

DEHRING BUNTING & GOLDING LIMITED

GROUP RESULTS FOR THE TWELVE MONTH PERIOD ENDED

MARCH 31, 2003

The directors of Dehring Bunting & Golding Ltd. announce the following unaudited results for the twelve month period ended march 31, 2003:-

Summary of Balance Sheet

	UNAUDITED	AUDITED
	As at	As at
	<u>31-Mar-03</u>	<u>31-Mar-02</u>
	\$000's	\$000's
Cash Resources	195,378	159,813
Assets under Management, Loans & Other Receivables	20,507,049	15,773,179
Other assets	421,816	158,894
Total Assets (including assets held in Trust)	<u>21,124,243</u>	<u>16,091,886</u>
Securities sold under repurchase agreements	12,079,227	11,261,156
Funds Under Management	7,737,219	3,980,278
Other Liabilities	585,050	319,857
Stockholders' Equity	<u>722,747</u>	<u>530,595</u>
Total Liabilities and Stockholder's Equity	<u>21,124,243</u>	<u>16,091,886</u>
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Unaudited Financial Results

	For the Quarter Ending		For the Twelve Mths Ending	
	<u>31-Mar-03</u>	<u>31/03/02</u>	<u>31-Mar-03</u>	<u>31/03/02</u>
	\$000's	\$000's	\$000's	\$000's
Gross Operating Revenue	1,013,759	675,402	3,557,664	2,323,909
less Interest Expense	811,272	505,426	2,810,213	1,714,759
Operating Expenses	136,795	122,244	497,778	428,934
Net Profit/(Loss) After Tax	65,692	47,732	249,672	180,216
Earnings Per Share (Note 2)	\$0.54	\$0.39	\$2.04	\$1.48
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Notes:

1. The company and some of its subsidiaries manage funds, on a non-recourse basis, on behalf of investores. The group has not legal or equitable right or interest in these funds and accordingly they have been excluded from the financial statements. At March 31, 2003 these funds aggregated \$3,068,926 thousand (2002: \$2,798,308 thousand) for the group
2. The total number of shares used for the computation of the current period's earnings per share is 122,129,474. The comparable 2002 figure has been restated accordingly.
3. The total number of shares used for the compliance with the Institute of Chartered

Chairman's Statement

The Directors of Dehring Bunting & Golding Limited are pleased to report unaudited profits for the twelve month period ended March 31, 2003 of \$249.6 million, an increase of 39% over the corresponding period last year. This represents earnings per share of \$2.04 (\$1.48 - 2001 diluted and \$1.60 before effect of dilution) and a return on average equity of 40% . Net revenues increased by 23% to \$758 million and continued to be dominated by net interest income for the fiscal year, contributing 38.4% compared to the 31% contributed by securities trading. Foreign exchange trading gains accounted for 18% of net revenues up from only 12% a year earlier, while stock brokerage income provided 4% of net revenue in only three quarters of the full year's operation, compared to a projection of less than 1%.

Total funds under management (including Trust assets managed on behalf of clients) continued its upward trend, increasing by over 22.5% over the past year to stand at \$22.1 billion. On a similar note, shareholders equity rose by 36% to \$723 million at March 31, 2003.

DB&G has signed an agreement with Issa Financial Services Limited (IFSL), the owner of Issa Trust & Merchant Bank Limited (Issa Trust), to acquire the share capital of Issa Trust. The transaction is subject to regulatory approval from the Bank of Jamaica (BOJ) and Financial Services Commission (FSC). All requisite applications have been submitted and the company has received regulatory approval, subject to meeting certain conditions, which are being finalized with the authorities.

The quarter ending March 2003 was challenging. The ailing US economy and global uncertainty arising from the hostilities towards Iraq, impacted Jamaica primarily through lower tourism earnings and higher oil prices. The deteriorating current account balance combined with a substantial increase in the fiscal deficit led to Jamaican dollar devaluation as the local currency fell through the J\$56/US\$1 level. The Bank of Jamaica's response -- a sharp increase in interest rates on its open market instruments - has resulted in significant volatility in our financial markets. A sustained period of these high interest rates could negatively

impact the sector's earnings for the coming quarter. It would also reduce the credibility of the Government's plan to finance the budget. The revenue estimates, which have not been seen at the time of writing this statement, will largely determine how quickly stability returns to the local interest rate and foreign exchange markets. In our view, the government's medium term economic programme needs to focus on reducing the fiscal deficit as the primary macroeconomic target, rather than control of inflation that seems to dominate the current policy.

We will continue to navigate this turbulent environment on behalf of our stakeholders, by maintaining our flexible operating in order to adapt to the prevailing economic conditions.

Group Statement of Changes in Stockholder's Equity

	Share Capital	Share Premium	Statutory reserve fund	Retained Profits	Realised Capital reserves	Total
Balances at March 31, 2002	11,250	80,831	798	413,101	24,615	530,595
Additional Shares Issued	484	-	-	(484)	-	-
- Transfer	-	-	-	-	-	-
- Dividends	-	-	-	(57,520)	-	(57,520)
Net profit for the period	-	-	-	249,672	-	249,672
Balances at March 31, 2003	11,734	80,831	798	604,769	24,615	722,747

Group Statement of Cash Flows

	\$000's	\$000's
	31-Mar-03	31-Mar-02
Net Profit attributable to members	249,672	180,216
Depreciation	23,490	12,675
Goodwill written off	4,465	4,465
Loss on the sale of fixed asset	(578)	235
Items not affecting cash resources	(205,321)	(210,939)
Changes in non-cash working capital components	36,742	109,373
Due to Unit Trust Funds	(18,953)	5,848
Taxation Recoverable	(18,892)	(1,499)
Accounts Payable	74,247	101,726
Taxation Payable	340	3,298
Accounts Payable		
Net Cash (used)/provided by operating activities	81,093	78,650
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Cash flow (used in)/provided by investing activities	(7,376,343)	(4,513,896)
Loans and other receivables	(91,154)	425,217
Net investments in leases	8,551	4,019
Investments	(6,963,454)	(4,597,751)
Deferred Taxes	-	-
Securities purchased under resale agreements	-	-
Capital Management Fund	(516,712)	(233,297)
Interest in associated company	(37)	-

Additions to fixed assets	(46,813)	(57,639)
Proceeds from disposal of fixed assets	578	62
Acquisition of Minority Interest	-	(54,507)
Net cash used by investing activities	(7,609,041)	(4,459,389)
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Cash flow (used in)/provided by financing activities	7,330,815	4,426,763
Bank overdrafts	(15,577)	8,850
Customers' deposits	842	2,294
Customers' savings accounts	(2,686)	(353)
Securities sold under repurchase agreements	818,071	4,337,253
Promissory notes	6,070,973	(143,441)
Capital management fund obligations	516,712	233,298
Disposal of Minority Interest	-	-
Dividend Paid	(57,520)	(11,138)
Net cash used by financing activities	<u>7,330,815</u>	<u>4,426,763</u>
Net (decrease)/ increase in cash resources	35,565	(8,483)
Cash resources at beginning of the period	159,813	168,296
Cash resources at end of the period	<u>195,378</u>	<u>159,813</u>

Peter Bunting - Chairman

Garfield Sinclair - Director
