

JAMAICA MONEY MARKET BROKERS LIMITED

Financial results for the quarter ended

May 31, 2003

Commentary

The directors are pleased to present the unaudited results of Jamaica Money Market Brokers Limited (JMMB) Group for the three-month period ended May 31, 2003.

The profit after taxation attributable to shareholders is J\$187.7 million a decrease of J\$35.1 million or 15.7% over the corresponding period last year.

Net interest Income and Other Operating Revenue stood at J\$213.2 million as at May 31, 2003 an increase of J\$2.4 million or 1.2% over prior year. This modest increase is primarily due to a reduction in net interest margins because of the sudden and unexpected hikes in interest rates in the Jamaican economy. This adverse effect of higher interest rates on profits was however counterbalanced by the increased profitability of our overseas associated companies, the results of which are reflected in Other Income.

Total assets at May 31, 2003 stood at J\$53.3 billion an increase of J\$13.2 billion or 32.9% over last year's J\$40.1 billion; and Funds Under Management, currently at J\$56.5 billion has grown by 32.6% over last year's J\$42.6 billion.

Shareholders' equity increased by J\$660.3 million or 47.3% over last year to stand at J\$2.06 billion.

The adverse impact of the increase in interest rates in Jamaica is expected to continue into the second quarter of the year. The company however anticipates margins to normalize by the end of the second quarter. In addition, the overseas affiliate companies excellent performance is expected to continue and this augurs well for the Group's future profitability.

Notes to the interim financial statements

1. Gross operating revenue for the Group includes amounts generated from brokering, dealing in money market instruments, operating foreign exchange cambios, managing funds on behalf of clients, and stock broking.
 2. The calculation of earnings per share is arrived at by dividing profit after taxation by 1,463,386,752 stock units of 25 Jamaican cents each.
 3. These interim financial statements have been prepared in accordance with and comply with Jamaican Accounting Standards. The accounting policies followed are the same as those used in the financial statements for the year ended 28 February 2003.
 4. A dividend of 4.3 Jamaican cents per stock unit will be paid on July 24, 2003 to stockholders on record at June 30, 2003.
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Consolidated Balance Sheet

	<u>CONSOLIDATED</u>	
	Unaudited	Audited

	As at 31-May-03	As at 31-May-02	As at 28-Feb-03
	\$'000	\$'000	\$'000
ASSETS			
Cash and cash equivalents	1,661,524	995,518	1,588,541
Resale agreements and investments	48,305,890	37,178,411	45,599,156
Other receivables	2,677,288	1,671,814	2,154,638
Other assets	338,981	88,089	252,934
Fixed Assets	294,374	188,481	298,216
	<u>53,278,057</u>	<u>40,122,313</u>	<u>49,893,486</u>
LIABILITIES & SHAREHOLDERS' EQUITY			
Repurchase agreements	49,840,200	37,829,805	47,234,208
Other liabilities	1,317,850	839,072	727,014
Proposed Dividend	62,912	56,621	62,912
Shareholders' equity	<u>2,057,095</u>	<u>1,396,815</u>	<u>1,869,351</u>
	<u>53,278,057</u>	<u>40,122,313</u>	<u>49,893,486</u>

Consolidated Statement of Revenue, Expenses, Recognised Gains & Losses

	<u>CONSOLIDATED</u>		
	Unaudited for Qtr ended	Unaudited for Qtr ended	Audited for year ended
	31-May-03	31-May-02	28-Feb-03
	\$' 000	\$'000	\$'000
Net interest income and other operating revenue	213,200	210,769	1,541,295
Less Operating expense	<u>192,780</u>	<u>160,234</u>	<u>830,524</u>
Operating profit	20,420	50,535	710,771

Other income	212,417	187,128	233,381
Profit before tax	232,837	237,663	944,152
Taxation	(45,093)	(14,859)	(43,687)
Profit after tax	<u>187,744</u>	<u>222,804</u>	<u>900,465</u>
EPS (cents)	13	15	62

STATEMENT OF GROUP CASH FLOWS

	<u>CONSOLIDATED</u>	
	Unaudited for Qtr ended 31-May-03 \$'000	Unaudited for Qtr ended 31-May-02 \$'000
Net Profit for the period	187,744	222,804
Items not involving cash	(92,428)	(1,887)
	<u>95,316</u>	<u>220,917</u>
Cash flows from operating assets and liabilities	73,368	(68,853)
Net cash (used)/provided by operating activities	168,684	152,064
Cash flows from investing activities	(2,701,693)	(5,924,364)
Cash flows from financing activities	2,605,992	1,137,250
Net (decrease)/increase in cash & cash equivalents	72,983	(4,635,050)
Cash & cash equivalents at the beginning of the period	1,588,541	5,630,568
Cash & cash equivalents at the end of the period	<u>1,661,524</u>	<u>996,518</u>

Group Statement of Changes In Shareholders' Equity

CONSOLIDATED

	Share Capital	Share Premium	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at February 28, 2002	365,847	13,776	794,389	1,174,011
Net profit, being total recognised gains and losses for the year	-	-	222,804	222,804
Dividends paid and proposed	-	-	-	-
Balance at May 31, 2002	<u>365,847</u>	<u>13,776</u>	<u>1,017,193</u>	<u>1,396,815</u>
Balance at February 28, 2003	365,847	13,775	1,489,729	1,869,351
Net profit, being total recognised gains and losses for the year	-	-	-	-
Dividends paid and proposed	-	-	187,744	187,744
Balance at May 31, 2003	<u>365,847</u>	<u>13,775</u>	<u>1,677,473</u>	<u>2,057,095</u>
