostering a high level of engagement necessitates the continuous development and support of our employees and managers. Sustaining high levels of enthusiasm, energy, and motivation are essential for achieving greater job performance, creativity, productivity, and innovation. Leveraging SharePoint, Group Human Resources developed and launched an internal communications platform, which served as a centralized hub. This hub houses Group policies, provides access links to internal platforms including Cornerstone University and our Human Resource Information System, and offers up-to-date information on new hires, upcoming events and more. This transformative hub has reshaped the way our Company interacts, contributing to an improved overall employee experience.

TALENT MANAGEMENT

To further strengthen our position in the marketplace and uphold our mission of continuously challenging the status quo, it is important to have the right people on board; people who are skilled, focused, and looking to embrace responsibility. Even in times of uncertain market conditions, the prioritization of finding and retaining talent is paramount. To fulfill this need, we focused on onboarding key talent to drive growth and development within the Cornerstone Group, filling crucial roles such as Senior Manager, Internal Control, Assistant Vice President, Finance and the Chief Investment Strategist & CEO Real Estate and Alternative Investments.

In our ongoing efforts to enhance our position as an employer of choice in the competitive talent market, the Cornerstone Group has actively promoted existing employees to more senior roles, resulting in 36 internal promotions/movements in the financial year. Barita takes pride in facilitating our employees toward personal and professional development and self-actualization.

Group Human Resources continues to be a key driver in designing programmes that focus on the People Agenda. The year saw the expansion of progressive systems and programmes, aimed at building employee development and cultivating a positive impact and experience.

Our Team Leads

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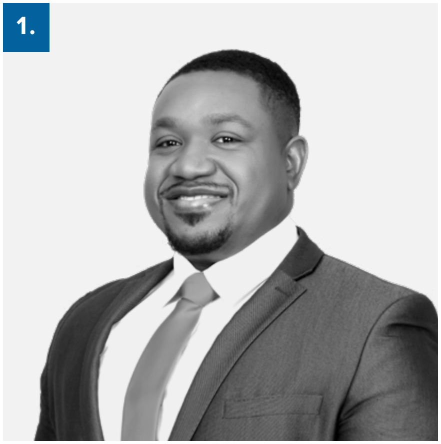

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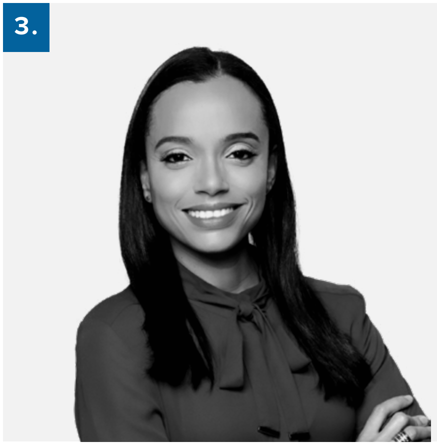

1 **RICHARDO WILLIAMS** MSc
AVP, Investment Research and Portfolio Advisory

2 **ADRIAN MCBEAN** FCA, FCCA, BSC
AVP, Finance

3 **PETITEEN WILLIAMS-CHEEKS** BA
AVP, Finance

Our Team Leads

1 **NOVIA MCKAY** MA, PMP
Head, Project Management Office

2 **CHRISTINE SURAGH** BSc
Senior Manager, Human Resources

3 **TANKETA CHANCE-WILSON** MSc
Executive Director, Barita Foundation

Our Team Leads

1 **PRECIOUS GARRICK** MBA
Assistant Vice President,
Fund Operations

2 **NIGEL SINCLAIR** MBA
Head, Asset Management

3 **SEAN TAYLOR** BSc
Head, Digital & Client Engagement

4 **LERONE PALMER** MSc
Senior Manager, Compliance

Our Team Leads

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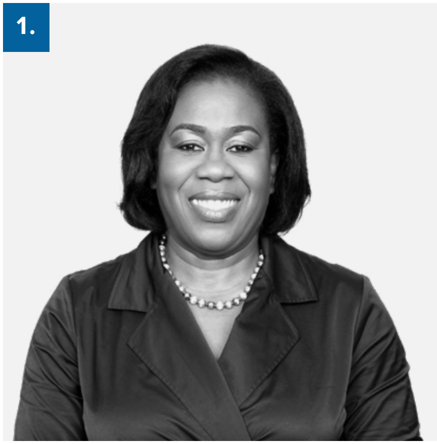

2.

3.

1 VANESSA WILLIAMS MBA
Branch Manager, Mandeville

2 FLOYD LEWIS BSc
Branch Manager, Montego Bay

3 MARK GILZEANE BA, CFP
Branch Manager, Retail Investments

09. Corporate Social Responsibility

In seeking to fulfill its mandate to meaningfully contribute to nation building, the Barita Foundation continues to forge partnerships with organizations across diverse sectors. Over sixty partnerships have been established with non-government organizations, charities, and educational institutions.

The 2023 scholarship application process started in May with a prominent feature in the Gleaner Scholarship Supplement. Scholarship opportunities were opened to students who sat the Primary Exit Profile exams, those sitting CSEC and CAPE exams, tertiary students, staff, and the premier Rita Humphries Lewin Scholarship dedicated to students pursuing degrees in Early Childhood Education. This is the second year the Barita Foundation worked at creating opportunities for young people to achieve their academic goals through this funding opportunity.

In the current year, the Barita Foundation disbursed forty-five (45) awards through its annual scholarship programme. The awards included thirty-four (34) scholarships and eleven (11) bursaries, providing financial support for tuition, examination fees and book vouchers, all valued at $6,975,000. The partnership with the Governor General's Programme of Excellence continued with two Summer of Service participants receiving scholarships for the 2023/24 academic year. This year's awardees were distinctively from a wide cross-section of parishes across Jamaica.

Once again, the Barita Foundation's flagship scholarship, established to honour the founder of Barita and the Barita Foundation, Mrs. Rita Humphries-Lewin, was granted to four persons pursuing degrees in early childhood education, guidance, and counselling, two of whom are repeat scholars. Approximately J$12.5 million dollars has been invested in support of our youth's education through scholarships and bursaries over the last two years. The scholars continue to be engaged in Barita Foundation-led activities and partnered events.

Financial Literacy presentations remain a consistent feature of the Barita Foundation's output. Eight presentations allowed the team to reach more than 1000 persons. Benefitting from the sessions were participants from early childhood institutions, Barita Foundation Scholars, students in a remedial programme in Trench Town, public relations professionals and two groups of entrepreneurs who participated in training workshops in partnership with the Planning Institute of Jamaica (PIOJ) and Social Development Commission (SDC).

Barita Foundation partnered with PALS Jamaica to host this year's Peace Day concert. This marked a pivotal point in PALS celebrations for 2023. The event was hosted at Calabar Primary School located in Downtown Kingston with approximately 1,200 students participating in the day's activities. The day featured performances by the children and invited guests as well as speeches by the Minister of Education, Youth & Information, and the Minister of National Security, encouraging attendees to practice resolving conflicts peacefully.

The Barita Foundation secured its first grant with USAID and FHI360 (an internationally based NGO) to implement "Making Ends Meet" (MEM). MEM was an entrepreneurship programme aimed at supporting local youth crime prevention efforts across three volatile and underserved communities in Kingston. Of the 36 youth who qualified, 22 completed the programme. The project participants hailed from Denham Town, Arnett Gardens, Olympic Gardens, Tivoli Gardens and Waterhouse.

The two-phased intervention started in August 2022 with participants who were assessed to be at medium to high risk of engaging in crime and violence, benefitting from social & parenting skills sessions. In phase two, participants received training in the areas of, entrepreneurship, cosmetology, and food preparation. This was done in partnership with Excelsior Community College and saw the

1-3 *Di Cawna Library*, located in Providence Heights, St. James is a new, sustainably constructed space made out of recycled refrigerators that serves Providence Heights, Norwood & Flankers. This location, the second installation of the library was conceptualized by "For the Fundamentals" and implemented in partnership with the Barita Foundation. The launch of the library was well attended by the community including, Deputy Prime Minister Horace Chang, Baywest Branch Manager, Floyd Lewis and the Barita Foundation team. 4. Hopeton Ridgard, Fairview Branch Manager, reading to a young learner of Providence Heights Infant School.

participants receiving certificates in their respective training areas upon completion. These certificates will enhance their employability and qualifications to pursue further training. They also benefitted from psychosocial, social skills and parenting training aimed at enhancing their parenting skills and coping mechanisms. The project closed in March 2023 with twenty-two beneficiaries successfully completing the intervention and being evaluated as having made positive changes at the end of the project, a 100% success rate. The beneficiaries have been empowered to start or grow their own businesses and some received funding support.

Since its launch in March 2023 in Providence Heights, St. James, ***Di Cawna Library***, a project partnership between "For the Fundamentals" and the Barita Foundation, approximately 25 children (19 boys, 6 girls, 9-15 years old) have been impacted positively, weekly.

The sustainably developed library was constructed using recycled refrigerators and stocked with over 1000 donated books and other learning supplies. The library serves as a safe space for residents of the Providence community, Norwood, and Flankers in Montego Bay. Children and adults borrow and read books while nurturing healthy relationships through several planned initiatives throughout the year. A collaborative effort between ***Di Cawna Library*** and Wilbert Stewart Early Childhood Development Centre saw the Cornerstone team participating in Read Across Jamaica Day activities.

In June 2023, the PIOJ, the Sustainable Development Centre (SDC) and the Barita Foundation entered a partnership where the Barita Foundation facilitated financial literacy workshops to the SDC's Local Economic Initiatives (LEIs) consisting of entrepreneurs from several parishes.

An evaluation of the impact of the workshop showed that participants knowledge of different financial topics improved by the end of the two-day session. Prior to the implementation of this workshop most persons had little knowledge about several of the topics being presented. Evaluations revealed that the participants were more informed about basic business practices and procedures. At the end of the workshops, they rated themselves as being either "knowledgeable" or "very knowledgeable", on matters relating to budgeting, business practices and procedures. Everyone indicated that the session would help them to make better financial decisions and explained what that meant in practice.

The commitment to early childhood education saw the Early Childhood Commission (ECC) making progress towards full certification of select early childhood institutions ECIs. The J$2 million donated was used to advance five (ECIs) journey towards certification. Though there were several external factors that led to delays in a re-inspection to confirm their progress, much improvement was made in advancing their journey towards certification. The schools benefitting from this initiative include Riverton Meadows, Lilliput SDA, DRB Grant, SL Blake Basic and Citizens Advice Bureau Basic Schools.

Other activities in support of early childhood development included the sponsorship of an early learners Spelling Bee competition, purchase of a multi-function printer for the ECC and awarding prizes for exemplary academic performance.

The MICO Care Centre also received Barita 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.

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. Donation alignment was almost evenly split between the Health and Well-Being (38%) and Education and Youth Development (32%) pillars.

Approximately $6 million in donations has been directed

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1. Samora Bain, Monitoring and Evaluation Officer, Barita Foundation presents cheque to Prospect Primary, winners of the most innovative school, alongside, Mr. Ainsley A. Henry, CEO & Conservator of Forests in the National Tree Planting Competition. 2. Samora Bain, Monitoring and Evaluation Officer, Barita Foundation, presents a certificate to the student representative of Prospect Primary. 3-4. As part of our mandate to support early childhood education, The Barita Foundation sponsored the Wilbert Stewart Basic School Spelling Bee Competition by providing trophies to their top spellers. 3. Omar Robinson, champion of the Wilbert Stewart Basic School Spelling Bee Competition. Young, Mr. Robinson, went on to represent the school in Optimist Club of Harbour View's Wee Bee Spelling Competition where he outspelled 10 other participating schools and emerged the champion.

towards events, ongoing programmes and activities, infrastructure, and other needs of beneficiary organizations, reflecting a commitment towards enhancing the good health and wellbeing in our communities. These contributions have supported initiatives like the Forestry Department's National School Tree Planting Competition accessible to Jamaican students ranging from early childhood to tertiary level. The Barita Foundation, a key contributor, donated awards such as the "Most Innovative" award in the Early Childhood Institution category ($100,000) and the "Outstanding Teacher" ($50,000) award in the same category as part of its commitment to fostering excellence and innovation in education.

The Barita Foundation contributed to the JSE's Inaugural Yuletide Telethon that mobilized $15 million for three social projects in suicide prevention, conflict resolution skills for students, and music entrepreneurship.

Supporting wider initiatives aimed at extending the Barita Foundation's reach led to a contribution to Project STAR (Social Transformation and Renewal), a collaborative effort initiated by the Private Sector Organisation of Jamaica (PSOJ) in conjunction with the Jamaica Constabulary Force (JCF). Project STAR is a comprehensive social and economic development initiative designed to collaborate with communities and facilitate societal transformation. Through targeted interventions in under-resourced areas of Jamaica, the project aims to address social challenges and foster positive change.

The project reports significant achievements across the Eastern Downtown Kingston and Savanna-La-Mar communities. Achievements include:

- residents being engaged in STAR programming, that includes a weekly sports programme, Community Transformation Boards, parenting groups and psychosocial support;
- residents trained through the employment and training component of the project;
- residents involved in different phases of the community planning process; and
- residents accessing social protection services.

Throughout the period, a number of activities promoting health and well-being were implemented. These initiatives included activities designed to raise public awareness about various health-related challenges such as, the Lupus Awareness Month in partnership with the Lupus Foundation of Jamaica and the ICWI Reach to Recovery 5k Walk/Run. Additionally, activities were undertaken to improve access to comfortable housing through participation in Food for the Poor's "Not just a home, A shelter with purpose" programme; and activities designed to improving nutrition, such as the Aston Preston Hall's student feeding programme.

In addition to directly engaging more than 100 team members in staff engagement activities, the Barita Foundation remained responsive to a significant number of outreach requests. During the Christmas holidays five organizations benefitted from funding allowing them to host Christmas treats and facilitate support via its annual Staff Wishing Tree Competition. Three organizations, the Rotary Club of LIFE (Cornwall), the Live to Give Foundation (Middlesex), and the National Parent-Teacher Association (Surrey) each received J$100,000 for activities scheduled to start in 2023.

The Barita Foundation continues to work on building a solid foundation for tomorrow's future. Having invested millions in education, youth development, entrepreneurship and health and well-being, the Barita Foundation continues to work in collaboration with its partners in its mission to ensure equitable access to essential tools for the development of the youth. Early work dedicated to incorporating Environment, Social and Governance considerations in the Barita Foundation's work, serve as a springboard for upcoming initiatives.

01

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1. Barita Investments team members and the Barita Foundation scholars pose with the head of Mustard Seed as they prepare to renovate the Mustard Seed's vegetable garden on Labour Day. 2-3. It was a family affair – both team members and their loved ones in Mandeville came out on Labour Day to renovate the Barita sponsored Kids Park. 4. Hopeton Ridgard, Branch Manager, Barita Investments Limited, Montego Bay, is assisted in carrying a bag of soil at the Mount Salem Primary & infant School Peace Garden

01

02

03

1. Graduates of the Barita Foundation "Making Ends Meet" Project. 2. Stephanie Murdock, Director, Barita Foundation, His Excellency, Sir Patrick Allen & Mrs. Tanketa Chance-Wilson, Executive Director, Barita Foundation at the Closing Ceremony of the "Making Ends Meet" Project. 3. Project beneficiaries of the Barita Foundation "Making Ends Meet" Project along with Barita Foundation Board Directors, Barita Investments Limited, Representatives and project funding partner Representatives from FHI60

1. Nisa Purcell received certification of participation from Miss Anna Leah Reid, Programme Manager, Barita Foundation. 2. Andrew Salmon, project beneficiary and owner of Salmon's Leather supplies shakes hands with His Excellency, Sir Patrick Allen at the Making Ends Meet Project Closing Ceremony hosted at Kings House. 3. MEM Project Participants learn practical skills in the kitchen as a component of the Making Ends Meet Project. 4-5. Entrepreneurs participate in a 3 days financial literacy training hosted by the PIOJ and presented by the Barita Foundation.

1. Lanisia Rhoden, President of YMOP/YWOP, Monique Sloley (Barita Investments Limited, Montego Bay), Tanketa Chance-Wilson, Executive Director, Barita Foundation & Samora Bain – Monitoring & Evaluation Officer present $100,000 cheque to members of the Rotary Club For Life, the Cornwall Country winners in the Staff Wishing Tree Competition. 2. Vanessa Williams, Barita Investments Limited, Branch Manager, Mandeville presents cheque to YMOP/YWOP for their Christmas project. 3. Ava Bigby-Edmond, vice president and Mr. Stewart Jacobs, president of the National Parent Teachers Association of Jamaica (NPTAJ) receive a cheque from Mrs. Tanketa Chance-Wilson, Executive Director, Barita Foundation in the Staff Wishing Tree Competition. 4. Samora Bain, Monitoring & Evaluation Officer and Tanketa Chance-Wilson, Executive Director of the Barita Foundation present Tanya Byndloss of Live to Give Foundation with a cheque in the Staff Wishing Tree Competition

10. Director's Report

The Directors present their Report and the Audited Financial Statements for the year ended September 30, 2023.

FINANCIAL RESULTS

Full details of our results are set out in pages 138-231. We however highlight the following:

PROFIT BEFORE INCOME TAX	**J$4.6 BILLION**
PROFIT AFTER TAX	**J$3.4 BILLION**

DIVIDEND

Dividends of J$2.48 per ordinary stock unit was paid on November 18, 2022.

RETIRING DIRECTORS

James Godfrey

Jason Chambers

Phillip Lee

COMPANY SECRETARY

The Company Secretary is Ms. Malindo Wallace

AUDITORS

Messrs. BDO have signified their willingness to continue in office as Auditors in accordance with the provisions of Section 154(2) of the Companies Act.

By order of the Board,

March 28th, 2024

Signed ______________________________

Malindo Wallace
Company Secretary

11. Audited Financial Statements

Table of Contents

INDEPENDENT AUDITORS' REPORT

To the Members of
Barita Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Barita Investments Limited and its subsidiary (the group) and the financial statements of Barita Investments Limited standing alone (the company) set out on pages 138 to 231 which comprise the group's and the company's statement of financial position as at 30 September 2023, and the group's and the company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at 30 September 2023, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Barita Investments Limited

Key Audit Matters (cont'd)

Key Audit Matters

Expected credit losses in relation to financial assets

See notes 3(f),4(b)(v) and 5(a) to the financial statements for management's related policies and disclosures.

The determination of expected credit losses ('ECL') on financial assets is highly subjective and requires management to make significant judgement and estimates involving the application of a forward looking ECL impairment model, which takes into account reasonable and supportable forward looking information and will result in the earlier recognition of impairment provisions. These estimates involve increased judgement as a result of the economic impact of COVID-19 on the group's financial assets. The most significant impact of the implementation of the impairment model is to the provisioning policy for the group's investment securities.

The group makes judgements regarding the recoverability of investment securities making certain assumptions and judgements in arriving at the provision for impairment. The group estimates ECL on debt securities using a transition matrix based on historical default rates for each rating grade apart from AAA. Debt securities were placed in categories based on the class and ratings and loss given default arrived at using the historical recovery rates based on government and corporate defaults.

How our audit addressed the Key Audit Matter

- The group's accounting policy as it relates to the impairment provisioning for debt securities was obtained and the reasonableness of the impairment provision assessed in relation to the requirements of the standard.

- We established an understanding of management's ECL model including source data, the effectiveness of the implementation and the mathematical accuracy of the model. We tested the reliability of the source data used in the design of the model by confirming a sample to the public historical data.

- We evaluated the appropriateness of management's assumptions and judgement in arriving at the loss given default percentage by assessing the factors used in establishing the weighting assigned by management. The main macro factors used were compared to external public information and calculations tested through re-computation.

- We determined whether the default risk percentage was accurately calculated and correctly applied to the relevant grade of each debt security.

- We assessed the adequacy of the disclosures of the key assumptions and judgements as well as the details of the transition adjustment for compliance with IFRS 9.

Based on the audit procedures performed, no adjustments to the financial statements were deemed necessary.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Barita Investments Limited

Key Audit Matters (Cont'd)

Valuation of investments classified at fair value

See notes 3(f),4(b)(v) and 15 to the financial statements for management's related policies and disclosures.

1.41% of the Group's investment securities measured at fair value are instruments for which quoted prices are not available and for which one or more of the significant inputs are not based on observable market data.

The valuation of these investments requires significant estimation. Management uses valuation techniques which involve unobservable inputs.

Investments for which observable market data was limited were classified as level 3 and valued at $1.57 billion for the Group and Company. These investments relate to investment in unquoted equities.

Management has determined the fair value of these investments using the income approach and the discounted cashflow method which involves the valuation of the underlying assets of a business based on historical and future projected cashflows.

How our audit addressed the Key Audit Matter

- We assessed the design and operating effectiveness of the Group's controls over the determination and computation of fair values.
- We assessed the reasonableness of significant assumptions used by management's expert.
- We involved our valuation specialists to assess the method used by management to determine fair value, whether it was appropriate based on the information available.
- We assessed the adequacy of the disclosures including the degree of estimation involved in determining fair value and sensitivities to changes in any key assumptions.

Based on the audit procedures performed no adjustments to the financial statements were deemed necessary.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparation of financial statements that give a true and fair view in accordance with IFRS and the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the group's and the company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Barita Investments Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and stand-alone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements do not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.

BDO

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Barita Investments Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Barita Investments Limited

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Balvin Vanriel.

BDO

Chartered Accountants

29 December 2023

BARITA INVESTMENTS LIMITED

Consolidated Statement of Comprehensive Income

Year Ended 30 September 2023

	Note	2023 $'000	2022 $'000
Net interest income	7	581,191	1,672,170
Fees and commission income		3,403,170	3,022,287
Dividend income		86,771	31,842
Foreign exchange trading and translation gains		604,319	791,514
Fair value and realized gains on investments	8	4,356,726	3,361,280
Other		61,971	72,640
Net operating revenue		9,094,148	8,951,733
Operating Expenses			
Staff costs	9	(1,735,769)	(1,710,201)
Administration costs		(2,873,530)	(2,091,226)
Impairment of financial assets		(325)	(3,985)
	10	(4,609,624)	(3,805,412)
Share of profit from associate	27	95,028	96,167
Profit Before Taxation		4,579,552	5,242,488
Taxation	11	(1,164,552)	(1,021,226)
PROFIT FOR THE YEAR	12	3,415,000	4,221,262
OTHER COMPREHENSIVE INCOME:			
Items that may subsequently be reclassified to profit or loss			
Unrealised losses on securities at FVOCI, net of taxes	11(c)	(3,559,278)	(6,633,616)
ECL adjustment on securities at FVOCI, net of taxes	11(c)	51,087	(108,044)
Unrealised gain on securities at FVOCI, net of taxes	11(c)	3,041,145	2,940,064
Fair value gain on property, plant and equipment, net of taxes	11(c)	27,333	26,582
Total other comprehensive income		(439,713)	(3,775,014)
TOTAL COMPREHENSIVE INCOME		2,975,287	446,248
BASIC EARNINGS PER SHARE	18	$2.85	$3.46

	Note	2023 $'000	2022 $'000
ASSETS			
Cash and bank balances	13	1,969,835	1,027,765
Securities purchased under resale agreements	14	564,013	2,608,878
Investment securities	15	22,331,633	24,285,629
Pledged assets	16	83,717,008	61,603,598
Receivables	17	2,866,597	3,101,644
Loans	19	11,127,097	10,606,593
Taxation recoverable		398,511	479,552
Due from related parties	20(b)	753,516	938,835
Property, plant and equipment	21	943,136	993,654
Intangible assets	22	21,501	14,777
Investment	23	55,000	55,000
Investment property	24	225,000	214,200
Right-of-use assets	25(a)	252,274	231,882
Investment in associate	27	2,281,723	2,186,695
Deferred tax assets	32	687,797	1,351,993
Total assets		128,194,641	109,700,695
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Bank overdraft	13	45,109	11,587
Secured investment notes	28	5,940,517	11,204,694
Securities sold under repurchase agreements	29	76,546,630	59,653,515
Other debt facilities	30	8,300,997	-
Payables	31	1,466,664	3,271,454
Dividend payable	38	-	3,026,563
Due to related parties	20(b)	199,726	62,197
Lease liabilities	25(b)	308,395	287,207
Total liabilities		92,808,038	77,517,217
Stockholders' Equity:			
Share capital	33	32,814,050	32,389,351
Capital reserve	34	175,988	148,655
Fair value reserve	35	(4,535,805)	(4,068,759)
Stock option reserve	36	22,300	186,284
Capital redemption reserve	37	220,127	220,127
Retained earnings		6,689,943	3,307,820
Total stockholders' equity		35,386,603	32,183,478
Total liabilities and stockholders' equity		128,194,641	109,700,695

Approved for issue by the Board of Directors on 19 December 2023 and signed on its behalf by:

Mark Myers Chairman	Carl D. Domville Director

BARITA INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity

Year Ended 30 September 2023

	Share Capital $'000	Treasury Shares $'000	Capital Reserve $'000	Fair Value Reserve $'000	Stock Option Reserve $'000	Capital Redemption Reserve $'000	Retained Earnings $'000	Total $'000
BALANCE AT 30 SEPTEMBER 2021	34,668,224	(1,532,320)	122,073	(256,512)	86,800	220,127	2,937,924	36,246,316
TOTAL COMPREHENSIVE INCOME								
Profit for the year	-	-	-	-	-	-	4,221,262	4,221,262
Other comprehensive income	-	-	26,582	(3,801,596)	-	-	-	(3,775,014)
Unrealised gain transferred to retained earnings	-	-	-	(10,651)	-	-	10,651	-
	-	-	26,582	(3,812,247)	-	-	4,231,913	446,248
TRANSACTION WITH OWNERS								
Dividends paid (Note 38)	-	-	-	-	-	-	(792,332)	(792,332)
Dividends proposed (Note 38)	-	-	-	-	-	-	(3,026,563)	(3,026,563)
Treasury shares purchased (Note 33)	-	(994,852)	-	-	-	-	-	(994,852)
Treasury shares sold (Note 33)	-	248,299	-	-	-	-	-	248,299
Employee share trust provision (Note 36)	-	-	-	-	153,164	-	-	153,164
Employee share option exercised (Note 36)	-	-	-	-	(97,080)	-	(43,122)	(140,202)
Adjustment for deferred tax on equity	-	-	-	-	43,400	-	-	43,400
	-	(746,553)	-	-	99,484	-	(3,862,017)	(4,509,086)
BALANCE AT 30 SEPTEMBER 2022	34,668,224	(2,278,873)	148,655	(4,068,759)	186,284	220,127	3,307,820	32,183,478
TOTAL COMPREHENSIVE INCOME								
Profit for the year	-	-	-	-	-	-	3,415,000	3,415,000
Other comprehensive income	-	-	27,333	(467,046)	-	-	-	(439,713)
	-	-	27,333	(467,046)	-	-	3,415,000	2,975,287
TRANSACTION WITH OWNERS								
Adjustment to dividends paid	-	-	-	-	-	-	18,978	18,978
Treasury shares purchased (Note 33)	-	(159,863)	-	-	-	-	-	(159,863)
Treasury shares sold (Note 33)	-	584,562	-	-	-	-	-	584,562
Employee share trust provision (Note 36)	-	-	-	-	160,634	-	-	160,634
Employee share option exercised (Note 36)	-	-	-	-	(324,618)	-	(51,855)	(376,473)
	-	424,699	-	-	(163,984)	-	(32,877)	227,838
BALANCE AT 30 SEPTEMBER 2023	34,668,224	(1,854,174)	175,988	(4,535,805)	22,300	220,127	6,689,943	35,386,603

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		3,415,000	4,221,262
Items not affecting cash resources:			
Depreciation and amortisation	21,22	126,556	118,268
Effect of exchange gain on foreign balances		(516,869)	(741,759)
Fair value gain on investment property	24	(10,800)	(4,200)
Unrealised gain on investment FVTPL		(3,908,276)	(2,657,250)
Interest income		(6,177,018)	(4,336,758)
Interest expense		5,571,407	2,664,588
Effect of exchange rate on lease modified		(125)	-
Taxation expense	11	1,164,552	1,021,226
Lease liability interest expense	25	21,979	28,406
Right-of-use assets amortisation	25	44,730	40,478
Share of profit from associate		(95,028)	(96,167)
Share option expense	36	286,225	153,164
Adjustment to property, plant and equipment		4,036	-
		(73,631)	411,258
Changes in operating assets and liabilities:			
Securities purchased under resale agreements, net		2,044,865	6,813,030
Securities sold under repurchase agreements, net		16,211,618	13,706,544
Receivables		239,205	(2,019,930)
Loans receivables, net		(532,463)	(4,731,837)
Payables		(1,813,949)	377,607
Related companies		55,339	1,497,905
Secured investment notes		(5,840,965)	10,424,360
		10,290,019	26,478,937
Interest received		5,691,402	3,958,297
Interest paid		(5,002,423)	(2,312,847)
Lease payments		(65,847)	(53,903)
Tax paid		(198,118)	(1,923,378)
Cash provided by operating activities		10,715,033	26,147,106
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	21	(27,868)	(175,411)
Purchase of intangible assets	22	(17,929)	(6,691)
Proceeds from disposal of property, plant and equipment		-	123,640
Investment securities including pledged assets, net		(15,377,939)	(24,089,596)
Investment in associate	27	-	(37,105)
Cash used in investing activities		(15,423,736)	(24,185,163)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(3,026,563)	(4,080,624)
Treasury shares purchased		-	(746,553)
Treasury shares sold		377,049	-
Other debt facilities		8,259,844	-
Cash provided by/(used in) financing activities		5,610,330	(4,827,177)
Effect of exchange rate on cash and cash equivalents		6,921	73,721
Increase/(decrease) in net cash and equivalents		908,548	(2,791,513)
Cash and cash equivalents at beginning of year		1,016,178	3,807,691
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	1,924,726	1,016,178

BARITA INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 September 2023

	Note	2023 $'000	2022 $'000
Net interest income	7	512,800	1,646,869
Fees and commission income		2,870,571	2,409,963
Dividend income		86,771	31,760
Foreign exchange trading and translation gains		591,154	768,529
Fair value and realized gains on investments	8	4,265,657	3,316,262
Other		165,362	99,802
Net operating revenue		8,492,315	8,273,185
Operating Expenses			
Staff costs	9	(1,566,448)	(1,619,213)
Administration costs		(2,846,198)	(2,052,215)
Impairment of financial assets		(325)	(897)
	10	(4,412,971)	(3,672,325)
Share of profit from associate	27	95,028	96,167
Profit Before Taxation		4,174,372	4,697,027
Taxation	11	(979,648)	(831,557)
Profit For The Year	12	3,194,724	3,865,470
OTHER COMPREHENSIVE INCOME:			
Items that may subsequently be reclassified to profit or loss			
Unrealised losses on securities at FVOCI, net of taxes	11(c)	(3,489,405)	(6,632,438)
Unrealised gain on securities at FVOCI, net of taxes	11(c)	3,041,145	2,913,533
Fair value gain on property, plant and equipment, net of taxes	11(c)	47,927	26,582
ECL adjustment on securities at FVOCI, net of taxes	11(c)	27,333	(108,044)
Total other comprehensive income		(373,000)	(3,800,367)
TOTAL COMPREHENSIVE INCOME		2,821,724	65,103

	Note	2023 $'000	2022 $'000
ASSETS			
Cash and bank balances	13	1,894,849	892,334
Securities purchased under resale agreements	14	564,013	2,608,878
Investment securities	15	27,245,072	24,091,518
Pledged assets	16	83,717,008	61,603,598
Receivables	17	2,805,780	3,074,860
Loans	19	7,364,630	10,606,593
Tax recoverable		440,458	546,871
Due from related parties	20(b)	949,409	856,788
Property, plant and equipment	21	942,485	992,841
Intangible assets	22	21,501	14,777
Investment	23	55,000	55,000
Investment property	24	225,000	214,200
Right-of-use assets	25(a)	252,274	231,882
Investment in subsidiaries	26	3,433,720	1,862,624
Investment in associate	27	2,281,723	2,186,695
Deferred tax assets	32	697,249	1,383,988
Total assets		132,890,171	111,223,447
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Bank overdraft	13	45,109	11,587
Secured investment notes	28	10,386,809	11,852,768
Securities sold under repurchase agreements	29	76,546,630	59,803,525
Other debt facilities	30	8,283,628	-
Payables	31	1,392,582	3,202,612
Dividend payable	38	-	3,026,563
Due to related parties	20(b)	280,395	36,840
Lease liabilities	25(b)	308,395	287,207
Total liabilities		97,243,548	78,221,102
Stockholders' Equity:			
Share capital	33	34,668,224	34,668,224
Capital reserve	34	237,843	210,510
Fair value reserve	35	(4,498,284)	(4,097,951)
Stock option reserve	36	20,837	146,428
Capital redemption reserve	37	313,590	313,590
Retained earnings		4,904,413	1,761,544
Total stockholders' equity		35,646,623	33,002,345
Total liabilities and shareholders' equity		132,890,171	111,223,447

Approved for issue by the Board of Directors 19 December 2023 and signed on its behalf by:

Mark Myers — Chairman

Carl D. Domville — Director

BARITA INVESTMENTS LIMITED

Statement of Changes in Equity

Year Ended 30 September 2023

	Share Capital $'000	Capital Reserve $'000	Fair Value Reserve $'000	Stock Option Reserve $'000	Capital Redemption Reserve $'000	Retained Earnings $'000	Total $'000
BALANCE AT 30 SEPTEMBER 2021	34,668,224	183,928	(271,002)	86,800	313,590	1,758,091	36,739,631
TOTAL COMPREHENSIVE INCOME							
Profit for the year	-	-	-	-	-	3,865,470	3,865,470
Other comprehensive income	-	26,582	(3,826,949)	-	-	-	(3,800,367)
	-	26,582	(3,826,949)	-	-	3,865,470	65,103
TRANSACTION WITH OWNERS							
Dividends paid (Note 38)	-	-	-	-	-	(792,332)	(792,332)
Dividends proposed (Note 38)	-	-	-	-	-	(3,026,563)	(3,026,563)
Employee share trust provision (Note 36)	-	-	-	113,308	-	-	113,308
Employee share option exercised (Note 36)	-	-	-	(97,080)	-	(43,122)	(140,202)
Adjustment to deferred tax equity	-	-	-	43,400	-	-	43,400
	-	-	-	59,628	-	(3,862,017)	(3,802,389)
BALANCE AT 30 SEPTEMBER 2022	34,668,224	210,510	(4,097,951)	146,428	313,590	1,761,544	33,002,345
TOTAL COMPREHENSIVE INCOME							
Profit for the year	-	-	-	-	-	3,194,724	3,194,724
Other comprehensive income	-	27,333	(400,333)	-	-	-	(373,000)
	-	27,333	(400,333)	-	-	3,194,724	2,821,724
TRANSACTION WITH OWNERS							
Employee share trust provision (Note 36)	-	-	-	81,419	-	-	81,419
Employee share option exercised (Note 36)	-	-	-	(207,010)	-	(51,855)	(258,865)
	-	-	-	(125,591)	-	(51,855)	(177,446)
BALANCE AT 30 SEPTEMBER 2023	34,668,224	237,843	(4,498,284)	20,837	313,590	4,904,413	35,646,623

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		3,194,724	3,865,470
Items not affecting cash resources:			
Depreciation and amortisation	21,22	126,394	118,106
Effect of exchange gain on foreign balances		(497,480)	(719,332)
Unrealised gain on investment FVTPL		(3,908,276)	(2,657,250)
Interest income		(6,220,730)	(4,332,884)
Interest expense		5,682,995	2,686,015
Fair value gains on investment property	24	(10,800)	(4,200)
Effect of exchange rate on lease modified		(125)	-
Income tax expense	11	979,648	831,557
Lease liability interest expense	25	21,979	28,406
Right-of-use assets amortisation	25	44,730	40,478
Share of profit from associate		(95,028)	(96,167)
Share option expense	36	207,010	113,308
Adjustment to property, plant and equipment		4,036	-
		(470,923)	(126,493)
Changes in operating assets and liabilities:			
Securities purchased under resale agreements, net		2,044,865	6,813,030
Securities sold under repurchase agreements, net		16,211,618	13,706,543
Receivables		273,980	(2,013,017)
Loans receivables, net		3,229,232	(4,731,837)
Payables		(1,810,030)	362,660
Related companies, net		155,136	1,635,001
Secured investment notes		(1,411,907)	10,424,360
		18,221,971	26,070,247
Interest received		5,618,774	3,956,302
Interest paid		(5,086,230)	(2,312,847)
Lease payments		(65,847)	(53,903)
Tax paid		-	(1,770,846)
Cash provided by operating activities		18,688,668	25,888,953
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	21	(27,868)	(175,411)
Purchase of intangible assets	22	(17,929)	(6,691)
Proceeds from disposal of property, plant and equipment		-	123,640
Investment securities including pledged assets, net		(21,259,969)	(23,763,842)
Investment in associate	27	-	(37,105)
Investment in subsidiary	26	(1,627,156)	(746,553)
Cash used in investing activities		(22,932,922)	(24,605,962)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(3,026,563)	(4,080,624)
Other debt facilities		8,242,475	-
Cash provided by/(used in) financing activities		5,215,912	(4,080,624)
Effect of exchange rate on cash and cash equivalents		(2,665)	67,359
Increase/(decrease) in net cash and equivalents		968,993	(2,730,274)
Net cash and cash equivalents at beginning of year		880,747	3,611,021
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	1,849,740	880,747

1. **IDENTIFICATION, REGULATION AND LICENCE:**

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).

The company founded the Cornerstone Group Employee Trust, as a special purpose entity, by the contributing of 10,000,000 shares for the establishment of the Trust. The Trust acts as holding agent of shares within the company's Employee Stock Option Plan.

The principal activities of the company and its wholly owned subsidiary, Barita Unit Trusts Management Company Limited (BUTM), are securities brokerage, money market activities, cambio operations, investment banking and funds management.

The company acquired 20% of the shareholding of Derrimon Trading Company Limited (DTC). DTC is incorporated and registered in Jamaica. DTC is an associated company of Barita Investments Limited (see Note 27.)

"The Group" refers collectively to the company, its subsidiary and the employee trust.

2. **REPORTING CURRENCY:**

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates 'the functional currency'. These financial statements are presented in Jamaican dollars, which is considered the group's functional and presentation currency.

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, amounts have been reclassified to conform to current year presentation. Amounts are rounded to the nearest thousand unless otherwise stated.

(a) **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of fair value through other comprehensive income and fair value through profit or loss investment securities, and certain items of property, plant and equipment. They are also prepared in accordance with requirements of the Jamaican Companies Act.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

New, revised and amended standards and interpretations that became effective during the year

Certain new standards and interpretations of and amendments to existing standards have been published that became effective during the current financial year. The group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards, interpretations and amendments are relevant to its operations:

Amendments to IAS 1, 'Presentation of Financial Statements', (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.

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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year (cont'd)

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.

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 adoption of the above standards and interpretations did not have any impact on the group's financial statements.

New standards, amendments and interpretation not yet effective and not early adopted

Amendments in Non-Current Liabilities with Covenants (Amendments to IAS 1) (effective for accounting periods beginning on or after 1 January 2024). Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

Three proposals the IASB included in its November 2021 exposure draft were not finalised:

- the requirement that an entity has to present non-current liabilities with covenants separately in the statement of financial position;
- the requirement that an entity has to disclose whether and, if so, how it expected to comply with covenants after the reporting date; and
- the clarifications of some situations in which an entity would not have a right to defer settlement of a liability.

Amendments to IAS 12 (Effective for accounting periods beginning on or after 1 January 2023). The main change in *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)* is an exemption from the *initial recognition exemption* provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

(b) **Basis of consolidation**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The Group recognizes Cornerstone Group Employee Share Trust as a special purpose entity. The subsidiaries consolidated are Barita Unit Trusts Management Company Limited which is 100% owned and Cornerstone Group Employee Share Trust.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Basis of consolidation (cont'd)**

Acquisitions from third parties

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquirees either at fair value or at the non-controlling interests proportionate share of the acquirees' a net assets.

Acquisitions involving entities under common control

The predecessor method of accounting is used to account for acquisitions involving entities under common control, as such acquisitions are outside of the scope of IFRS 3. Under the predecessor method of accounting, the acquiring entity consolidates the results and net assets of the acquired entity either from the date of acquisition, or as if the acquisition had always taken place, and the current structure had always been in existence. In electing to utilize the latter option, the prior year's comparatives are restated.

In applying the predecessor method, the purchase consideration for the acquisition is eliminated against the book value of net assets acquired (adjusted for inconsistencies in accounting policies) with any resulting difference being dealt with as an adjustment to equity. There is no goodwill created, nor is there any negative goodwill recognized.

The group has elected to treat all such acquisitions as if the acquisition had taken place in previous years.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The accounting policies of the subsidiary and the employee share trust are consistent with those adopted by the group.

(c) **Investment in associates**

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% and the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognized the investee's share of profit or loss after the date of acquisition.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(c) **Investment in associates (cont'd)**

The group share of its associates post-acquisition profits or losses is recognized in the income statements. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize for losses unless it has incurred obligations or made payments on behalf of the associate.

The results of associates with financial reporting year-ends that are different from the group are determined by prorating the results for the audited period as well as the period covered by management accounts to ensure that a year's result is accounted for, as applicable.

(d) **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Operating segments are reported in a manner consistent with internal reporting to the group's chief operating decision maker.

(e) **Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the mid-point of the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are recognized in other comprehensive income.

(f) **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Financial instruments (cont'd)**

Financial assets

(i) **Classification**

The group classifies its financial assets in the following measurement categories:

- At fair value (either through OCI or through profit or loss); and
- At amortised cost

The classification is based on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or OCI.

The group will reclassify debt investments when and only when its business model for managing those assets changes.

(ii) **Recognition and derecognition**

Purchases and sales of financial assets are recognized on the date at which the group becomes a party to the contractual provisions of the instrument, i.e. the date they originated. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) **Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Financial instruments (cont'd)**

Financial assets (cont'd)

(iii) **Measurement (cont'd)**

Debt instruments (cont'd)

- Amortised cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gains or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movement in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- FVPL – Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in P&L previously classified as fair value through OCI following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the group's right to receive payment is established.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Financial instruments (cont'd)**

Financial assets (cont'd)

(iii) **Measurement (cont'd)**

Equity instruments (cont'd)

Changes in fair value of financial assets at FVPL are recognized in gains/(losses) in the profit or loss statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) **Impairment**

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities

The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: securities sold under repurchase agreements, bank overdraft, due to related company, lease liabilities, secured investment notes, other debt facilities, and trade payables.

(g) **Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(g) **Leases (cont'd)**

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

The right-of-use assets have been calculated at an amount equal to the initial value of the lease liability, adjusted for the following items:

i) Any lease payments made at or before the commencement date, less any lease incentives received;

ii) Any initial direct costs incurred by the group;

iii) An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

For short-term leases that have a lease term of 12 months or less and low-value assets, the group has elected to not recognize a lease obligation and right-of-use assets and instead will recognize a lease expense as permitted under IFRS 16.

The right-of-use assets will be depreciated using the straight-line method from the date of adoption to the earlier of the end of the useful life of the asset or end of the lease term as determined under IFRS 16.

Under IFRS 16, the right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of assets which replaced the previous requirement to recognize a provision for onerous lease contracts under IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(g) **Leases (cont'd)**

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(h) **Revenue recognition**

Interest income

Interest income and expense are recognized in profit or loss for all interest bearing instruments on an accrual basis using the effective interest rate method. Interest income includes coupons earned on fixed income investments and accrued discounts or premiums on treasury bills and other discounted instruments.

Fees and commission income

Fees and commission income are recognized on an accrual basis when the service has been provided. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction.

Dividend income

Dividends are recognized when the right to receive payments is established.

Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investments, is determined by comparing sale proceeds with the carrying amount of the investment. The amount is recognized in profit or loss for the year.

When investment securities are disposed of the related accumulated unrealised gains or losses included in the fair value reserve are recognized by recycling those gains or losses through other comprehensive income.

(i) **Current and deferred income taxes**

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(i) **Current and deferred income taxes (cont'd)**

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

(j) **Property, plant and equipment**

Items of property, plant and equipment are initially recorded at historical or deemed cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the capital reserve except to the extent that any decrease in value in excess of the credit balance on the capital reserve, or reversal of such a transaction, is recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(j) **Property, plant and equipment (cont'd)**

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Leasehold improvements	Life of lease
Office furniture, machines and equipment	10 years
Computer equipment	2 - 10 years
Motor vehicles	3 -5 years

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

(k) **Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of receivables is determined using the simplified approach based on the requirements of IFRS 9.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(l) **Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralized financing transactions.

The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the repurchase agreements using the effective yield method.

Securities purchased under agreements to resell and sold under agreements to repurchase are carried on the statement of financial position at amortised cost.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(m) **Secured investment notes**

Loan note payable are recognized initially at the proceeds received net of transaction costs incurred. Secured investment loan notes are subsequently measured at amortised cost.

(n) **Other debt facilities**

Other debt facilities are recognized initially at cost, being their issue proceeds, net of transaction cost incurred. Subsequently, other debt facilities are stated at amortised cost and any difference between net proceeds and redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the debt using the effective yield method.

(o) **Payables**

Payables are initially recognized at fair value and are subsequently measured at amortised cost.

(p) **Fiduciary activities**

The group commonly acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts and other institutions. These assets and income arising thereon are excluded from these financial statements as they are not assets of the group.

(q) **Employee benefits**

Defined contribution plans

The group maintains a pension plan for its eligible employees and agents. The pension plan is a defined contribution plan, the assets of which are held in a separate trustee administered fund. The plan is generally funded by basic employee contributions of 5% of pensionable salary and voluntary contributions up to a maximum of an additional 5%. This is matched by the group, once the group's contributions have been paid the group has no further payment obligations. The group contributions to the plan are charged to profit or loss in the year to which they relate.

Other

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(q) **Employee benefits (cont'd)**

Share based compensation benefits

The group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense, with corresponding increase in equity, over the period in which the employee becomes vested to the group. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At the end of each reporting period, the group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the statement of profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

(r) **Intangible assets**

Intangible assets, which represents computer software, are deemed to have a finite useful life of three years and are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

(s) **Related party balances and transactions**

Parties are considered to be related if directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries) has significant influence over the entity or has joint control over the entity. Related party balance and transactions are disclosed for the following:

(i) Enterprises and individuals owning, directly or indirectly, a significant interest in voting power of the group and /or having significant influence over the Group's affairs and close members of the family of these individuals.

(ii) Key management personnel, that is those persons having authority and responsibility for planning directing and controlling the activities of the group, including directors, officers and close members of the families of these individuals.

(t) **Impairment of non-current assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(u) **Investment property**

Investment property, comprising principally land and building, is held for rental yields and capital appreciation and is treated as long term investments. It is measured initially at cost, including related transaction costs and subsequently measured at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value reflects, on a similar basis, expected cash outflows in respect of the property. Fair value is determined every year by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in profit or loss.

(v) **Loans receivable and provision for credit losses**

The group recognizes loss allowances for expected credit losses (ECL) on financial instruments that are not measured at fair value. Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money or services directly to a debtor with no intention of trading the receivable. Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

An allowance for loan impairment is established based on lifetime ECL which is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 1 financial instruments'. If significant increase in credit risk since initial recognition is identified, the financial instruments is moved to 'Stage 2' but is not yet deemed to be credit impaired. If the financial instrument is credit impaired, it is then moved to 'Stage 3'.

The amount of the provision is derived based on model which takes account of, among other factors, the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan and probability of default.

A loan is classified as impaired when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases, and interest is taken into account on a cash basis.

Write offs are made when the group determines that there is no realistic prospect of recovery. Write offs are charged against previously established provisions for credit losses. Recoveries in part or in full of amounts previously written off are credited to provision for credit losses in the statement of profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(w) **Dividend distribution**

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:**

Judgement and estimates are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) **Critical judgement in applying the Group's accounting policies**

In the process of applying the group's accounting policies, management has made the following judgement that could cause a significant impact on the amounts recognized in the financial statements.

Determination of whether the group acts as principal or agent in the management of various managed funds

IFRS 10, Consolidated Financial Statements, which was adopted by the group on 1 October 2016, resulted in the group assessing its relationship (to determine whether it acts as principal or agent) with various managed funds. These include a number of segregated pension funds, unit trusts and structured entities (collectively, the "managed funds"), managed either by the company or by BUTM.

In determining whether to consolidate managed funds, the Group considers its ability to direct the relevant activities of the entities. Ability to direct the relevant activities is generally evidenced through a unilateral right to liquidate the entities, investment in the securities issued by the entities that gives rise to control or where the Group holds specific subordinate securities that embody certain controlling rights. The Group may further consider relevant activities embedded within contractual arrangements such as call options which give the practical ability to direct the entities, special relationships between the entities and investors, and whether a single investor has a large exposure to variable returns of the entities.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(a) **Critical judgement in applying the Group's accounting policies (cont'd)**

Determination of whether the group acts as principal or agent in the management of various managed funds (cont'd)

Judgement is required in determining control over managed funds. The purpose and design of the entities are considered, along with a determination of what the relevant activities are of each entity and who directs them. Further judgements are made around which investor is exposed to and absorbs the variable returns of the entities. The Group weighs all of these facts in considering whether it is acting as a principal in its own right or as an agent on behalf of others. Judgement is further required in the ongoing assessment of control over managed funds, specifically if market conditions have an effect on the variable return exposure of different investors.

The group has therefore concluded that it acts in relation to the managed funds in the capacity of agent, with limitations on its scope of authority, ability to be terminated as fund manager and levels of direct interests and remuneration that are appropriate for the services provided and consistent with industry practices.

(b) **Key sources of estimation uncertainty**

The group makes certain estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts assets and liabilities within the next financial year are discussed below:

(i) **Fair value estimation**

A number of assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement of the group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are; the 'fair value hierarchy:

Level 1 Quoted prices in active markets for identical assets or liabilities. (unadjusted)

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(i) **Fair value estimation (cont'd)**

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair value of financial instruments traded in active markets, such as investments fair value either through OCI or through profit or loss, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the JSE.

The fair values of financial instruments that are not traded in an active market are deemed to be/determined as follows:

The carrying values less any impairment provision of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values due to the short term maturity of these instruments. These financial assets and liabilities are cash and cash equivalents, trade receivables, trade payables, related company balances and unquoted investments.

(ii) **Income taxes**

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes assets and liabilities for possible tax issues based on estimates of whether additional taxes will become recoverable or will become due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) **Expected maturity dates for financial assets and liabilities**

In disclosing its financial risk management, and considering its management of liquidity risk, the group discloses the expected maturity of its financial assets and financial liabilities. It is management's experience that the contractual maturity of these assets and liabilities differ from the liquidation of these assets and liabilities, which makes the disclosure of expected maturity more meaningful to the users of the financial statements. The actual liquidation of the assets and liabilities may differ from management's estimates.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(iv) **Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The group applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(v) **Measurement of the expected credit loss allowance**

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers and debt issuers defaulting and the resulting losses). Significant judgement is also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria indicating a significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

5. **FINANCIAL RISK MANAGEMENT:**

The group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on group's financial performance.

The group's risk management policies are designed to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign exchange risk
- Fair value or cash flow interest rate risk and
- Other market price

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board, through the Asset and Liability Management Committee, Treasury Department, Audit Committee and Risk Manager, manages and monitors risks as follows:

(i) **Assets and Liabilities Management Committee**

This committee is responsible for monitoring the profile of the group's assets and liabilities. This includes monitoring policies and procedures that are established to ensure that there is sufficient liquidity and that interest rate risk, currency risk and capital adequacy is also monitored.

(ii) **Treasury Department**

This department is responsible for monitoring the profile of the group's assets and liabilities. It is also primarily responsible for managing the funding and liquidity risks of the group. It manages these risks by monitoring the statement of financial position and ensuring that business strategies are consistent with liquidity requirements measuring the capital adequacy for regulatory and business requirements and monitoring the composition of the assets and liabilities of the group.

(iii) **Audit Committee**

The Audit Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in its oversight role by internal Audit, which is outsourced. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iv) **Risk Manager**

The Risk Manager inspects the group's operations by reviewing new ventures and projects, new lines of business, and new and existing products for risk exposure. The Risk Manager also ensures compliance with regulations and policies. Periodic reports are prepared by the Risk Manager and presented to senior management and the Board of Directors.

The most important types of financial risk faced by the group are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate risk.

(a) **Credit risk**

The group takes on exposure to credit risk, which is the risk that its clients or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations. Credit risk is a significant risk for the group business; management therefore carefully manages its exposure to credit risk. Credit exposure arises principally in lending and investment activities. The group structures the levels of credit risk it undertakes as documented below. The group's and the company's maximum exposure to credit risk equals the carrying amounts on the statements of financial position, for the financial assets which expose the group and company to credit risk.

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

The overall objective of the group is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility.

Concentration of credit risk

There is no significant concentration of credit risk in the loans issued by the group. In addition to assessment of earnings and cash flows, management obtains collateral in the form of hypothecated securities sold under repurchase agreement, or units held in any of the trusts managed by BUTM. The group seeks to ensure that the value of hypothecated securities exceeds the loan amount.

Exposure to credit risk is managed through regular analysis of the ability of the customers and other counter-parties to meet repayment obligations. These are monitored regularly to ensure payments are received in accordance with the agreed terms.

The group measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk and not a longer period, even if contract extension or renewal is common practice.

The gross carrying amount of financial assets below also represents the group's maximum exposure to credit risk on these assets.

The following tables contains an analysis of the credit risk exposure of financial instruments for which it was concluded that an ECL allowance is required. The gross carrying amount of financial assets below also represents the group's maximum exposure to credit risk on these assets and are due within five year.

Loss allowance

The loss allowance as at 30 September 2023 and 30 September 2022 was determined as follows for loan receivables:

	The Group					
	2023			2022		
	Gross Carrying Amount $,000	Loan allowance $'000	Expected loss rate %	Gross Carrying Amount $'000	Loan allowance $'000	Expected loss rate %
Within 1 to 3 months	1,954,601	1,907	0.10	498,750	8,472	1.70
3 to 12 months	1,095,382	18,819	1.72	2,828,746	83,498	2.95
1 to 5 years	8,308,712	210,872	2.54	7,526,067	155,000	2.06
	11,358,695	231,598		10,853,563	246,970	

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Concentration of credit risk (cont'd)

Loss allowance (cont'd)

	The Company					
	2023			2022		
	Gross Carrying Amount $,000	Loan allowance $'000	Expected loss rate %	Gross Carrying Amount $'000	Loan allowance $'000	Expected loss rate %
Within 1 to 3 months	1,670,763	664	0.04	498,750	8,472	1.70
3 to 12 months	315,569	8,960	2.84	2,828,746	83,498	2.95
1 to 5 years	5,561,229	173,307	3.12	7,526,067	155,000	2.06
	7,547,561	182,931		10,853,563	246,970	

Loss allowance on loan recognized in profit or loss during the year is summarised below:

	The Group			
	2023			
	Stage 1 12 months ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	11,356,745	-	-	11,356,745
Past due	-	-	-	-
Credit impaired	-	-	1,950	1,950
Gross carrying amount	11,356,745	-	1,950	11,358,695
Loss allowance	(229,648)	-	(1,950)	(231,598)
Carrying amount	11,127,097	-	-	11,127,097

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Concentration of credit risk (cont'd)

Loss allowance (cont'd)

	The Group			
	2022			
	Stage 1 12 months ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	10,851,769	-	-	10,851,769
Past due	-	-	-	-
Credit impaired	-	-	1,794	1,794
Gross carrying amount	10,851,769	-	1,794	10,853,563
Loss allowance	(245,176)	-	(1,794)	(246,970)
Carrying amount	10,606,593	-	-	10,606,593

	The Company			
	2023			
	Stage 1 12 months ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	7,545,611	-	-	7,545,611
Past due	-	-	-	-
Credit impaired	-	-	1,950	1,950
Gross carrying amount	7,545,611	-	1,950	7,547,561
Loss allowance	(180,981)	-	(1,950)	(182,931)
Carrying amount	7,364,630	-	-	7,364,630

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Concentration of credit risk (cont'd)

Loss allowance (cont'd)

	The Company			
	2022			
	Stage 1 12 months ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	10,851,769	-	-	10,851,769
Past due	-	-	-	-
Credit impaired	-	-	1,794	1,794
Gross carrying amount	10,851,769	-	1,794	10,853,563
Loss allowance	(245,176)	-	(1,794)	(246,970)
Carrying amount	10,606,593	-	-	10,606,593

Investment and cash

The group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and Government of Jamaica and Bank of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations. The concentration of credit risk associated with the group's investments portfolio is shown below, under the heading; **Debt Securities Concentration.**

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Concentration of credit risk (cont'd)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral are as follows:

(i) For loans receivables – investment securities and properties
(ii) For securities purchased under resale agreements – GOJ or BOJ investment securities

Management monitors the market value of collateral held and requests additional collateral in accordance with the underlying agreements when additional collateral is required.

Impairment

Significant increase in credit risk

- Qualitative assessment – credit ratings are associated with ranges of default probabilities based on historical information. Rating outlooks, which are inherently forward-looking, are used to determine the probability of default to be applied to a specific security within its respective range. Issuer-specific default risk estimates incorporate forward-looking information directly. In calculating the probability of default, the group uses credit ratings along with rating outlooks from recognized rating agencies, as well as issuer-specific default risk estimates where available and appropriate. The ratings and risk estimates are mapped to an internal credit risk grading model in order to standardize across different rating systems and to clearly demarcate significant increase in credit risk over time.

  A qualitative assessment is done at initial recognition and subsequently at each statement of financial position date and where it is determined that there is a significant increase in the probability of default the security is categorized as 'Stage 2' for the purpose of calculating the ECL. If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3'. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

- Quantitative assessment – Investment securities are considered to have experienced a significant increase in credit risk if it is more than 30 days past due on its contractual payments.

5. **FINANCIAL RISK MANGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Impairment (cont'd)

Expected credit loss measurement

IFRS 9 outlined a 'three stage' model for impairment based on changes in the credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1'.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

The group assesses on a forward-looking basis the ECL associated with debt investments. The ECL recognized by the group reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost at the reporting date. The ECL is the product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The PD presents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.

5. FINANCIAL RISK MANGEMENT (CONT'D):

(a) **Credit risk (cont'd)**

Impairment (cont'd)

Expected credit loss measurement (cont'd)

EAD is based on the amounts the group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

LGD represents the group's expectation of the extent of loss on a defaulted exposure. LGD is calculated on a 12 month or a lifetime basis, where 12 month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is a percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

All of the group's debt investments at amortised cost and FVOCI are considered to have low credit risk and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for bonds to be those with an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The loss allowance for debt investments at FVOCI is recognized in profit or loss and reduces the fair value loss otherwise recognized in OCI.

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Opening loss allowance as at 1 October 2022 calculated under IFRS 9	253,041	415,107	252,168	414,234
Increase/(decrease) in loss allowance recognized in the income statement during the year	11,400	(121,956)	71,890	(121,956)
Loss allowance utilized during the year	-	(40,110)	-	(40,110)
	264,441	253,041	324,058	252,168

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) **Credit risk (cont'd)**

Impairment (cont'd)

Debt securities concentration

The following table summarises the group's and company's credit exposure for debt securities at their carrying amounts, as categorized by issuer:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Government of Jamaica and Bank of Jamaica	33,204,905	31,606,275	33,533,208	31,606,275
Financial Institutions	7,235,274	6,140,267	7,235,274	6,140,267
Corporate and other bonds	43,950,588	35,886,512	49,034,438	35,817,640
	84,390,767	73,633,054	89,802,920	73,564,182
Accrued interest	1,366,325	913,660	1,512,591	911,745
	85,757,092	74,546,714	91,315,511	74,475,927

(b) **Liquidity risk**

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due and is also unable to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay investors and fulfil commitments to lend.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Treasury Department, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquated as protection against any unforeseen interruption to cash flow.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Liquidity risk (cont'd)**

Liquidity risk management process (cont'd)

(iii) Maintaining committed lines of credit
(iv) Optimising cash returns on investments
(v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements
(vi) Managing the concentration and profile of debt maturities

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the group and its exposure to changes in interest rates and exchange rates.

Financial assets and liabilities cash flows

The tables below present the undiscounted cash flows (both interest and principal cash flows) of the group's and company's financial liabilities based on contractual rights and obligations as well as expected maturity and also shows the undiscounted cash flows of the group's and company's financial assets based on expected maturity. The group and company expect that many customers will not request repayment on the earliest date the group and company could be required to pay.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Liquidity risk (cont'd)**

Financial assets and liabilities cash flows (cont'd)

	The Group					
	2023					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
Based on contractual maturity						
Bank overdraft	45,109	-	-	-	-	45,109
Due to related parties	199,726	-	-	-	-	199,726
Securities sold under repurchase agreements	23,215,277	21,933,059	33,046,964	-	-	78,195,300
Secured investment notes	2,352,515	1,983,968	611,022	1,102,077	-	6,049,582
Payables	1,466,664	-	-	-	-	1,466,664
Lease liabilities	6,923	13,847	53,847	234,777	39,477	348,871
Other debt facilities	4,207,598	-	-	5,093,798	-	9,301,396
Total financial liabilities	31,493,812	23,930,874	33,711,833	6,430,652	39,477	95,606,648
Based on expected maturity -						
Total financial liabilities	25,567,791	23,917,027	33,657,987	1,102,077	39,477	84,284,359
Total financial assets	5,588,784	6,024,385	9,972,782	57,080,048	60,769,024	139,435,023

	2022					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
Based on contractual maturity						
Bank overdraft	11,587	-	-	-	-	11,587
Due to related parties	62,197	-	-	-	-	62,197
Securities sold under repurchase agreements	18,436,072	20,653,039	21,345,678	119,526	-	60,554,315
Secured investment notes	2,815,804	8,444,796	-	-	-	11,260,600
Payables	6,298,017	-	-	-	-	6,298,017
Lease liabilities	5,147	10,294	46,323	247,043	-	308,807
Total financial liabilities	27,628,824	29,108,129	21,392,001	366,569	-	78,495,523
Based on expected maturity -						
Total financial liabilities	21,257,023	29,108,129	21,392,001	366,569	-	72,123,722
Total financial assets	5,975,315	1,990,674	14,588,179	26,253,881	61,401,911	110,209,960

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Liquidity risk (cont'd)**

Financial assets and liabilities cash flows (cont'd)

	The Company					
	2023					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
Based on contractual maturity						
Bank overdraft	45,109	-	-	-	-	45,109
Due to related parties	280,395	-	-	-	-	280,395
Securities sold under repurchase agreements	23,215,277	21,972,916	33,046,965	-	-	78,235,158
Secured investment notes	4,555,969	4,301,792	611,022	1,102,077	-	10,570,860
Payables	1,392,582	-	-	-	-	1,392,582
Lease liabilities	6,923	13,847	53,847	234,777	39,477	348,871
Other debt facilities	4,207,598	-	-	5,093,798	-	9,301,396
Total financial liabilities	33,703,853	26,288,555	33,711,834	6,430,652	39,477	100,174,371
Based on expected maturity -						
Total financial liabilities	27,771,246	26,274,708	33,657,987	1,102,077	39,477	88,845,495
Total financial assets	5,588,736	5,576,094	8,799,566	62,305,875	59,262,554	141,532,825

	2022					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
Based on contractual maturity						
Bank overdraft	11,587	-	-	-	-	11,587
Due to related parties	36,840	-	-	-	-	36,840
Securities sold under repurchase agreements	18,436,072	20,804,226	21,345,678	119,526	-	60,705,502
Secured investment notes	3,307,296	8,602,987	-	-	-	11,910,283
Payables	6,229,175	-	-	-	-	6,229,175
Lease liabilities	5,147	10,294	46,323	247,043	-	308,807
Total financial liabilities	28,026,117	29,417,507	21,392,001	366,569	-	79,202,194
Based on expected maturity -						
Total financial liabilities	21,748,515	29,417,507	21,392,001	366,569	-	72,924,592
Total financial assets	5,975,315	1,959,739	14,588,179	26,223,518	61,383,282	110,130,033

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Liquidity risk (cont'd)**

Financial assets and liabilities cash flows (cont'd)

Assets available to meet all of the liabilities include cash, securities purchased under resale agreements and marketable securities. The group and company are also able to meet unexpected net cash outflows by selling securities.

The carrying amount for securities sold under repurchase agreement due within twelve months equals $76,547,630,000 (2022 - $59,653,515,000) for the group and $76,547,630,000 (2022 - $59,803,525,000) for the company.

(c) **Market risk**

The group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arises from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk Manager in conjunction with the Treasury manager, who carries out extensive research and monitors the price movement of financial assets on local and international markets. Generally, the group has a low to medium risk profile and invests primarily in Government of Jamaica securities. Market risk exposures are measured using sensitivity analysis.

(i) **Currency risk**

The group incurs foreign currency risk on transactions that are denominated in a currency other than Jamaican dollar.

The group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The main currencies giving rise to this risk are the United States dollar, Canadian dollar and British pound. The group sets limits on the level of exposure by currency and in total for both overnight and intra-day positions which are monitored daily.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

	The Group					
	TTD J$'000	CAD J$'000	US$ J$'000	GBP J$'000	Jamaican J$'000	Total J$'000
	2023					
Financial Assets						
Cash and bank balances	108,658	4,578	442,991	407,024	1,006,584	1,969,835
Securities purchased under resale agreements	-	-	68,638	-	495,375	564,013
Marketable securities and pledged assets	286,721	1,359	36,328,385	412,562	69,019,614	106,048,641
Receivables	-	-	848,127	-	2,018,470	2,866,597
Loans receivables	-	-	-	-	11,127,097	11,127,097
Due from related parties	-	-	-	-	753,516	753,516
Total financial assets	395,379	5,937	37,688,141	819,586	84,420,656	123,329,699
Financial Liabilities						
Bank overdraft	-	-	1,956	34,161	8,992	45,109
Securities sold under repurchase agreement	-	-	22,233,936	-	54,312,694	76,546,630
Secured investment notes	-	-	944,118	1,165,744	3,830,655	5,940,517
Payables	-	-	292,021	-	1,174,643	1,466,664
Due to related parties	-	-	-	-	199,726	199,726
Lease liabilities	-	-	57,697	-	250,698	308,395
Other debt facilities	-	-	4,556,824	-	3,744,173	8,300,997
Total financial liabilities	-	-	28,086,552	1,199,905	63,521,581	92,808,038
Net financial position	395,379	5,937	9,601,589	(380,319)	20,899,075	30,521,661

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

		The Group				
		CAD J$'000	US$ J$'000	GBP J$'000	Jamaican J$'000	Total J$'000
				2022		
Financial Assets						
Cash and bank balances	98,445	3,768	618,703	7,280	299,569	1,027,765
Securities purchased under resale agreements	-	-	1,523,798	-	1,085,080	2,608,878
Marketable securities and pledged assets	332,801	1,239	33,673,924	1,073,637	50,807,626	85,889,227
Receivables	-	-	1,776,714	-	1,324,930	3,101,644
Loans receivables	-	-	-	-	10,606,593	10,606,593
Due from related parties	-	-	-	-	938,835	938,835
Total financial assets	431,246	5,007	37,593,139	1,080,917	65,062,633	104,172,942
Financial Liabilities						
Bank overdraft	-	-	-	-	11,587	11,587
Securities sold under repurchase agreement	-	-	22,926,663	-	36,726,852	59,653,515
Secured investment notes	-	-	3,168,682	1,032,253	7,003,759	11,204,694
Payables	-	-	935,653	-	5,362,364	6,298,017
Due to related parties	-	-	-	-	62,197	62,197
Lease liabilities	-	-	63,231	-	223,976	287,207
Total financial liabilities	-	-	27,094,229	1,032,253	49,390,735	77,517,217
Net financial position	431,246	5,007	10,498,910	48,664	15,671,898	26,655,725

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

	The Company					
	TTD J$'000	CAD J$'000	US$ J$'000	GBP J$'000	Jamaican J$'000	Total J$'000
	2023					
Financial Assets						
Cash and bank balances	108,658	4,578	364,611	407,024	1,009,978	1,894,849
Securities purchased under resale agreements	-	-	68,638	-	495,375	564,013
Marketable securities and pledged assets	286,721	1,359	35,549,098	412,562	74,712,340	110,962,080
Receivables	-	-	847,817	-	1,957,963	2,805,780
Loans receivables	-	-	-	-	7,364,630	7,364,630
Due from related parties	-	-	-	-	949,409	949,409
Total financial assets	395,379	5,937	36,830,164	819,586	86,489,695	124,540,761
Financial Liabilities						
Bank overdraft	-	-	1,956	34,161	8,992	45,109
Securities sold under repurchase agreement	-	-	22,233,936	-	54,312,694	76,546,630
Secured investment notes	-	-	944,118	1,165,744	8,276,947	10,386,809
Payables	-	-	291,767	-	1,100,815	1,392,582
Due to related parties	-	-	-	-	280,395	280,395
Lease liabilities	-	-	57,697	-	250,698	308,395
Other debt liabilities	-	-	4,556,824	-	3,726,804	8,283,628
Total financial liabilities	-	-	28,086,298	1,199,905	67,957,345	97,243,548
Net financial position	395,379	5,937	8,743,866	(380,319)	18,532,350	27,297,213

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

		The Company				
		CAD J$'000	US$ J$'000	GBP J$'000	Jamaican J$'000	Total J$'000
				2022		
Financial Assets						
Cash and bank balances	98,445	3,768	540,323	7,280	242,518	892,334
Securities purchased under resale agreements	-	-	1,523,798	-	1,085,080	2,608,878
Marketable securities and pledged assets	332,801	1,239	33,673,924	1,073,637	50,613,515	85,695,116
Receivables	-	-	1,776,714	-	1,298,146	3,074,860
Loans receivables	-	-	-	-	10,606,593	10,606,593
Due from related parties	-	-	-	-	856,788	856,788
Total financial assets	431,246	5,007	37,514,759	1,080,917	64,702,640	103,734,569
Financial Liabilities						
Bank overdraft	-	-	-	-	11,587	11,587
Securities sold under repurchase agreement	-	-	22,926,663	-	36,876,862	59,803,525
Secured investment notes	-	-	3,168,682	1,032,253	7,651,833	11,852,768
Payables	-	-	935,398	-	5,293,777	6,229,175
Due to related parties	-	-	-	-	36,840	36,840
Lease liabilities	-	-	63,231	-	223,976	287,207
Total financial liabilities	-	-	27,093,974	1,032,253	50,094,875	78,221,102
Net financial position	431,246	5,007	10,420,785	48,664	14,607,765	25,513,467

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

Foreign currency sensitivity

The following indicate the currencies to which the group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The changes in currency rates below represent management's assessment of reasonably possible changes in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 4% devaluation and 1% revaluation in the value of the Jamaican dollar (JMD) (2022 – 4% devaluation and 1% revaluation). The sensitivity analysis includes cash and bank balances, securities purchased under resale agreements, marketable securities and securities sold under repurchase agreements.

	The Group and Company					
Currency	% Change In Currency Rate 2023	Effect on Profit before Tax 2023 $'000	Effect on other components of Equity 2023 $'000	% Change in Currency Rate 2022	Effect on Profit before Tax 2022 $'000	Effect on Other components of Equity 2022 $'000
CAD (devaluation of JMD)	4	237	-	4	200	-
CAD (revaluation of JMD	1	59	-	(1)	(50)	-
USD (devaluation of JMD)	4	384,064	146,052	4	419,956	123,282
USD (revaluation of JMD)	1	(96,016)	(36,513)	(1)	(104,989)	(30,820)
GBP (devaluation of JMD)	4	(15,213)	-	4	1,947	-
GBP (revaluation of JMD)	1	3,803	-	(1)	(487)	-
TTD (devaluation of JMD)	4	15,815	-	4	17,250	-
TTD (revaluation of JMD)	1	3,953	-	(1)	(4,312)	-

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(ii) **Interest rate risk**

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's interest rate policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires the group to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate re-opening that may be unknown, which is monitored daily by the Treasury Department.

The following tables summarize the group's and company's exposure to interest rate risk. It includes financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

	The Group						
	2023						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	1,969,835	-	-	-	-	-	1,969,835
Securities purchased under resale agreements	512,600	51,413	-	-	-	-	564,013
Marketable securities and pledged assets	5,568,358	4,007,727	7,027,155	42,057,084	27,067,768	20,320,549	106,048,641
Receivables	-	-	-	-	-	2,866,597	2,866,597
Loan receivables	-	1,954,601	2,509,981	6,662,515	-	-	11,127,097
Due from related parties	-	-	-	-	-	753,516	753,516
Total financial assets	8,050,793	6,013,741	9,537,136	48,719,599	27,067,768	23,940,662	123,329,699
Financial Liabilities							
Bank overdraft	45,109	-	-	-	-	-	45,109
Securities sold under repurchase agreements	23,153,768	21,691,133	31,701,729	-	-	-	76,546,630
Secured investment notes	2,341,317	1,969,082	580,327	1,049,791	-	-	5,940,517
Payables	-	-	-	-	-	1,466,664	1,466,664
Due to related parties	-	-	-	-	-	199,726	199,726
Lease liabilities	4,868	9,827	42,076	204,748	46,876	-	308,395
Other debt facilities	4,207,598	-	-	4,093,399	-	-	8,300,997
Total financial liabilities	29,752,660	23,670,042	32,324,132	5,347,938	46,876	1,666,390	92,808,038
Total interest repricing gap	(21,701,867)	(17,656,301)	(22,786,996)	43,371,661	27,020,892	22,274,272	30,521,661
Cumulative gap	(21,701,867)	(39,358,168)	(62,145,164)	(18,773,503)	8,247,389	30,521,661	

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

	The Group 2022						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	1,027,765	-	-	-	-	-	1,027,765
Securities purchased under resale agreements	2,435,015	173,863	-	-	-	-	2,608,878
Marketable securities and pledged assets	3,532,291	1,806,098	14,385,715	20,130,868	32,082,861	13,951,394	85,889,227
Receivables	-	-	-	-	-	3,101,644	3,101,644
Loan receivables	10,606,593	-	-	-	-	-	10,606,593
Due from related parties	-	-	-	-	-	938,835	938,835
Total financial assets	17,601,664	1,979,961	14,385,715	20,130,868	32,082,861	17,991,873	104,172,942
Financial Liabilities							
Bank overdraft	11,587	-	-	-	-	-	11,587
Securities sold under repurchase agreements	18,393,121	20,458,128	20,688,605	113,661	-	-	59,653,515
Secured investment notes	2,812,992	8,391,702	-	-	-	-	11,204,694
Payables	-	-	-	-	-	6,298,017	6,298,017
Due to related parties	-	-	-	-	-	62,197	62,197
Lease liabilities	287,207	-	-	-	-	-	287,207
Total financial liabilities	21,504,907	28,849,830	20,688,605	113,661	-	6,360,214	77,517,217
Total interest repricing gap	(3,903,243)	(26,869,869)	(6,302,890)	20,017,207	32,082,861	11,631,659	26,655,725
Cumulative gap	(3,903,243)	(30,773,112)	(37,076,002)	(17,058,795)	15,024,066	26,655,725	

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

	The Company						
	2023						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	1,894,849	-	-	-	-	-	1,894,849
Securities purchased under resale agreements	512,600	51,413	-	-	-	-	564,013
Marketable securities and pledged assets	5,055,758	3,796,744	6,697,371	48,124,857	27,076,758	20,210,592	110,962,080
Receivables	-	-	-	-	-	2,805,780	2,805,780
Loan receivables	-	1,670,737	1,730,167	3,963,726	-	-	7,364,630
Due from related parties	-	-	-	-	-	949,409	949,409
Total financial assets	7,463,207	5,518,894	8,427,538	52,088,583	27,076,758	23,965,781	124,540,761
Financial Liabilities							
Bank overdraft	45,109	-	-	-	-	-	45,109
Securities sold under Repurchase agreements	23,153,768	21,730,569	31,662,293	-	-	-	76,546,630
Secured investment notes	4,535,125	4,264,403	580,327	1,006,954	-	-	10,386,809
Payables	-	-	-	-	-	1,392,582	1,392,582
Due to related parties	-	-	-	-	-	280,395	280,395
Lease liabilities	4,868	9,827	42,076	204,748	46,876	-	308,395
Other debt facilities	4,207,598	-	-	4,076,030	-	-	8,283,628
Total financial liabilities	31,946,468	26,004,799	32,284,696	5,287,732	46,876	1,672,977	97,243,548
Total interest repricing gap	(24,483,261)	(20,485,905)	(23,857,158)	46,800,851	27,029,882	22,292,804	27,297,213
Cumulative gap	(24,483,261)	(44,969,166)	(68,826,324)	(22,025,473)	5,004,409	27,297,213	

FINANCIAL RISK MANAGEMENT (CONT'D):

(c) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

	The Company						
	2022						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	892,334	-	-	-	-	-	892,334
Securities purchased under resale agreements	2,435,015	173,863	-	-	-	-	2,608,878
Marketable securities and pledged assets	3,532,291	1,775,486	14,385,715	20,105,108	32,068,450	13,828,066	85,695,116
Receivables	-	-	-	-	-	3,074,860	3,074,860
Loan receivables	10,606,593	-	-	-	-	-	10,606,593
Due from related parties	-	-	-	-	-	856,788	856,788
Total financial assets	17,466,233	1,949,349	14,385,715	20,105,108	32,068,450	17,759,714	103,734,569
Financial Liabilities							
Bank overdraft	11,587	-	-	-	-	-	11,587
Securities sold under Repurchase agreements	18,393,121	20,608,168	20,688,605	113,631	-	-	59,803,525
Secured investment notes	3,303,607	8,549,161	-	-	-	-	11,852,768
Payables	-	-	-	-	-	6,229,175	6,229,175
Due to related parties	-	-	-	-	-	36,840	36,840
Lease liabilities	287,207	-	-	-	-	-	287,207
Total financial liabilities	21,995,522	29,157,329	20,688,605	113,631	-	6,266,015	78,221,102
Total interest repricing gap	(4,529,289)	(27,207,980)	(6,302,890)	19,991,477	32,068,450	11,493,699	25,513,467
Cumulative gap	(4,529,289)	(31,737,269)	(38,040,159)	(18,048,682)	14,019,768	25,513,467	

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2023					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities						
-denominated in JA$	-	8.79	7.41	9.08	8.28	8.39
-denominated in US$	-	3.26	12.07	8.45	6.29	7.52
-denominated in GBP	-	-	-	3.05	-	3.05
Securities purchased under resale agreements						
-denominated in JA$	-	8.58	-	-	-	8.58
-denominated in US$	-	8.77	-	-	-	8.77
Securities sold under repurchase agreements						
-denominated in JA$	-	8.24	9.03	-	-	8.64
-denominated in US$	-	5.04	5.78	-	-	5.41
-denominated in GBP	-	-	-	-	-	-
Loan note						
-denominated in US$	-	3.46	5.25	-	-	4.36
-denominated in JA$	-	8.42	9.32	9.40	-	9.05
-denominated in GBP	-	3.80	-	-	-	3.80

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2022					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities						
-denominated in JA$	-	7.85	5.80	8.99	7.68	7.58
-denominated in US$	-	3.88	2.73	6.43	6.99	5.01
-denominated in GBP	-	-	-	3.10	-	3.10
Securities purchased under resale agreements						
-denominated in JA$	-	7.88	-	-	-	7.88
-denominated in US$	-	4.09	-	-	-	4.09
Securities sold under repurchase agreements						
-denominated in JA$	-	7.03	7.74	7.70	-	7.49
-denominated in US$	-	4.11	4.50	4.88	-	4.50
-denominated in GBP	-	-	-	-	-	-
Loan note						
-denominated in US$	-	6.28	-	-	-	6.28
-denominated in JA$	-	3.63	-	-	-	3.63
-denominated in GBP	-	0.25	-	-	-	0.25

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

Interest rate sensitivity

The following table indicates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant on the group's and company's profit or loss and shareholders' equity.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on profit before taxation based on the floating rate non-trading financial assets and financial liabilities. The sensitivity of shareholders' equity is calculated by revaluing fixed rate FVOCI and FVPL financial assets for the effects of the assumed changes in interest rates. The change in the interest rates will impact the financial assets and liabilities differently. Consequently, individual analyses were performed. The effect on profit before taxation and other components of equity below is the total of the individual sensitivities done for each of the assets and liabilities.

	Effect on Profit before Taxation 2023 $'000	Effect on Other Components of Equity 2023 $'000	Effect on Profit before Taxation 2022 $'000	Effect on Other Components of Equity 2022 $'000
	The Group			
Change in basis points				
+50/+25 (2022: +200/-50)	9,875	(24,502)	(42,911)	3,376
-50/-25 (2022: -200/-50)	(4,937)	12,251	42,911	(3,376)
	The Company			
Change in basis points				
+50/+25 (2022: +200/+50)	9,875	4,472	(42,911)	4,754
-50/-25 (2022: -200/-50)	(4,937)	(2,236)	42,911	(4,754)

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Market risk (cont'd)**

(iii) **Price risk**

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instruments or their issuers or factors affecting all instruments traded in the market. The group and the company are exposed to equity securities price risk because of certain equity and unit investments which they hold.

The table below summarizes the impact of increases/decreases on the group's and company's net other comprehensive income (before taxation) resulting from a reasonably possible change in market prices. The analysis is based on the assumption that the equity and unit trust prices had increased by 6% (2022 - +6%) and decreased by 3% (2022 – 6%).

	Effect on Other Comprehensive Income before Taxation 2023 $'000	Effect on Other Comprehensive Income before Taxation 2022 $'000
	The Group	
Changes in index		
+6% (2022: +6%)	1,178,560	731,271
-3% (2022: -6%)	(589,280)	(731,271)
	The Company	
Changes in index		
+6% (2022: +6%)	1,139,261	723,889
-3% (2022: -6%)	(569,931)	(723,889)

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Capital management**

The group's objectives when managing capital, which is a broader concept than the equity on the face of the statements of financial position, are:

(i) To comply with the capital requirements set by the regulators of the markets where the group provides returns for shareholders and benefits for other stakeholders.

(ii) To safeguard the group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the group's management employing techniques based on the guidelines developed by the FSC. The required information is filed with the FSC on a monthly basis.

The company and its subsidiary, BUTM are both regulated by the FSC.

The FSC requires each regulated entity to:

(i) Hold the minimum level of tier 1 capital as a percentage of total capital base.
(ii) Maintain a ratio of total regulatory capital to the risk-weighted assets.

The group's regulatory capital is managed by its Treasury Department and Risk Manager and is divided into two tiers:

(i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill, if any, is deducted in arriving at Tier 1 capital; and

(ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

Risk-weighted assets are measured by means of a hierarchy of five weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

As at the reporting date, the group was in compliance with all of the externally imposed capital requirements to which it is subject.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Fair values of financial instruments**

The following table presents the group's and company's financial assets that are measured at fair value. There are no liabilities that are measured at fair value at the year end and there were no transfers between levels during the year.

	The Group			
	2023			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment securities fair value through profit or loss				
Equity securities	5,731,106	10,409,896	619,088	16,760,090
Other funds and derivatives	-	-	953,688	953,688
Investment securities fair value through other comprehensive income				
Debt securities	-	78,003,760	-	78,003,760
Equity securities	1,928,886	-	1,203,524	3,132,410
	7,659,992	88,413,656	2,776,300	98,849,948

	2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment securities fair value through profit or loss				
Equity securities	4,543,220	3,627,724	-	8,170,944
Other funds and derivatives	-	-	934,861	934,861
Investment securities fair value through other comprehensive income				
Debt securities	-	65,838,423	-	65,838,423
Equity securities	3,082,039	-	1,754,038	4,836,077
	7,625,259	69,466,147	2,688,899	79,780,305

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Fair values of financial instruments (cont'd)**

	The Company 2023			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment securities fair value through profit or loss				
Equity securities	5,731,106	9,764,916	619,088	16,115,110
Other funds and derivatives	-	-	953,688	953,688
Investment securities fair value through other comprehensive income				
Debt securities	-	83,562,179	-	83,562,179
Equity securities	1,928,886	-	1,203,524	3,132,410
	7,659,992	93,327,095	2,776,300	103,763,387

	The Company 2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment securities fair value through profit or loss				
Equity securities	4,543,220	3,504,700	-	8,047,920
Other funds and derivatives	-	-	934,861	934,861
Investment securities fair value through other comprehensive income				
Debt securities	-	65,767,636	-	65,767,636
Equity securities	3,082,039	-	1,754,038	4,836,077
	7,625,259	69,272,336	2,688,899	79,586,494

The fair value of financial instruments that are traded in an active market for which there are no quoted market prices, is determined by using valuation techniques. When using valuation techniques, the group uses a variety of methods and makes assumptions that are based on market conditions existing at year end. The following methods and assumptions have been used.

(i) Investments securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values are estimated on the basis of pricing models or other recognized valuation techniques.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Fair values of financial instruments (cont'd)**

(ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. The assumption is applied to liquid assets and the short term elements of all other financial instruments.

(iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value.

(iv) The fair value of securities sold under agreements to repurchase is approximately their carrying amounts, due to short term maturity on these instruments.

(v) Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

6. **SEGMENT REPORTING:**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The group is organized and managed in business segments based on its business activities which are all located in Jamaica. The designated segments are as follows:

(a) Fixed income – this includes money market activities and securities broking
(b) Funds management – this includes the administration of a number of managed funds
(c) Other operations – this includes the operation of foreign exchange cambio, investment banking, stock broking and any other income.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax. The segment information provided to the Board of Directors for the reportable segments for the year is as follows:

6. SEGMENT REPORTING (CONT'D):

	The Group 2023			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	6,556,384	3,347,368	5,573,452	15,477,204
Inter-segment revenue	(397,739)	(86,600)	(108,406)	(592,745)
Total gross external revenue	6,158,645	3,260,768	5,465,046	14,884,459
Total expenses	(5,439,487)	-	(529,660)	(5,969,147)
Inter-segment expense	397,739	-	195,006	592,745
	(5,041,748)	-	(334,654)	(5,376,402)
Segment results	1,112,488	3,260,768	5,130,392	9,508,057
Unallocated expenses				(4,928,505)
Profit before tax				4,579,552
Taxation				(1,164,552)
Net profit				3,415,000
Segment assets	100,930,018	6,128,656	25,004,342	132,063,016
Inter-segment assets	-	(4,885,504)	(7,156,038)	(12,041,542)
Net-segment assets	100,930,018	1,243,152	17,848,304	120,021,474
Unallocated assets				8,173,167
Total assets				128,194,641
Segment liabilities	76,546,630	7,808,267	-	84,354,897
Inter- segment liabilities	-	(7,808,267)	-	(7,808,267)
Net segment liabilities	76,546,630	-	-	76,546,630
Unallocated liabilities				16,261,408
Total liabilities				92,808,038
Other segment items				
Depreciation (Note 21)	115,189	162	-	115,351
Amortisation (Note 22)	11,205	-	-	11,205

6. **SEGMENT REPORTING (CONT'D):**

	The Group			
	2022			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	4,311,761	2,746,575	4,728,864	11,787,200
Inter-segment revenue	(21,427)	(25,134)	-	(46,561)
Total gross external revenue	4,290,334	2,721,441	4,728,864	11,740,639
Total expenses	(2,686,015)	-	-	(2,686,015)
Inter-segment expense	22,636	-	-	22,636
	(2,663,379)	-	-	(2,663,379)
Segment results	1,626,955	2,721,441	4,728,864	9,077,260
Unallocated expenses				(3,834,772)
Profit before tax				5,242,488
Taxation				(1,021,226)
Net profit				4,221,262
Segment assets	88,303,994	4,281,470	12,773,111	105,358,575
Inter-segment assets	-	(3,889,426)	-	(3,889,426)
Net-segment assets	88,303,994	392,044	12,773,111	101,469,149
Unallocated assets				8,231,546
Total assets				109,700,695
Segment liabilities	59,803,525	2,269,758	-	62,073,283
Inter- segment liabilities	(150,010)	(2,175,559)	-	(2,325,569)
Net segment liabilities	59,653,515	94,199	-	59,747,714
Unallocated liabilities				17,769,503
Total liabilities				77,517,217
Other segment items				
Depreciation (Note 21)	106,714	162	-	106,876
Amortisation (Note 22)	11,392	-	-	11,392

Revenue between segments is recorded on the basis outlined in Note 3 (d). The accounting policies used to record income, assets and liabilities are consistent for all segments. There was no change in the method used to determine reportable segments when compared to the previous year.

6. **SEGMENT REPORTING (CONT'D):**

Profit from the reportable segments is reconciled to the group's profit before taxation as follows:

	The Group	
	2023 $'000	2022 $'000
Profit from reportable segments	9,508,057	9,077,260
Unallocated costs -		
Operating expenses	(4,928,505)	(3,834,772)
	4,579,552	5,242,488

Reportable segments assets are reconciled to the groups' total assets as follows:

	The Group	
	2023 $'000	2022 $'000
Segment assets from reportable segments	120,021,474	101,469,149
Unallocated assets -		
Cash and bank balances	1,969,835	892,334
Receivables	2,866,597	3,074,860
Due from related parties	753,516	856,788
Property, plant and equipment	943,136	992,841
Intangible assets	21,501	14,777
Investments	55,000	55,000
Investment property	225,000	214,200
Right-of-use assets	252,274	231,882
Taxation recoverable	398,511	546,871
Deferred tax assets	687,797	1,351,993
	128,194,641	109,700,695

Reportable segments liabilities are reconciled to the group's total liabilities as follows:

	The Group	
	2023 $'000	2022 $'000
Segment assets from reportable segments	76,546,630	59,747,714
Unallocated liabilities –		
Secured investment notes	5,940,517	11,204,694
Bank overdraft	45,109	11,587
Payables	1,466,664	6,229,175
Other debt facilities	8,300,997	-
Due to related parties	199,726	36,840
Lease liabilities	308,395	287,207
	92,808,038	77,517,217

7. NET INTEREST INCOME:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income, calculated using the effective interest				
At amortised cost				
Cash and cash equivalents	4,827	3,006	4,313	2,283
Loans and advances	753,724	703,819	569,404	703,819
Securities purchased through resale agreements	447,521	377,786	447,521	377,786
	1,206,072	1,084,611	1,021,238	1,083,888
At fair value through other comprehensive income:				
Investment securities	4,952,573	3,252,147	5,180,604	3,248,996
	6,158,645	4,336,758	6,201,842	4,332,884
Interest expense:				
At amortised cost:				
Secured investment notes	346,023	129,875	346,023	129,875
Securities sold through repurchased agreements	4,981,507	2,534,713	5,093,464	2,556,140
Other debt facilities	249,924	-	249,555	-
	5,577,454	2,664,588	5,689,042	2,686,015
Net interest income	581,191	1,672,170	512,800	1,646,869

8. FAIR VALUE GAINS ON INVESTMENTS:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Realized fair value gains	359,265	658,570	357,381	659,012
Unrealized fair value gains	3,997,461	2,702,710	3,908,276	2,657,250
	4,356,726	3,361,280	4,265,657	3,316,262

9. **STAFF COSTS:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Wages and salaries	1,101,463	1,120,685	1,042,561	1,079,552
Commissions	70,045	90,165	70,045	90,165
Statutory contributions	155,120	132,537	148,294	127,452
Pension costs	79,543	52,351	75,217	49,574
Other staff benefits	168,964	161,299	148,912	159,162
Stock option (Note 36(c))	160,634	153,164	81,419	113,308
	1,735,769	1,710,201	1,566,448	1,619,213

10. **EXPENSES BY NATURE:**

Total direct and administration expenses:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Advertising and promotion	174,962	252,794	166,340	243,976
Assets tax	185,480	134,601	184,320	134,601
Auditor's remuneration	19,257	12,000	13,436	8,500
Impairment of financial assets	49,047	3,985	325	897
Bank charges and interest	20,140	17,011	17,767	14,360
Depreciation and amortisation (Notes 21 and 22)	126,556	118,268	126,394	118,106
Directors' fees (Notes 20(c))	20,040	19,720	20,040	19,720
Donations	46,332	49,301	46,332	49,301
Expected credit losses	(52,638)	36,831	7,852	36,831
Insurance	41,094	30,373	41,094	30,373
Office expenses	41,629	47,538	39,804	47,202
Professional fees	402,838	254,326	400,148	253,885
Registration and license fees	80,524	65,741	74,797	60,872
Management fees	930,000	236,250	930,000	236,250
Repairs and maintenance	13,166	24,334	13,166	24,334
Software maintenance	306,016	330,104	306,016	330,104
Staff costs (Note 9)	1,735,769	1,710,201	1,566,448	1,619,213
Other expenses	114,367	129,409	108,479	118,035
Premises cost	109,950	136,988	106,485	130,128
Other property expenses	76,583	54,073	76,583	54,073
GCT expense	107,025	81,805	105,905	81,805
Telephone & internet charges	61,487	59,759	61,240	59,759
	4,609,624	3,805,412	4,412,971	3,672,325

11. **TAXATION EXPENSE:**

(a) Income tax is computed on the profit for the year, as adjusted for taxation purposes, and comprises income tax at 33 1/3%:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current year tax charge	172,746	454,541	-	278,123
Prior year under provision	106,409	45,580	106,409	44,332
Deferred income tax (Note 32)	885,397	521,105	873,239	509,102
Tax charge	1,164,552	1,021,226	979,648	831,557

(b) Reconciliation of applicable tax expense to effective tax charge.

The group's and company's taxation expense differ from the theoretical amount that would arise from the profit before tax using the applicable tax rate of the group and the company as follows:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Profit before taxation	4,579,552	5,242,488	4,174,372	4,697,027
Tax calculated at 33 1/3 %	1,526,517	1,747,496	1,391,457	1,565,676
Adjusted for the effects of:				
Income not subject to tax	(442,446)	(2,097,506)	(433,387)	(2,097,506)
Expenses not allowable for tax purpose	1,258,072	872,535	1,243,729	851,044
Other charges and allowances	(1,177,591)	498,701	(1,222,151)	512,343
Tax charge	1,164,552	1,021,226	979,648	831,557

11. **TAXATION EXPENSE (CONT'D):**

(c) The gains/(losses) recorded in other comprehensive income and related tax (charges)/credits are as follows:

	The Group					
	2023 $'000			2022 $'000		
	Before tax	**Taxation**	**After tax**	**Before tax**	**Taxation**	**After tax**
Revaluation gains on property, plant and equipment net of taxes	41,000	(13,667)	27,333	39,873	(13,291)	26,582
Unrealised losses on securities at FVOCI	(5,338,917)	1,779,639	(3,559,278)	(9,949,835)	3,316,219	(6,633,616)
ECL adjustment on securities at FVOCI	76,630	(25,543)	51,087	(162,066)	54,022	(108,044)
Unrealised gains on securities at FVOCI	4,561,718	(1,520,573)	3,041,145	4,406,080	(1,466,016)	2,940,064
	(659,569)	219,856	(439,713)	(5,665,948)	1,890,934	(3,775,014)

11. **TAXATION EXPENSE (CONT'D):**

(c) The gains/(losses) recorded in other comprehensive income and related tax (charges)/credits are as follows (cont'd):

	The Company					
	2023 $'000			2022 $'000		
	Before tax	**Taxation**	**After tax**	**Before tax**	**Taxation**	**After tax**
Revaluation gains on property, plant and equipment net of taxes	41,000	(13,667)	27,333	39,873	(13,291)	26,582
Unrealised losses on securities at FVOCI	(5,234,108)	1,744,703	(3,489,405)	(9,948,657)	3,316,219	(6,632,438)
ECL Adjustment on securities FVOCI	71,890	(23,963)	47,927	(162,066)	54,022	(108,044)
Unrealised gains on securities at FVOCI	4,561,718	(1,520,573)	3,041,145	4,370,300	(1,456,767)	2,913,533
	(559,500)	186,500	(373,000)	(5,700,550)	1,900,183	(3,800,367)

12. **NET PROFIT:**

The net profit of the group is reflected in the accounts of the company and its subsidiary as follows:

	2023 $'000	2022 $'000
Holding company	3,194,724	3,865,470
Subsidiary	220,276	355,792
	3,415,000	4,221,262

13. **CASH AND CASH EQUIVALENTS:**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand as follows:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash in hand	175	175	175	175
Cash at bank	1,969,660	1,027,590	1,894,674	892,159
	1,969,835	1,027,765	1,894,849	892,334
Bank overdraft	(45,109)	(11,587)	(45,109)	(11,587)
	1,924,726	1,016,178	1,849,740	880,747

Cash at bank comprises mainly amounts held in current accounts, which attract interest at 0.25% - 1%.

The group's overdraft facilities of $30,000,000 (2022 - $35,000,000) with First Caribbean International Bank Limited are secured by Government of Jamaica Investment Notes with a face value of $37,000,000 (2022 - $35,000,000). The weighted average effective interest rate on the overdraft facilities is 17.85% (2022 – 17.85%).

14. **SECURITIES PURCHASED UNDER RESALE AGREEMENTS:**

The group and company have entered into repurchase agreements collaterised by Government of Jamaica (GOJ) securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. Most of these agreements will mature within twelve months. Included in securities purchased under resale agreements is accrued interest for the group and company of $9,375,000 (2022 - $9,401,000).

15. INVESTMENT SECURITIES:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fair value through profit or loss -				
Quoted equities	6,362,565	4,551,660	6,362,565	4,551,660
Unit Trust and other funds	10,397,525	3,619,284	9,752,545	3,496,260
Other derivatives	953,688	934,861	953,688	934,861
	17,713,778	9,105,805	17,068,798	8,982,781
Fair value through other comprehensive income -				
Government of Jamaica (GOJ) bonds	33,533,208	31,638,017	33,533,208	31,638,017
Foreign Government Bonds	5,635,551	2,336,836	5,635,551	2,336,836
Corporate and other bonds	37,468,676	30,950,210	42,880,829	30,881,038
Quoted equities	1,928,886	3,082,039	1,928,886	3,082,039
Preference shares	1,203,524	1,754,038	1,203,524	1,754,038
	79,769,845	69,761,140	85,181,998	69,691,968
	97,483,623	78,866,945	102,250,796	78,674,749
Accured interest	1,366,325	913,660	1,512,591	911,745
	98,849,948	79,780,605	103,763,387	79,586,494
Amortised cost				
Securities purchased under resale agreements	7,189,318	6,099,414	7,189,318	6,099,414
Other investment securities	9,375	9,208	9,375	9,208
	7,198,693	6,108,622	7,198,693	6,108,622
	106,048,641	85,889,227	110,962,080	85,695,116
Less: Pledged assets (Note 16)	(83,717,008)	(61,603,598)	(83,717,008)	(61,603,598)
	22,331,633	24,285,629	27,245,072	24,091,518

16. **PLEDGED ASSETS:**

Assets of the group are pledged as collateral under repurchase agreement with customers and financial institutions. The group also has investment securities that are pledged as security in relation to overdraft and other facilities with the BOJ and other financial institutions.

	The Group and Company			
	Asset		Related Liability	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment securities (Note 15)				
Pledged with customers	66,445,458	45,634,319	59,295,846	44,101,400
Pledged with BOJ and other financial institutions	17,271,551	15,969,279	16,086,818	14,786,520
	83,717,008	61,603,598	75,382,664	58,887,920

17. **RECEIVABLES:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Receivable from clients	1,709,812	1,057,075	1,709,812	1,057,075
Prepaid expenses	113,425	102,104	110,821	99,948
Withholding tax	989,409	609,664	934,389	587,410
Other	53,951	1,332,801	50,758	1,330,427
	2,866,597	3,101,644	2,805,780	3,074,860

Receivables collectible within twelve months amounted to $1,859,417,000 (2022 - $1,155,996,000) for the group and $1,853,620,000 (2022 - $1,158,370,000) for the company.

18. **EARNINGS PER SHARE:**

Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 33).

18. **EARNINGS PER SHARE (CONT'D):**

	2023	2022
Net profit attributable to ordinary shareholders ($'000)	3,415,000	4,221,262
Weighted average number of ordinary shares in issue	1,198,064	1,220,388
Basic earnings per share ($ per share)	2.85	3.46

19. **LOANS RECEIVABLE:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans receivable	11,178,475	10,723,893	7,416,780	10,723,893
Interest receivable	180,220	129,670	130,781	129,670
	11,358,695	10,853,563	7,547,561	10,853,563
Expected credit losses	(231,598)	(246,970)	(182,931)	(246,970)
	11,127,097	10,606,593	7,364,630	10,606,593

Loans receivable comprise of secured and unsecured loans. Loans are secured against clients investment portfolio and property.

20. **RELATED PARTY TRANSACTIONS AND BALANCES:**

Related parties are identified below, as companies with which there are common directors and/or common shareholders, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including directors and officers and close members of the families of these individuals.

20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(a) **The following transactions were carried out with related parties during the year:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income on loans & investments				
Ultimate parent company	527,947	412,884	527,947	412,884
Other related entities	181,684	146,154	165,834	146,154
Directors and key management personnel	4,148	8,978	4,148	8,978
Subsidiaries	-	-	286,205	-
	713,779	568,016	984,134	568,016
Other income				
Ultimate parent company	8,625	72,392	8,625	72,392
Subsidiaries	-	-	306,406	1,200
Other related entities	31,094	20,581	31,094	20,581
	39,719	92,973	346,125	94,173
Interest expense on repurchase agreements/loans				
Ultimate parent company	466,610	179,376	466,610	179,376
Subsidiaries	-	-	137,168	22,043
Other related entities	274,127	163,479	274,127	163,479
Directors and key management personnel	8,600	5,948	8,600	5,948
	749,337	348,803	886,505	370,846

20. **RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):**

(b) **The balances at year end were as follows:**

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Asset Balances				
Loans - (included in loans receivable)				
Directors/Key Management Personal	45,599	615,105	45,599	615,105
Ultimate parent company	-	2,979,025	-	2,979,025
Other related entity	448,362	-	103,412	-
	493,961	3,594,130	149,011	3,594,130
Investments - (included in investment securities)				
Ultimate parent company	7,220,287	6,992,490	7,220,287	6,992,490
Other related entities	10,916,437	3,558,445	10,668,366	3,435,421
Subsidiaries	-	-	6,166,807	-
	18,136,724	10,550,935	24,055,460	10,427,911
Due from related parties -				
Ultimate parent company	241,994	694,577	241,994	694,577
Subsidiaries	-	-	299,687	41,500
Other related entities	511,522	244,258	407,728	120,711
	753,516	938,835	949,409	856,788
Liability Balances				
Repurchase agreements - (included in securities sold under repurchase agreements)				
Subsidiaries	-	-	39,436	150,041
Directors/Key Management Personnel	136,775	259,157	136,775	259,157
Other related entities	3,292,310	2,078,249	3,292,310	2,078,249
	3,429,085	2,337,406	3,468,521	2,487,447
Secured investment notes (included in secured investment note)				
Ultimate parent company	3,907,332	10,078,653	3,907,332	10,078,653
Subsidiaries	-	-	4,489,129	648,043
Directors/Key Management Personnel	-	-	-	-
Other related entities	1,804,144	1,107,697	1,804,144	1,107,697
	5,711,476	11,186,350	10,200,605	11,834,393
Due to related parties -				
Subsidiaries	-	-	105,843	4,205
Other related entities	82,057	62,197	56,882	32,635
Ultimate parent company	117,669	-	117,670	-
	199,726	62,197	280,395	36,840

All amounts recorded in receivables, payables and securities sold under repurchase agreements are due within twelve months.

20. **RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):**

(c) **Key management compensation**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Salaries	339,406	203,295	339,406	203,295
Statutory deductions	32,418	20,501	32,418	20,501
Pension	20,890	3,738	20,890	3,738
Commission	1,439	20,605	1,439	20,605
Shared based compensation	86,804	11,129	86,804	11,129
	480,957	259,268	480,957	259,268

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Staff costs – Directors and key management personnel				
Directors	33,386	11,129	33,386	11,129
Senior executives	447,571	276,039	447,571	276,039
Administration and other expenses				
Ultimate parent company	930,000	236,350	930,000	236,350
Subsidiaries	-	-	-	(3,426)
Directors' fees (Note 10)	20,040	19,720	20,040	19,720
	950,040	256,070	950,040	252,644

21. PROPERTY, PLANT AND EQUIPMENT:

	The Group					
	Land & Buildings $'000	Office Furniture, Machines & Equipment $'000	Computer Equipment $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Total $'000
				2023		
At Cost or Valuation -						
1 October 2021	412,953	203,123	144,488	400,501	64,721	1,225,786
Additions	-	50,951	10,957	85,713	27,790	175,411
Revaluation	39,874	-	-	-	-	39,874
Disposals	-	(12,638)	-	(111,002)	(13,325)	(136,965)
Adjustment	(71,827)	-	-	70,709	858	(260)
30 September 2022	381,000	241,436	155,445	445,921	80,044	1,303,846
Additions	-	1,131	5,191	7,651	13,895	27,868
Revaluation	41,000	-	-	-	-	41,000
Disposals	-	(239)	-	-	-	(239)
Adjustments	-	11,431	-	(15,373)	-	(3,942)
30 September 2023	422,000	253,759	160,636	438,199	93,939	1,368,533
Depreciation -						
1 October 2021	50,552	32,380	93,812	10,348	24,278	211,370
Charge for the year	6,525	21,086	30,497	36,132	12,636	106,876
Disposals	-	-	-	-	(7,794)	(7,794)
Adjustment	(14,260)	-	-	13,142	858	(260)
30 September 2022	42,817	53,466	124,309	59,622	29,978	310,192
Charge for the year	7,064	25,160	22,978	41,896	18,253	115,351
Disposal	-	(146)	-	-	-	(146)
30 September 2023	49,881	78,480	147,287	101,518	48,231	425,397
Net book value -						
30 September 2023	372,119	175,279	13,349	336,681	45,708	943,136
30 September 2022	338,183	187,970	31,136	386,299	50,066	993,654

21. **PROPERTY, PLANT AND EQUIPMENT (CONT'D):**

	The Company					
	Land & Buildings $'000	Office Furniture, Machines & Equipment $'000	Computer Equipment $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Total $'000
	2023					
At Cost or Valuation -						
1 October 2021	411,835	201,904	140,026	400,501	65,579	1,219,845
Additions	-	50,951	10,957	85,713	27,790	175,411
Revaluation	39,874	-	-	-	-	39,874
Disposal	-	(12,638)	-	(111,002)	(13,325)	(136,965)
Adjustment	(70,709)	-	-	70,709	-	-
30 September 2022	381,000	240,217	150,983	445,921	80,044	1,298,165
Additions	-	1,131	5,191	7,651	13,895	27,868
Revaluation	41,000	-	-	-	-	41,000
Disposals	-	(239)	-	-	-	(239)
Adjustment	-	11,431	-	(15,373)	-	(3,942)
30 September 2023	422,000	252,540	156,174	438,199	93,939	1,362,852
Depreciation -						
1 October 2021	49,434	32,096	89,390	10,348	25,136	206,404
Charge for the year	6,525	20,942	30,479	36,132	12,636	106,714
Disposal	-	-	-	-	(7,794)	(7,794)
Adjustment	(13,142)	-	-	13,142	-	-
30 September 2022	42,817	53,038	119,869	59,622	29,978	305,324
Charge for the year	7,064	25,016	22,960	41,896	18,253	115,189
Disposal	-	(146)	-	-	-	(146)
	49,881	77,908	142,829	101,518	48,231	420,367
Net book value -						
30 September 2023	372,119	174,632	13,345	336,681	45,708	942,485
30 September 2022	338,183	187,179	31,114	386,299	50,066	992,841

21. **PROPERTY, PLANT AND EQUIPMENT (CONT'D):**

The group's land and building were revalued as at 8 September 2023 by D C Tavares & Finson Realty Limited, professionally qualified property appraisers. The valuations were done on the basis of open market value.

The items of property, plant and equipment that subsequent to initial recognition are measured at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (that is prices) or indirectly (that is, derived from prices);

- Level 3 fair value measurements are those derived from inputs from the assets or liability that are not based on observation of market data (that is, unobservable inputs).

The items of property, plant and equipment of the group and the company shown at revalued amounts are included in Level 3. There were no transfers between levels for both years.

The historical cost of land and building is not available.

22. **INTANGIBLE ASSETS:**

	The Group and Company		
	Computer Software	Computer Software Work in progress	Total
At Cost or Valuation -			
1 October 2021	164,065	-	164,065
Additions	6,691	-	6,691
30 September 2022	170,756	-	170,756
Additions	7,503	10,426	17,929
30 September 2023	178,259	10,426	188,685
Amortisation -			
1 October 2021	144,587	-	144,587
Charge for the year	11,392	-	11,392
30 September 2022	155,979	-	155,979
Charge for the year	11,205	-	11,205
30 September 2023	167,184	-	167,184
Net book value -			
30 September 2023	11,075	10,426	21,501
30 September 2022	14,777	-	14,777

Software development costs were capitalized as it is expected that economic benefits attributable to the use of the software will flow to the group. The software is expected to replace the current investment management system used by the group.

Computer software work in progress represents cost incurred for the upgrade and migration of the telephone system from Avaya IP Office to Server Edition. As at year end this upgrade was not finalized.

23. **INVESTMENT:**

This investment is in respect of the company's seat on the stock exchange and is carried at fair value. The seat has an indefinite useful life and was tested for impairment. The impairment test was done by comparing the recoverable amount to the carrying value.

The recoverable amount is based on the market value. The market value is based on the last sale price for a seat on the stock exchange. This would be classified as level 2 in the fair value hierarchy.

The carrying amount would have been $2 if the asset was carried using the cost model.

24. **INVESTMENT PROPERTY:**

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
At beginning of year	214,200	210,000
Fair value adjustment	10,800	4,200
	225,000	214,200

The Group's investment property was revalued 17 July 2023 by independent valuators Thomas, Forbes & Associates Limited, a licenced real estate dealer. The valuations were done on the basis of open market value.

No rental income from the investment property was recognized in the consolidated statement of comprehensive income. Direct operating expenses including repairs and maintenance arising from investment property amounted to Nil.

The fair value of the Group's and company's investment property is categorized as Level 3 in the fair value hierarchy.

24. **INVESTMENT PROPERTY (CONT'D):**

The technique used to determined the fair value of investment property is as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach. This model takes into account: - The assumed intention to dispose of the property in an open market transaction. - The assumed sale would take place on the basis of a willing seller and willing buyer; - A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; - Values are expected to remain stable throughout that period of market exposure and disposal (hypothetical); and - The property will be freely exposed to the market.	- Judgment about whether the property can be sold, exchanged transferred, let mortgaged or used for any other economic activity, within its use class. - The strength of demand for the property, given its condition, location and range of potential uses. - The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: - The strength of the demand is greater/(less) than judged. - The potential rental income from the property is greater/(less) than judged.

25. **RIGHT-OF-USE ASSETS:**

(a) Right-of-use assets:

	The Group and Company
	$'000
1 October 2021	233,974
Additions	22,054
Lease modification	16,332
Current amortisation	(40,478)
30 September 2022	231,882
Additions	53,583
Lease modification	11,539
Current amortisation	(44,730)
30 September 2023	252,274

(b) Lease liability:

	The Group and Company
	$'000
1 October 2021	274,840
Additions	22,054
Lease modification	15,738
Interest expense on lease obligation	28,406
Lease payments	(53,831)
30 September 2022	287,207
Additions	53,583
Lease modification	11,473
Interest expense on lease obligations	21,979
Lease obligation	(65,847)
30 September 2023	308,395

The properties leased by the Group are the 1st, 7th, 8th and part of the 10th floor of the PanJam building located at 60 Knutsford Boulevard Kingston, St. Andrew, Lot #57 and Lot #3 Fairview Shopping Center Montego Bay, St James and Strata Lot #2 Manchester Shopping Centre, Mandeville, Manchester.

During the year, the company leased property located at Lot 16 West Trade Way, Portmore St. Catherine for the opening of an additional branch office.

26. INVESTMENT IN SUBSIDIARIES:

The balance represents the company's investments in subsidiaries. The balance at year end comprises:-

	The Company	
	2023 $'000	2022 $'000
Barita Unit Trusts Management Limited	2,085,700	85,700
Cornerstone Group Employee Share Trust	1,348,020	1,776,924
	3,433,720	1,862,624

On 28 September 2021, Barita Investments Limited established the Cornerstone Group Employee Share Trust in an effort to facilitate its Employee Share Option Plan. Shares held by the trust are treated as an investment in subsidiary within the company's financial statements. The assets and liabilities of the trust are consolidated in the Company's financial statements as if they were assets and liabilities of the Company. As at year end, the trust held no other assets other than the shares contributed by Barita Investments Limited.

In prior year, the company purchased an additional 10 million shares to be placed in the Cornerstone Group Employee Share Trust.

On 31 August 2023 via round robin, directors of the company approve an additional investment in subsidiary Barita Unit Trusts Management Limited of two billion dollars ($2,000,000,000). This investment is represented by exchange of a further one million paid up ordinary shares at a share price of $2.

27. INVESTMENT IN ASSOCIATE:

On 23 February 2021, Barita Investments Limited acquired a 20% shareholding in Derrimon Trading Company Limited amounting to a total of 906,950,275 units.

The principal activities of the company include the wholesale and bulk distribution of household and food items through the operation of a chain of outlets and supermarkets.

The results of the associate are determined by prorating the results for the audited year ended 31 December as well as the nine months period covered by management accounts as at 30 September to ensure that a year's result is accounted for.

The balance represents the company's investments in associates (note 3(c)). The balance at year end comprises:-

	2023 $'000	2022 $'000
Opening balance	2,186,695	2,053,423
Acquisition of shares during the year	-	37,105
Share of profit	95,028	96,167
	2,281,723	2,186,695

27. **INVESTMENT IN ASSOCIATE (CONT'D):**

The assets, liabilities, revenue and results of associate for the 12 month period ended 30 June are summarized as follows:-

	2023 $'000	2022 $'000
Current assets	8,815,656	6,171,424
Non-current assets	7,882,333	6,814,702
Current liabilities	(4,175,455)	(3,478,786)
Non-current liabilities	(5,949,333)	(3,459,109)
Revenue	18,710,372	17,736,748
Net Profit	508,135	510,156

The carrying values of investment in associate and the values indicated by prices quoted on the JSE ("JSE Indicative Value") as at 30 September 2023 are as follows:

	Number of Shares held	Carrying Value $'000	JSE Indicative Value $'000
Derrimon Trading Limited	918,510,927	2,281,723	1,855,392
		2,281,723	1,855,392

28. **SECURED INVESTMENT NOTES:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Secured loan notes	5,940,517	11,204,694	10,386,809	11,852,768

The secured loan notes represent short term loan obligations at interest rates between 3.8% - 9.4% and are repayable upon maturity. The maturity dates for the loans ranged from October 2023 to October 2024 (2022: October and November 2022).

29. **SECURITITES SOLD UNDER REPURCHASE AGREEMENTS:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Denominated in Jamaican Dollars	23,398,348	36,394,054	23,398,348	36,544,064
Denominated in United States Dollars	53,148,282	23,259,461	53,148,282	23,259,461
	76,546,630	59,653,515	76,546,630	59,803,525

Repurchase agreements are collateralized by certain securities and other instruments held by the group with a carrying value of $83,717,008,000 (2022: $61,603,598,000) (Note 14).

30. **OTHER DEBT FACILITIES:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
(a) Secured fixed rate bond	1,507,450	-	1,507,450	-
(b) Unsecured fixed rate bond	2,309,113	-	2,292,113	-
(c) Loan due to specialized institution	250,000	-	250,000	
(d) Margin loan facility	4,207,598	-	4,207,598	-
	8,274,161	-	8,257,161	-
Debt issuance cost	(14,686)	-	(14,686)	-
Interest payable	41,522	-	41,153	-
	8,300,997	-	8,283,628	-

(a) The secured bond of $1.507 billion was issued on 28 February 2023. Interest rate ranges from 9% to 10.75%. The bond was issued for:

(i) Growth and diversification,
(ii) Liquidity support,
(iii) investment banking underwriting,
(iv) foreign exchange management and
(v) acquisition of loan portfolio by subsidiary, Barita Unit Trust Management Company Limited which will be extended and administered by Barita Investments Limited.

30. **OTHER DEBT FACILITIES (CONT'D):**

The bond is secured with:

(i) secured bond issued by the company-

(a) Ordinary shares held by Barita Investments Limited in publicly listed companies.

(b) Jamaica Central Securities Depository (JCSD) pledge over the ordinary shares referred to above.

(b) The unsecured bond of $2.29 billion was issued in the following tranches:

(i) $798.6 million on 28 August 2023 at an interest rate of 11.25% for 2 years.

(ii) $346.5 million on 28 August 2023 at an interest rate of 8.25% for 2 years. This bond was issued in USD.

(iii) $1.14 billion on 28 August 2023 at an interest rate of 11.75% for 3 years.

(c) This loan is an on-lending facility issued by Development Bank of Jamaica on 24 May 2023 with an interest rate of 9.5%. This loan facility is repaid in quarterly installments and matures on 23 May 2028.

(d) This loan facility represents USD margin loan of $27.2 million obtain during the financial year and is subject to no specific terms of repayment.

31. **PAYABLES:**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Client funds	1,095,023	2,577,907	1,070,862	2,577,907
Statutory liabilities	34,774	37,524	33,252	36,596
Other	336,867	656,023	288,468	588,109
	1,466,664	3,271,454	1,392,582	3,202,612

32. **DEFERRED TAXATION:**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 33 1/3%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

32. **DEFERRED TAXATION (CONT'D):**

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	687,797	1,351,993	697,249	1,383,988

The movement in deferred tax assets and liabilities during the period is as follows:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net (assets)/liabilities at beginning of year	(1,351,993)	61,237	(1,383,988)	50,494
Charged to profit or loss (Note 11)	885,397	521,105	873,239	509,102
(Credited)/charged to other comprehensive income (Note 11)	(219,856)	(1,890,934)	(186,500)	(1,900,183)
Adjustment to deferred tax	(1,345)	(43,401)	-	(43,401)
Net assets at end of year	(687,797)	(1,351,993)	(697,249)	(1,383,988)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

	The Group					
Deferred tax liabilities	Accelerated depreciation $'000	Interest receivable $'000	Exchange gain $'000	Investment securities $'000	Lease liability $'000	Total $'000
1 October 2021	32,063	220,419	119,635	1,199,917	91,613	1,663,647
Charged to profit or loss	351	128,109	195,173	452,578	4,122	780,333
Credited to other comprehensive income	-	-	-	(872,244)	-	(872,244)
30 September 2022	32,414	348,528	314,808	780,251	95,735	1,571,736
Charged to profit or loss	(32,414)	214,751	(77,225)	1,489,974	(11,644)	1,583,442
Charged to other comprehensive income	-	-	-	32,169	-	32,169
30 September 2023	-	563,279	237,583	2,302,394	84,091	3,187,347

32. **DEFERRED TAXATION (CONT'D):**

	The Group						
Deferred tax assets	**Accelerated depreciation $'000**	**Stock option $'000**	**Accrued vacation $'000**	**Investment securities $'000**	**Interest payable $'000**	**Right of use $'000**	**Total $'000**
1 October 2021	-	43,400	14,441	1,372,355	94,223	77,991	1,602,410
(Credited)/charged to profit or loss	-	5,409	8,093	122,034	124,389	(697)	259,228
Charged to other comprehensive income	-	-	-	1,018,690	-	-	1,018,690
Adjustment for deferred tax on equity	-	-	-	43,401	-	-	43,401
30 September 2022	-	48,809	22,534	2,556,480	218,612	77,294	2,923,729
(Credited)/charged to profit or loss	61,698	(41,863)	(3,217)	493,282	198,922	25,504	734,326
Charged to other comprehensive income	-	-	-	217,089	-	-	217,089
30 September 2023	61,698	6,946	19,317	3,266,851	417,534	102,798	3,875,144

	The Company					
Deferred tax liabilities	**Accelerated depreciation $'000**	**Interest receivable $'000**	**Exchange gain $'000**	**Investment securities $'000**	**Lease liability $'000**	**Total $'000**
1 October 2021	61,874	217,192	117,494	1,170,274	91,613	1,658,447
Charged/(credited) to profit or loss	(5,524)	126,713	122,281	520,737	4,122	768,329
Credited to other comprehensive income	-	-	-	(887,035)	-	(887,035)
30 September 2022	56,350	343,905	239,775	803,976	95,735	1,539,741
Charged/(credited) to profit or loss	(56,350)	200,653	(73,957)	1,474,183	(11,644)	1,532,885
Charged to other comprehensive income	-	-	-	32,169	-	32,169
30 September 2023	-	544,558	165,818	2,310,328	84,091	3,104,795

32. **DEFERRED TAXATION (CONT’D):**

	The Company						
	Accelerated Depreciation	Stock option	Accrued vacation	Investment securities	Interest payable	Lease liability	Total
Deferred tax assets	$’000	$’000	$’000$’000	$’000	$’000	$’000	$’000
1 October 2021	-	43,400	14,441	1,377,898	94,223	77,991	1,607,953
(Credited)/charged to profit or loss	-	5,409	8,093	122,034	124,389	(697)	259,228
Charged to other comprehensive income	-	-	-	1,013,147	-	-	1,013,147
Adjustment for deferred tax on equity	-	-	-	43,401	-	-	43,401
30 September 2022	-	48,809	22,534	2,556,480	218,612	77,294	2,923,729
(Credit)/charged to profit or loss	42,085	(41,863)	(3,217)	438,215	198,922	25,504	659,646
Charged to other comprehensive income	-	-	-	218,669	-	-	218,669
30 September 2023	42,085	6,946	19,317	3,213,364	417,534	102,798	3,802,044

The amounts shown in the statement of financial position include the following to be settled or recovered after more than 12 months:

	The Group		The Company	
	2023 $’000	2022 $’000	2023 $’000	2022 $’000
Deferred tax liabilities	(3,187,347)	(1,571,736)	(3,104,795)	(1,539,741)
Deferred tax assets	3,875,144	2,923,729	3,802,044	2,923,729

33. SHARE CAPITAL AND TREASURY SHARES:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Authorised:				
Ordinary shares 14,000,000,000				
Preference 1,000,000,000				
Issued and fully paid				
Ordinary stock units				
1,220,388,243	33,668,224	33,668,224	33,668,224	33,668,224
Non-redeemable preference shares	1,000,000	1,000,000	1,000,000	1,000,000
Treasury shares				
20,552,306 (2022 – 24,536,566)	(1,854,174)	(2,278,873)	-	-
	32,814,050	32,389,351	34,668,224	34,668,224

Share capital and treasury shares

(a) On 3 August 2021, the Board of Directors passed a resolution for the issue of shares through an additional public offer thereby approving the issue up to 160,000,000 ordinary shares at a price of $80 per unit. The total shares issued under the additional public offer amounted to 134,785,150 units.

(b) Treasury shares represents ordinary shares held by Barita Unit Trusts Management Company Limited of 6,274,458 and Cornerstone Group Employee Trust (CGET) of 14,277,848 at year end.

(c) 100,000,000 preference shares at 4% per annum were issued at a price of $10.00 per share.

(i) The holders of these shares will not have the right to vote at any general meeting of the company.

(ii) In the event of any liquidation, dissolution or winding up of the issuer, the preference shareholders are entitled to receive settlement in preference to ordinary shareholders.

34. **CAPITAL RESERVE:**

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at beginning of the year	148,655	122,073	210,510	183,928
Revaluation gains on property, plant and equipment	27,333	26,582	27,333	26,582
	175,988	148,655	237,843	210,510

The consolidated revaluation reserve represents unrealized surplus on the revaluation of property, plant and equipment less consolidation adjustments to account for the acquisition of Barita Unit Trusts Management Company Limited in the Group financial statements.

35. **FAIR VALUE RESERVE:**

This represents the unrealized surplus or deficit on the revaluation of investment securities at FVOCI and stock exchange seat. The investments are not impaired and the recorded deficit is based on short term fluctuations in market prices.

36. **STOCK OPTION RESERVE:**

(a) Stock option description and movements:

On 24 January 2021, the company obtained approval from the Board of Directors through a resolution to establish the Employee Stock Ownership Plan for all eligible employees of the Cornerstone Group comprising 6 million ordinary shares. Under the terms of the plan eligible employees will be granted the right to participate by purchasing the company's shares at a discount. Further to this, approval from the Board of Directors was granted on 28 September 2021 for the commencement of the Cornerstone Group Employee Trust by contributing 10 million shares to be held in the trust in accordance with the Trust Deed and the Plan Rules.

In prior year, an additional 10,000,000 units of shares were purchased for the Cornerstone Group Employee Trust (CGET). Under the rules of the stock option plan, the following allocations were made:

36. **STOCK OPTION RESERVE (CONT'D):**

(a) Stock option description and movements (cont'd):

	The Group No. of shares		The Company No. of shares	
	2023 '000	2022 '000	2023 '000	2022 '000
At 1 October	4,752	3,226	3,446	3,226
Options granted during the year	350	2,979	250	1,610
At 30 September	5,102	6,205	3,696	4,836
Options granted	5,102	6,205	3,696	4,836
Exercised during the year	(3,847)	(1,453)	(2,557)	(1,390)
Balance at 30 September	1,255	4,752	1,139	3,446

The options granted are exercisable over a period of three years beginning upon vesting, at the end of which time unexercised options will expire. The total grant of each employee will be fully vested on the third anniversary of the grant date. The plan provides for equitable adjustment of the allocated number of shares by reason of stock splits, combinations or exchanges of shares, stock dividends and reclassifications or other similar corporate changes.

(b) Fair value of options granted:

The fair value of options granted determined using the Black-Scholes-Merton valuation model was $492,195,000 (2022 – $464,552,000) for the group and $366,689,000 (2022 – $346,944,000) for the company. The significant inputs into the model were the share price at the grant date, exercise price the risk free interest rate share price volatility factor expected dividends and the option life of four (4) years. It is expected that these options will be exercised within three (3) years.

	2023	2022
Share price	78.98	98.38
Exercise price	Nil	Nil/15.50
Risk free interest rate	5.88%	2.81%
Volatility factor	29.84%	60.45%
Expected dividend	0.00	3.29/3.46

36. **STOCK OPTION RESERVE (CONT'D):**

(c) Movement on share option reserve:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 October	186,284	130,200	146,428	130,200
Fair value of options recognised during the year	160,634	153,164	81,419	113,308
	346,918	283,364	227,847	243,508
Fair value of options exercised	(324,618)	(97,080)	(207,010)	(97,080)
At 30 September	22,300	186,284	20,837	146,428

37. **CAPITAL REDEMPTION RESERVE:**

This reserve arise on the redemption of preference shares during the 2014 financial year.

38. **DIVIDENDS:**

	2023	2022
	$'000	$'000
Distribution to ordinary stockholders:		
$2.48 per stock unit	-	3,026,563
$0.546 per stock unit	-	666,332
	-	3,692,895
Distribution to preference stockholder:		
12.6% per stock unit	-	126,000
	-	3,818,895

39. **MANAGED FUNDS:**

The group acts as agent and earns fees for managing clients' and investment funds on a non-recourse basis under management agreements. This includes unit trusts, pension scheme assets and structured entities. Except where the group holds units or provides financing, it has no legal or equitable interest in the securities underlying the investment of these managed funds. Accordingly, these securities are not consolidated in the statement of financial position.

39. **MANAGED FUNDS (CONT'D):**

As at 30 September 2023, the group's on and off-balance sheet financial assets under management amounted to $361,563,925,000 (2022: $337,267,808,000). The group's financial statements include net assets of $23,369,910,000 (2022: $11,017,226,000) relating to the managed funds.

12. Disclosure of Shareholdings

SHAREHOLDINGS OF THE 10 LARGEST ORDINARY SHAREHOLDERS AS AT SEPTEMBER 30, 2023

SHAREHOLDER	AMOUNT	PERCENTAGE OWNERSHIP
Cornerstone Financial Holdings Limited	917,296,174	75.1643%
First Citizens Investments 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	14,277,876	1.1699%
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	6,274,458	0.5141%
Karl P. Wright	6,217,218	0.5094%

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT SEPTEMBER 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	2,033,322	2,033,322	0

SHAREHOLDINGS OF SENIOR MANAGERS & CONNECTED PARTIES AS AT SEPTEMBER 30, 2023

SENIOR MANAGERS	TOTAL	DIRECT	CONNECTED PARTIES
Dane Brodber	356,322	356,322	0
Dave Dixon	0	0	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
Geoffery Romans	0	0	0
Terise Kettle	40,676	40,676	0
Sara Ying Henriques	0	0	0
Sancia Thompson	0	0	0
Stephanie Sterling	53,155	53,155	0
Ian Anderson	50,000	50,000	0
Dianne Clunie-Wallace	8,646	8,646	0

Corporate Data

BARITA INVESTMENTS LIMITED

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EXTERNAL AUDITOR

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Chartered Accountants
26 Beechwood Avenue
Kingston 5
Jamaica

REGISTRAR & TRANSFER AGENTS

Jamaica Central Securities Depository
40 Harbour Street
Kingston, Jamaica

PRINCIPAL BANKER

CIBC First Caribbean Limited
23 Knutsford Boulevard
Kingston 5
Jamaica

Proxy Form

BARITA INVESTMENTS LIMITED

I/We ____ of ____

being a member/members of Barita Investments Limited, hereby appoint _______________________________________

of__________________________________ with taxpayer registration number ____________________________________

or failing him/her _________________________________ of ____

with taxpayer registration number ____

as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, June 28th 2024 at 10:00 a.m. as a Virtual-only meeting and at any adjournment thereof.

Please indicate by inserting a cross in the appropriate square how you wish your votes to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting, at his/her discretion.

Resolutions	For	Against	Resolutions	For	Against
Resolution 1			4		
Resolution 2			5		
Resolution 3 (a)			6		
Resolution 3 (b)					
Resolution 3 (c)					

Signed ______________________________________ Dated the _____ date of __________________, 2024

Notes

1. This Form of Proxy must be received by the Secretary of the Company not less than 48 hours before the time appointed for the Meeting.
2. This Form of Proxy should bear stamp duty of $100. Adhesive stamps are to be cancelled by the person signing the proxy.
3. If the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

Cornerstone

5 YEARS OF GROWTH AND TRANSFORMATION