



*“Providing A Fair, Efficient and
Transparent Stock Market”*



**“REACHING BEYOND TRADITIONAL BOUNDARIES
- Exploring & Partnering for Growth for All”**



ANNUAL REPORT 2015

TABLE OF CONTENTS

Mission Statement	2
Our Corporate Objectives	2
Notice of 39 th Annual General Meeting	3
Directors' Report	5
Corporate Governance	6
Independence of Board Directors	10
Corporate Governance and Nomination Committee Report	11
Directors' Attendance	12
Members of the JSE's Board of Directors	13
JSE Board Committees 2014/15	18
The Management Team	19
Chairman's Report	23
Regulatory and Market Oversight Committee (RMOC)	25
Audit Committee Report	27
Compensation Committee Report	28
General Manager's Report - JSE.....	29
Corporate Social Responsibility	36
Management Discussion and Analysis	37
Regulatory & Market Oversight Division Report	50
Shareholdings	52
Subsidiaries' Report for 2015	54
Auditors' Report	56
Group Consolidated Financial Statements	
Consolidated Statement of Financial Position	58
Consolidated Statement of Profit or Loss and Other Comprehensive Income	59
Consolidated Statement of Changes in Equity	60
Consolidated Statement of Cash Flows	61
Financial Statements of JSE	
Statement of Financial Position	62
Statement of Profit or Loss and Other Comprehensive Income	63
Statement of Changes in Equity	64
Statement of Cash Flows	65
Notes to the Financial Statements	66-122
Financial & Statistical Highlights	123
Talking Simply about Shares	124
Corporate Highlights	128
JSE Yearly Trading Summary Main Market	132
JSE Yearly Trading Summary Junior Market	133
Stock Market Data	133
Corporate Information	134
Stock brokerages & Contact Information	135

MISSION STATEMENT

To contribute to the growth and development of the countries in which we operate by facilitating the mobilization, exchange and expansion of capital while providing a return on equity that is acceptable to our shareholders.

OUR CORPORATE OBJECTIVES

The Jamaica Stock Exchange was incorporated as a private limited company in August 1968, with the stock market commencing operations in February 1969.

The Jamaica Stock Exchange is now a Public Limited Company. In June 2013 it became a publicly listed company having offered and listed its ordinary shares on its own exchange

Its principal objectives are:

To promote the orderly and transparent development of the stock market and the stock exchange in Jamaica.

To ensure that the stock market and its broker members operate at the highest standards practicable.

To develop, apply and enforce the rules designed to ensure public confidence in the stock market and its broker-members.

To provide facilities for the transaction of stock market business.

To conduct research, disseminate relevant information and maintain local and international relationships which can enhance the development of the Jamaican stock market.

Maximizing Shareholders' value.

NOTICE OF 39th ANNUAL GENERAL MEETING

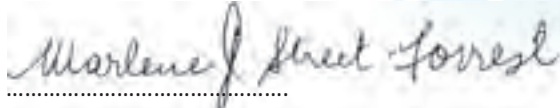
NOTICE IS HEREBY GIVEN that the Thirty-Ninth (39th) Annual General Meeting of the Jamaica Stock Exchange will be held at the Jamaica Stock Exchange, 40 Harbour Street, Kingston on **Thursday, June 23, 2016**, commencing at 1:00 p.m. for purposes of considering and if thought fit, passing the following resolutions:

- 1. Resolution No. 1 - 2015 Audited Financial Statements**
THAT the Directors' Report, the Auditors' Report and the Audited Financial Statements for the Company and the Group for the year ended December 31, 2015 be and are hereby adopted.
- 2. Resolution No. 2 - Re-election of Directors**
THAT Mr. Christopher Berry, a director retiring by rotation and being eligible, has offered himself for re-election, be and is hereby re-elected a Director of the Company.
- 3. Resolution No. 3 - Re-election of Directors**
THAT Mr. Mark Croskery, a director retiring by rotation and being eligible, has offered himself for re-election, be and is hereby re-elected a Director of the Company.
- 4. Resolution No. 4 - Re-election of Directors**
THAT Mrs. Jane George, a director retiring by rotation and being eligible, has offered herself for re-election, be and is hereby re-elected a Director of the Company.
- 5. Resolution No. 5 - Re-election of Directors**
THAT Mr. Julian Mair, a director retiring by rotation and being eligible, has offered himself for re-election, be and is hereby re-elected a Director of the Company.
- 6. Resolution No. 6 - Re-election of Directors**
THAT Mrs. Janet Morrison, a director retiring by rotation and being eligible, has offered herself for re-election, be and is hereby re-elected a Director of the Company.
- 7. Resolution 7 - Appointment of and the Remuneration of the Auditors**
THAT Ernst & Young, Chartered Accountants having agreed to continue in office as Auditors, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.
- 8. Resolution 8 - Remuneration of the Directors**
THAT the Directors be and are hereby authorized to fix their fee for the fiscal period 2016/2017.
- 9. To Transact Any Other Ordinary Business of the Company.**

(Cont'd on next page)

NOTICE OF 39th ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD



.....
Marlene J. Street Forrest

Secretary

Dated: April 7, 2016

IMPORTANT NOTE FOR MEMBERS WHO ARE NOT ABLE TO ATTEND:

A member entitled to attend and vote at the meeting can appoint a Proxy to vote on his behalf. The person so authorized shall be entitled to exercise the same powers as the member whom he represents. Enclosed is a Proxy Form for your convenience, which must be lodged at the Company's Registered Office at least forty-eight hours before the time appointed for holding a meeting. The Proxy Form shall bear the stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy

DIRECTORS' REPORT

The Directors submit herewith the Audited Statements for the Jamaica Stock Exchange and its wholly owned subsidiary, the Jamaica Central Securities Depository for the year ended December 31, 2015 along with the accompanying notes as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows

Operating Income for the year was \$708 million compared to 2014 of \$337 million, an increase of 110% over 2014. Investment Income was \$42 million for both 2015 and 2014.

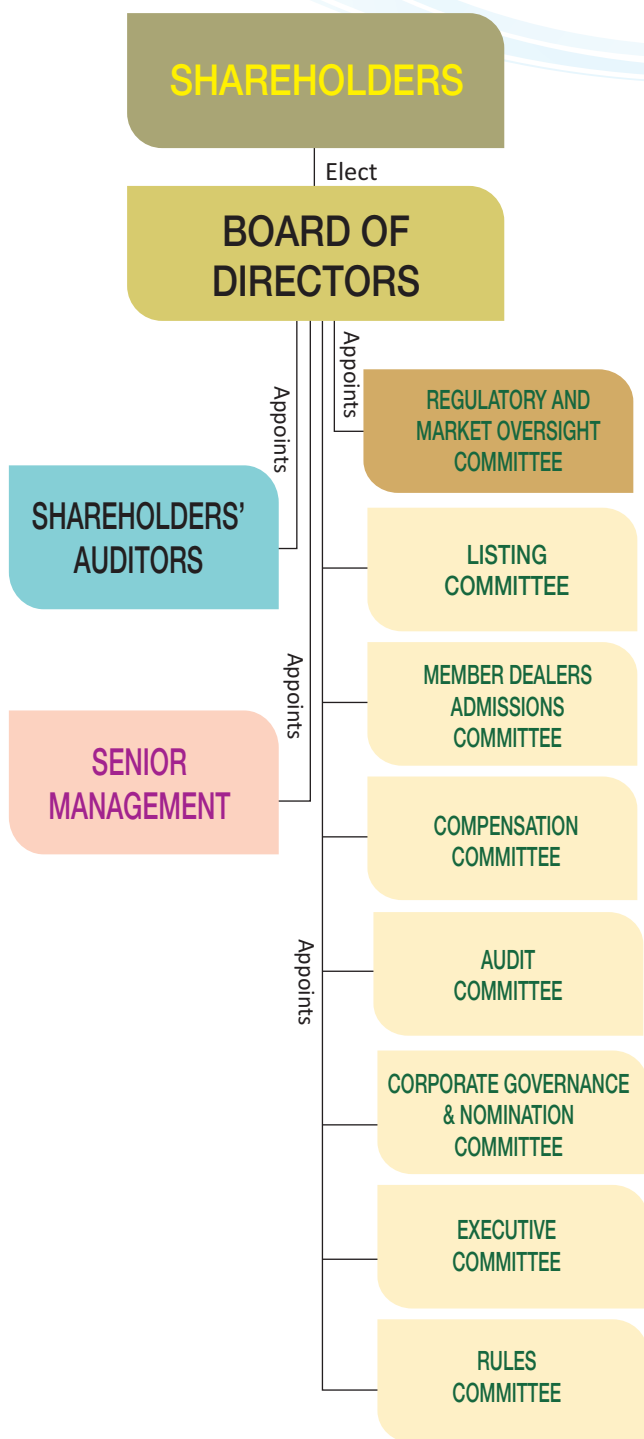
Total Expenses for the year increased by 29% to \$496 million compared to \$384 million in 2014.

Total Consolidated Balance Sheet Assets of the Group as at December 31, 2015 were \$791 million compared to \$628 million in 2014, while Consolidated Shareholders equity increased from \$561 million in 2014 to \$622 million, up 11%.



.....
Allan Lewis
Chairman

CORPORATE GOVERNANCE



PREAMBLE

The Jamaica Stock Exchange recognizes that as a national self-regulatory organization with a mission to ensure and promote a fair and efficient stock market, it must embrace and practise sound corporate governance. These principles and the attendant structures should serve the best interest of all stakeholders and emphasize the highest standards of transparency, oversight and independence.

The intent is to protect the investing public while advancing the interests of shareholders and member/dealers. Confidence in the stock market will be enhanced by the clear demarcation of regulatory and normal operational functions.

These practices are consistent with world best practices and adhere to the relevant legal and regulatory framework. The corporate governance core practices of the JSE are rooted in the acceptance of the following principles:

1. Corporate governance should establish a clear foundation for Management and Board oversight. The role and responsibilities of Board and Management should therefore be clearly outlined to facilitate accountability.
2. The Board of Directors should be structured and selected to ensure effectiveness, independence and protection of the public's interests through appropriate selection and operating processes.
3. Ethical standards and responsible decision-making should be promoted.
4. Governance should ensure that there is accurate, timely and full financial and governance reporting with strong internal controls and risk management.
5. Material information regarding the company's operations should be disclosed in a timely manner to the public and regulatory entities.
6. There should be regular reviews of Board and Management performance to enhance effectiveness. Such reviews should include the performance of the alternates.
7. Remuneration should be fair, to attract and retain competent skills, and reward consistent with performance objectives.
8. The interests of stakeholders should be carefully balanced, protected and promoted.

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CORPORATE GOVERNANCE

BOARD ISSUES

Accountability to shareholders/stakeholders

The JSE is a public company with public responsibility. It must balance the interest of all stakeholders to foster a fair, efficient and transparent market.

Mission and Responsibility

The Board members have the responsibility to attend meetings and familiarize themselves with, and make decisions on issues within their purview.

Elections

The provisions for election of directors are set out in the Articles of Incorporation of the JSE and stipulate election of directors on an annual basis. Interest groups identified by the Board will propose independent directors to the Corporate Governance and Nomination Committee. Where an interest group fails to make a nomination, the Nominating Committee will propose directors for election.

Orientation and Training

Training is made available to directors upon appointment to the Board. The Exchange will organize orientation and training for any director within three (3) months of appointment to the Board. The Board will pursue a programme of continuous training and development, with emphasis placed on members chairing committees.

Access to Information

The Board considers the provision of good quality, timely and accurate information as a significant priority in company procedures. Management has a responsibility to provide the Board with any information that will allow members to properly carry out its responsibilities.

Disclosure of Directors' Biographical Information

Sufficient biographical data with the names of all directors, nominated or elected, will be presented to shareholders and directors. This allows for the proper selection of members to specific committees.

Composition

Board members will be drawn from different interest groups and from member-dealers. Representation should reflect the diversity of stakeholders and the needs of the Company. The Board shall be comprised of member dealers, independent directors and a non executive chairman.

Multiple Board Seats

Members must declare appointments to other companies. They must, at the beginning of the year, and as many times as their positions change, give a written declaration to the board of the Exchange with pertinent information about the other boards on which they serve.

Chairman & CEO

The JSE will have a separate Chairman and CEO.

Independent Directors

Independent Directors must meet the criteria set out on page 10.

Committees

Composition

There are both mandatory and non-mandatory committees of the Board. The mandatory committees of the Board are comprised of the Regulatory & Market Oversight Committee, the Audit & Finance Committee, the Compensation Committee and the Listing Committee. These are referred to in the JSE's Rules.

Each Committee has a written charter outlining its purpose and responsibilities and reporting format. Committees must meet at least twice annually.

Review Process

The board of the JSE conducts regular reviews of the performance of the Committees. Chairmen of Committees are required to develop and present their key performance indicators the month prior to the beginning of each year.

Audit Committee

The Audit Committee assists the Board with oversight responsibilities in regards to the integrity of the company's financial statements. It also serves as the communication link between the Board, the management team and the auditors. The Audit Committee ensures that the Company complies with legal and regulatory requirements.

Member Dealers Admissions Committee

The Member Dealer Admissions Committee is responsible for processing and recording applications of Member Dealers for access of Member Dealers, attorneys/traders, to conduct business on the floor of the Exchange and their use of these facilities.

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CORPORATE GOVERNANCE

Regulatory & Market Oversight Committee (RMOC)

The Regulatory and Market Oversight Committee (hereinafter called the “RMOC”) is the committee of the Board of Directors of the Exchange comprising the independent directors who are not the nominees or connected to any Member/Dealer of the Exchange. The Board of Directors of the Exchange has delegated responsibility to the RMOC for reviewing and ensuring compliance with and enforcement of the Laws, any Rules including Business Rules, contractual obligations and appropriate standards of conduct governing the Member/Dealers, their clients and participants on the Exchange. The RMOC shall be the disciplinary committee of the Exchange and may impose any of the penalties specified in Rule 228 upon a Member/Dealer in respect of whom disciplinary action is taken, which results in a finding of misconduct.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is responsible to develop, recommend and review Corporate Governance Principles, applicable to the Board, Management and listed companies. In addition the Committee has the responsibility to oversee the evaluation of the Board's other committees and make recommendations in respect to the structure of and effectiveness of the Committees.

The Corporate Governance and Nominations Committee is also responsible for the recommendation of suitable candidates to fill vacancies on the Board and the suitability of Alternate Directors.

Compensation Committee

The Compensation Committee of the JSE is made up exclusively of non-executive directors who make recommendations on the company's framework of executive remuneration. The Committee reviews and approves corporate goals in relation to the CEO's compensation, evaluates the CEO's performance in light of the company's goals and objectives and makes recommendations to the Board with respect to executive and non-executive compensation.

Listing Committee

The Listing Committee ensures the quality and integrity of a listing on the JSE. It is responsible for processing applications and making recommendations regarding approval of companies wishing to list on the JSE and reviewing and making recommendations of standards to be observed for companies to remain listed.

Other Committees

These are formed as the directors see fit and includes the Executive Committee.

Board Meetings

There are formal scheduled meetings of the Board at which matters are specifically reserved for discussions. Matters must be addressed within a reasonable time in order to prevent an overrun of pending items.

Procedure at Board Meetings

In the interest of promoting and ensuring transparency all directors must:

Excuse themselves from discussions in, and in making decisions on any matter in which they have a personal or business interest or companies on whose Board they sit or are connected. Further, members shall be bound by similar standards. Please refer to captioned guidelines- (Part K) of the JSE's Rules which addresses 'Acting in Concert'.

General Meetings

General Meetings of shareholders are held each year. Communication with shareholders on decisions concerning material, fundamental corporate changes are made on a timely basis.

Performance

Evaluation of Board Members and Senior Executives

The Board recognizes the importance of each director (including his or her alternate) working to fulfill the mandate of the company. This evaluation is subject to the review of the Corporate Governance and Nomination Committee.

The Board recognizes the importance of evaluating the performance of each director, senior executives and the Board as a whole.

Term Limits

Board Members are nominated by the Corporate Governance and Nomination Committee.

Committees

Chairman/Deputy Chairman

The Chairman and Deputy Chairman of the Board and Chairmen of Committees have recommended term limits (from one AGM to another AGM) as follows:

- (a) The Chairman can serve for five (5) consecutive terms;
- (b) The Deputy Chairman can serve for three (3) consecutive terms;
- (c) The Chairmen of Committees can serve for three (3) consecutive terms, except for the Chairman of the Compensation Committee who can serve for a maximum of five (5) consecutive terms.

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CORPORATE GOVERNANCE

Committee Members

Members can sit for a maximum of five consecutive years with an option to extend the term limit by two years. These members are eligible to be re-elected one year after the seven-year consecutive stint. Past Board Chairmen should automatically sit on the Executive Committee for the year after demitting office as Chairman.

There is no term limit for members of the Regulatory and Market Oversight Committee and the Member Dealer Admissions Committee.

Age Limits

The JSE has no maximum age limit for members sitting on the Board. However the minimum age limit is 18 years.

Transparency

Directors are required to provide to the Corporate Governance and Nomination Committee, information as it relates to business dealings, board affiliations and any other information that would pose a conflict of interest.

Accounting Standards

The Jamaica Stock Exchange Board is governed by the standards as communicated from the Institute of Chartered Accountants of Jamaica.

Ethics

The Jamaica Stock Exchange currently maintains ethics and confidentiality requirements for Directors and these are posted on the Website.

GUIDELINES TO DETERMINING INDEPENDENCE OF BOARD DIRECTORS

The Board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board should state its reasons if it determines that a director is independent, notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:

- has been an employee of the company or group within the last five years;
- has, or has had within the last three years, 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.
- has received or receives additional remuneration from that company apart from a director's fee, participates in that company's share option plan or a performance-related pay scheme, or is a member of the company pension scheme;
- has close family ties with any of the company's advisors, directors or senior employees;
- holds cross-directorship or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the board for more than nine years from the date of their first election.

**Specially adopted from the PSOJ's Corporate Governance Code
Amended January 16,2013**

**Corporate Governance Guidelines are available on the
JSE's Website: www.jamstockex.com**

CORPORATE GOVERNANCE & NOMINATION COMMITTEE REPORT

The Committee met four (4) times. Much of the work of the Committee during the year under review was a continuation of the activities undertaken the previous year. Accordingly, having commissioned in the previous year an assessment of the Board and its directors which was externally facilitated by an independent expert, in the year under report, self-evaluations by individual directors were completed. It is to be noted that in keeping with good Corporate Governance practice, the Committee adopted a policy of undertaking every three years, an independent evaluation of the board and its directors as well as peer evaluations.

The result of the self-evaluation exercise during the year under report was instructive, given that most directors scored above average in all categories of self-assessment. The minority of directors who did not score above average in some categories engaged with the Chair of the Committee on addressing the areas of perceived deficiency.

The Committee continued its review and update of the terms of reference of the eight committees of the board, but suspended the exercise to undertake a comprehensive review of the draft 2015 Corporate Governance Code of the Private Sector Organization of Jamaica (PSOJ main Code). The outcome of the review was discussed at Board level at a special board meeting convened for the purpose and the comments of the board have been shared with the PSOJ.

Once the PSOJ main Code is finalized by all stakeholders, it is the intention of the Committee to resume its review of the terms of reference of the committees of the board with a view to adopting for the benefit of the Exchange, the principles of the final PSOJ main Code.

The Committee's deliberations were suspended on the issue of the balance between the number of directors nominated by shareholders vis-à-vis the number of independent directors. This balance was being considered with a view to recommending an alignment of the composition of the board with international best practices where in many cases the number of independent directors is greater than the number of non-independent board members. Deliberations were suspended in the context of the implementation of the Group Strategic Plan 2015 - 2017.

Other matters undertaken by the Committee were:

1. The issue of a Whistle Blowing Policy for the Exchange which is currently being prepared for approval of the board;
2. The issue of guidelines for trading by directors and senior executives of the Exchange which were approved by the board and circulated; and,
3. A review of the corporate governance structure of the Jamaica Central Securities Depository, which is ongoing.

The members of the Committee are:

Jane George
Garth Kiddoe
Stevan Whittingham
Jason Chambers
Janet Morrison (Chair)


.....
Janet Morrison (Chair)

DIRECTORS ATTENDANCE

Names	Designation	Committees										Average Attendance at all Meetings		
		JSE Board	Compensation Committee	Corporate Gov. & Nomination Committee	Executive Committee	Member Dealers Committee	Admissions Committee	Listing Committee	Rules Committee	RMO Committee	Audit Committee		Total Attendance	
Allan Lewis	Director	13 of 13	3 of 3		7 of 7		2 of 4						25 of 27	93%
Ian McNaughton	Director	10 of 13	3 of 3		7 of 7		2 of 4					8 of 8	30 of 35	86%
Humphries-Lewin, Rita	Alternate Director	0 of 13	0 of 3		0 of 7		0 of 4					0 of 8	0 of 35	
Berry, Christopher	Director	0 of 13					0 of 4						0 of 17	35%
Peart, Gary	Alternate Director	6 of 13					0 of 4						6 of 17	
Black, Dian	Director	11 of 13					4 of 4			10 of 11			25 of 28	89%
Croskery, Mark	Director	3 of 13	1 of 3									2 of 12	6 of 28	29%
Lamar Harris	Alternate Director	0 of 13	0 of 3									2 of 12	2 of 28	
Steven Gooden	Director	7 of 13	3 of 3				4 of 4						14 of 20	70%
George, Jane	Director	5 of 13	3 of 3			6 of 8				7 of 11		10 of 12	31 of 47	66%
Kiddoe, Garth	Director	12 of 13				8 of 8		2 of 4		10 of 11		11 of 12	43 of 48	90%
Mair, Julian	Director	8 of 13				4 of 8		4 of 7					16 of 28	57%
McKie, Ed	Director	12 of 13						4 of 4					16 of 17	94%
McKoy, Derick	Alternate Director	0 of 13						0 of 4					0 of 17	
*Morrison, Janet	Director	7 of 13				8 of 8		1 of 2				9 of 11	25 of 34	74%
Morrison, Livingstone	Director	10 of 13								11 of 11		9 of 12	30 of 36	83%
Mitchell, Lissant	Director	9 of 13						4 of 7					13 of 20	65%
Whittingham, Steven	Director	11 of 13				6 of 8							17 of 21	86%
Jason Chambers	Alternate Director	0 of 13				1 of 8							1 of 21	
*Rohan Miller	Director	10 of 13										4 of 4	14 of 17	82%

*Depending on the date of appointment or resignation, the total number of meetings might vary for persons within respective committees/Board

No Rules or Member Dealer Admission Committee Meetings were held in 2015

PROFILES OF DIRECTORS

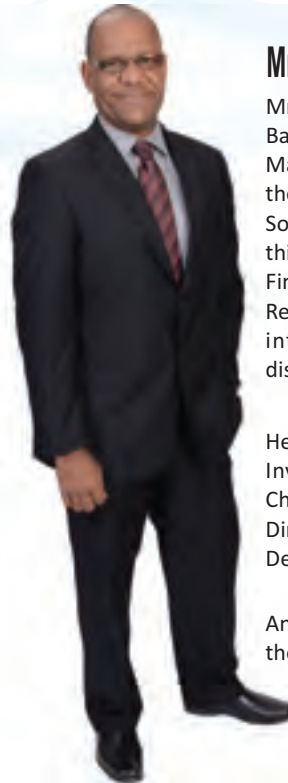


Mr. Allan Lewis - Chairman

Mr. Allan Lewis is the Senior Vice President, Group Strategy, of the Victoria Mutual Group Limited where he has served for the past seven years. Prior to this, Mr. Lewis served as Managing Director of Prime Asset Management Limited, where he is currently the Chairman of the Board of Directors. He also currently serves as Chairman of the Pension Funds Association of Jamaica and Chairman of the Board of the Jamaica Racing Commission/ Betting Gaming & Lotteries Superannuation Fund.

Mr. Lewis has had a distinguished career in life insurance; pension fund risk management, asset management, and strategic planning. He achieved the designation Associate of the Society of Actuaries in 1986, and a Masters in Business Administration in 1987.

Mr. Lewis is the Chairman of the JSE Rules Committee. He is also a member of the Kiwanis Club of North St. Andrew; a mentor for students at the University of the West Indies and a member of the Board of the *Mona Preparatory School Foundation*.



Mr. Ian McNaughton - Deputy Chairman

Mr. McNaughton is the Managing Director of Barita Investments Limited. With a BSc. in Management Studies from the University of the West Indies and a MBA from Nova Southeastern University, he possesses over thirty years of experience in the areas of Finance, Information Systems and Human Resource Management, garnered at major international manufacturing, sales and distribution entities.

He serves as Company Secretary for Barita Investments Limited and is the Deputy Chairman of the Jamaica Stock Exchange and a Director of the Jamaica Central Securities Depository.

An avid footballer, Mr. McNaughton also sits on the board of the Harbour View Football Club.

Mr. Edwin McKie; C.D.

Mr. Edwin McKie is the Chairman and Managing Director of M/VL Stockbrokers Limited. A seasoned banker, he brings a wealth of experience from his work at various national financial and other institutions, to the Board of the Jamaica Stock Exchange. His specialization is in general management, administration, financial planning and investment management.

He has been Trade Administrator and Chairman of the Trade Board Limited and also chaired the Board of the Agricultural Credit Bank; the Mandeville Area Hospital Board; the College of Agriculture Board and the Agricultural Credit Board. He also served as Board Member of the National Investment Bank of Jamaica, the Bank of Jamaica and the Development Bank of Jamaica.

A Bachelor of Commerce graduate of McGill University, Montreal, Canada, Mr. McKie was awarded the Order of Distinction (Commander Class) for his services to Jamaica in the field of Banking.



Mr. Christopher Berry

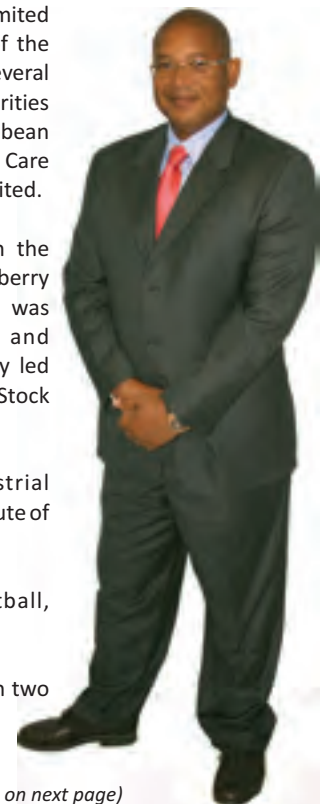
Christopher Berry has been the Executive Chairman of Mayberry Investments Limited since 1993. A former Deputy Chairman of the Jamaica Stock Exchange, he also sits on several boards, including the Jamaica Central Securities Depository, Lasco Financial Services, Caribbean Producers (Jamaica) Limited, Apex Health Care Associates Limited and Apex Pharmacy Limited.

He has over twenty years experience in the securities industry. Having joined Mayberry Investments Limited in 1987 where he was responsible for corporate planning and information technology. He subsequently led the company's listing on the Jamaica Stock Exchange in 2005.

Mr. Berry has a Bachelor of Industrial Engineering (Hons.) from the Georgia Institute of Technology, Atlanta, Georgia.

Interests are tennis, sailing, basketball, computers and economics.

He is married to Dr. Patricia Yap-Berry with two (2) children



PROFILES OF DIRECTORS

Mr. Lissant Mitchell

Mr. Lissant Mitchell has over 20 years experience in the local financial industry. He joined Scotia Investments in October 2007 as SVP Treasury & Capital Markets and was promoted to Chief Operating Officer in October 2010, and appointed Senior Vice President Wealth Management – Scotiabank Group Jamaica & Chief Executive Officer – Scotia Investments Jamaica Limited, November 1, 2011.

Lissant has served as the President of the Primary Dealers Association and Secretary of the Jamaica Securities Dealers Association. He sits on the Scotiabank's and Scotia Investments' Asset & Liability Committees as well as the Group's Managed Funds Investment Committee. He is also a director of Scotia Investments Jamaica Limited, Scotia Asset Management Jamaica Limited, Scotia Caribbean Income Fund, and the Jamaica Stock Exchange.



Mr. Rohan Miller

Rohan D. Miller is the Chief Investment Officer of Sagicor Group Jamaica Limited; President and Chief Executive Officer of Sagicor Investments Jamaica Limited; and President and Chief Executive Officer of Sagicor Real Estate X Fund Limited.

As Chief Investment Officer of Sagicor Group Jamaica Limited, Mr. Miller oversees its US\$2.5 billion Asset Management operations in the areas of Treasury, Securities Trading, Fund and Real Estate Management. He is the coordinator of Sagicor's real estate investments. He manages the team that developed the Sagicor Real Estate X Fund and guided its expansion into Orlando Florida. He manages not only the development and sale of real estate projects, but also the development of new investment funds and treasury products in both Jamaica and the Cayman Islands. Mr. Miller is a member of the following committees of Sagicor Group Jamaica Limited: Investment & Risk Committee, Asset/Liability Committee and the Mortgage and Loan Committee.



Mr. Mark Croskery

Working in the financial industry for over 10 years, Mark is a hands-on CEO who works diligently to strategically place Stocks and Securities Limited (SSL) in a front runner position in the financial services industry in Jamaica. Mr. Croskery received a Masters of Science in Global Financial Analysis and a dual Bachelor of Science in Corporate Finance/Accounting from Bentley University in Boston, Massachusetts. He is a Director on the Board of the Jamaica Stock Exchange (JSE) where he serves on the Compensation & Finance & Audit sub-committees. He is also a member of Young Presidents' Organization.

Before joining SSL, Mr. Croskery was a leading Wealth Manager and Equity Trader at NCB Capital Markets Ltd.

Mr. Croskery received a M.Sc. in Global Financial Analysis and a dual B.Sc. in Corporate Finance/Accounting from Bentley University in Boston, Massachusetts.

Mr. Croskery is a Director on the Board of the Jamaica Stock Exchange (JSE) where he serves on the Compensation & Audit Committees. He is a Member of Young Presidents' Organization (YPO) and is also the Second Vice President of the Jamaica Securities Dealers Association (JSDA).

Mr. Croskery previously served on a number of public sector boards, including, Chairman, Fisheries Management & Development Fund, Director of Land Administration & Management Programme, Sugar Company of Jamaica and the Jamaica Racing Commission.



PROFILES OF DIRECTORS

Mr. Julian Mair

With over 20 years of experience in the financial services sector, Julian Mair currently operates as JMMB's Group Chief Investment Strategist. In addition to his position at JMMB, Julian has played a significant role in the development of Jamaica's capital market.

His experience includes positions at Jamaica's foremost financial institutions including Head of Treasury and Investment Services at Dehring, Bunting and Golding (now Scotia Investments) and Senior Trader and Cambio Manager at JMMB. In addition, he has partnered and consulted with various international financial institutions and the Government of Jamaica in structuring Global Bond Issues.

A former Managing Director of Lets Investment Limited, his leadership resulted in the boutique operation becoming a global player in the trading of internationally-issued securities.

A founding member and current President of the Jamaica Securities Dealers Association (JSDA), Julian also serves various institutions as a director including JMMB Securities Limited, JMMB International, JMMB Puesto de Bolsa, JMMB Investments Trinidad & Tobago Limited and the Jamaica Stock Exchange.



Mr. Steven Whittingham

Mr. Steven Whittingham is the Managing Director of GK Capital Management, the investment and advisory subsidiary of GraceKennedy Ltd.

Steven was previously the President of First Global Financial Services Limited (FGFS). In this capacity, he was responsible for the strategic leadership and direction of one of Jamaica's leading diversified financial institutions.

Before joining FGFS, Steven was the Managing Director of The Antilles Group (TAG), formerly Cool Petroleum Limited (CPL), a downstream petroleum distribution business and the Shell Licensee in Jamaica. Prior to TAG, Steven founded and served as Chief Executive Officer of Island Ice and Beverage Company Limited, a manufacturer and distributor of packaged ice in Jamaica. Steven also worked for Morgan Stanley in London in their Mergers and Acquisitions Investment Banking Group. He began his career at BlackRock Financial Management in New York.

Steven holds Bachelor of Science degrees in Systems Engineering and Economics from the University of Pennsylvania and an MBA from the Harvard Business School.

Steven has served as a Director on several private and public sector boards including the Jamaica Stock Exchange (JSE), Jamaica International Insurance Company Limited (JIIC), Jamaica Promotions Corporation Ltd. (JAMPRO), Jamaica Manufacturer's Association (JMA), National Road Operating and Construction Company (NROCC), and HEART Trust/NTA.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Steven Gooden

Mr. Gooden is CEO of NCB Capital Markets and is charged with leading the performance of the company's wealth management, asset management and investment banking business lines. Prior to this appointment he was the Deputy Chief Executive Officer where he led the team through a number of successful strategic and portfolio deals. He rejoined the company in 2009 as Vice President of Investments & Trading and had responsibility for over J\$200 billion worth of assets spanning NCB Capital Markets Ltd, NCB Insurance Co. Ltd & NCB (Cayman) Ltd. With seven years' experience at the senior management level, his background also includes research, unit trust & pension fund management, structured products, private equity, corporate finance and mergers & acquisitions.

Mr. Gooden was appointed to the Board of the JSE in November 2013, he is also a director of NCB Capital Markets and Elite Diagnostic Limited and serves as Treasurer of the Jamaica Securities Dealers Association and the Wolmer's Old Boys Association.

Mrs. Marlene Street Forrest; J.P.

Mrs. Marlene Street Forrest is the General Manager of the Jamaica Stock Exchange. Mrs. Street Forrest has a B.Sc. in Management Studies and an MBA. She has over twenty five years of combined experience in financial and general management.

Her mandate as General Manager of the JSE is to continue the process of developing the Exchange, ensuring that cutting edge technology is used to assist in providing the greatest level of efficiencies in the market.

Mrs. Street Forrest, who is a Justice of the Peace, serves as Secretary of the Board of the JSE and a Director of the Jamaica Central Securities Depository and the JCSD Trustees Services Limited.



There are five alternate Directors who have been approved by the Directors of the Exchange. These are:

1. **Ms. Lamar Harris** - Stocks & Securities Limited
2. **Mr. Gary Peart** - Mayberry Investments Ltd.
3. **Dr. Derrick McKoy** - MV/L Stock Brokers Limited
4. **Mrs Rita Humphries-Lewin** - Barita Investments Limited
5. **Mr. Jason Chambers** - GK Capital Management Limited

PROFILES OF INDEPENDENT DIRECTORS

Mrs. Jane George

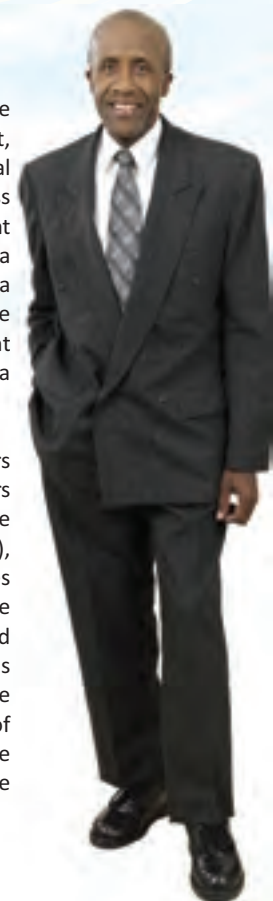
Jane George is Senior Legal Counsel and Company Secretary at J. Wray & Nephew Limited. She was admitted as a Solicitor in England and Wales and as an Attorney-at-Law in Jamaica and is a member of the Law Society of England & Wales and the Jamaican Bar Association. Mrs. George, who has approximately 29 years experience in the legal profession in Jamaica and England, joined the Board of the Jamaica Stock Exchange in 2008. She sits on the Regulatory and Market Oversight Committee, the Corporate Governance and Nomination Committee, the Audit Committee (which she currently chairs) and the Member Dealers Admissions Committee.



Mr. Garth Kiddoe

Mr. Kiddoe is an Enterprise Consultant, with experience in Corporate Governance, Accounting, Management, Accreditation Systems and procedures and Electrical Engineering. He is also a trained Family Business Consultant. He is a part-time lecturer in Management at the University of Technology, Jamaica and was a member of the project management team for a US\$42.6 Million project funded jointly by the Government of Jamaica, the Caribbean Development Bank and the University of Technology, Jamaica (UTech).

Mr. Kiddoe is Chairman of the Professional Engineers Registration Board, a member of the Board of Directors of the Jamaica Stock Exchange (JSE) representing the Institute of Chartered Accountants of Jamaica (ICAJ), Chairman of the Board of the Jamaica Central Securities Depository Ltd, a subsidiary of the JSE, Chairman of the Board of Governors of the JSE e-Learning Campus, and a member of the Public Accountancy Board (PAB). He is a member of the Practice Monitoring Committee of the PAB and serves on a number of the sub-Committees of the Board of the Jamaica Stock Exchange, including the Regulatory and Market Oversight, Audit and Corporate Governance Committees



Miss Dian Black

Dian Black is the Principal Director of the Debt Management Branch (DMB) in the Ministry of Finance & the Public Service and has over 15 years' experience dealing with public debt-related affairs.

She is responsible for leading the strategic and operational activities of the DMB in raising adequate levels of funding to satisfy the Government's budgetary needs, while balancing the trade-offs in costs and risks. In her capacity as PD, she gives policy advice on debt management matters to senior officials in the Ministry and provides the necessary interface between the JSE and the Government. Similarly, Ms. Black represents the Government of Jamaica on matters relating to public debt.



Mr. Livingstone Morrison - Chairman Regulatory & Market Oversight Committee (RMOC)

Mr. Livingstone Morrison is the Deputy Governor of the Bank of Jamaica with responsibility for Administration and Technical Services, Finance and Technology and Payment System and Risk Management.

Mr. Morrison joined the staff of the Bank of Jamaica in 1982 and worked for several years in the Financial Institutions Supervisory Division. Between 1998 and 2002, Mr. Morrison served as the Division Chief of the Finance and Technology Division, with core responsibilities for strategic management of the accounting, finance, and information and communication technology functions of the Bank. In 2011, he assumed responsibility for the Administration and Technical Services Division in addition to the Finance and Technology and Payment System and Risk Management Division.

Mr. Morrison chairs the Regulatory & Market Oversight Committee and is also a Director of the Jamaica Central Securities Depository. He studied at the U.W.I. and University of Oxford and holds a masters degree in Accounting.

PROFILES OF INDEPENDENT DIRECTORS



Mrs. Janet E. Morrison

Janet Morrison was called to the Jamaican Bar in 1978. She is a partner in the firm of Hart Muirhead Fatta and her practice is primarily in the areas of Corporate and Commercial Law. A graduate of the University of the West Indies and the Norman Manley Law School, she also holds a Master's Degree in Commercial and Corporate Law from the University of the West Indies. She is listed in **International Financial Law Review 1000** (IFRL 1000) as one of the world's leading lawyers.

As a member of the board of the Jamaica Stock Exchange, Janet Morrison sits on the board's Executive Committee, the Regulatory & Market Oversight Committee and is the chair of the Corporate Governance & Nomination Committee. She is also an independent director of Mystic Mountain Limited.

Janet is a member of the council of the Jamaican Bar Association (JBA), where she sits on the Commercial Law Sub-Committee and the Publications Sub-Committee. She has presented at several conferences on Corporate Governance, the Pensions Act and the Companies Act and has contributed legal commentaries and articles in the Jamaican press. She is an associate tutor at the Norman Manley Law School, Mona Campus in company law and is a Fellow of the Chartered Institute of Arbitrators.

JSE BOARD COMMITTEES 2015/2016

LISTING COMMITTEE (Rule Based)

Chairman: Mr. Allan Lewis
Mr. Ian McNaughton
(Alternate Mrs. Rita Humphries-Lewin)
Miss Dian Black
Mr. Steven Gooden
Mr. Christopher Berry (Alternate Mr. Gary Peart)
Mr Ed McKie (Alternate Dr. Derick McKoy)
Mr. Garth Kiddoe

MEMBER DEALER ADMISSION COMMITTEE

Chairman: Mr. Livingstone Morrison
Miss Dian Black
Mr. Garth Kiddoe
Mrs. Jane George
Mrs. Janet Morrison

COMPENSATION COMMITTEE

Chairman: Mr. Allan Lewis
Mr. Ian McNaughton
(Alternate Mrs. Rita Humphries-Lewin)
Mr. Mark Croskery (Alternate Ms. Lamar Harris)
Mr. Steven Gooden
Mrs. Jane George

REGULATORY & MARKET OVERSIGHT COMMITTEE (Rule Based)

Chairman: Mr. Livingstone Morrison
Miss Dian Black
Mr. Garth Kiddoe
Mrs. Jane George
Mrs. Janet Morrison

AUDIT COMMITTEE (Rule Based)

Chairman: Mrs. Jane George
Mr. Mark Croskery (Alternate Ms. Lamar Harris)
Mr. Garth Kiddoe
Mr. Rohan Miller
Mr. Livingstone Morrison

CORPORATE GOVERNANCE & NOMINATION COMMITTEE

Chairman: Mrs. Janet Morrison
Mrs. Jane George
Mr. Garth Kiddoe
Mr. Julian Mair
Mr. Steven Whittingham (Alternate Mr. Jason Chambers)

EXECUTIVE COMMITTEE

Chairman: Mr. Allan Lewis
Mr. Ian McNaughton
(Alternate Mrs. Rita Humphries-Lewin)
Mr. Julian Mair
Mr. Lissant Mitchell
Mrs. Marlene Street Forrest (Co-opted)
Mr. Robin Levy (Co-opted)

RULES COMMITTEE

Chairman: Mr. Allan Lewis
Mr. Garth Kiddoe
Miss Dian Black
Mr. Ed McKie (Alternate Dr. Derick McKoy)
Mr. Steven Whittingham
(Alternate Mr. Jason Chambers)

THE MANAGEMENT TEAM



Marlene Street Forrest
General Manager, JSE



Robin Levy
General Manager, JCSD,
JCSD Trustee Services Limited
& Deputy General Manager, JSE

Michelle Sirdar
Manager, Registrar
Services



(Cont'd on next page)

THE MANAGEMENT TEAM



Andrea Kelly
Manager,
Trustee
Services



Wentworth Graham
Chief Regulatory Officer



Suzette Whyte
Financial Controller

(Cont'd on next page)

THE MANAGEMENT TEAM



Suzette McNaught
Manager, Information
Technology & Systems



Riccalya Robb
Manager, Market
Operations & Trading



Neville Ellis
Marketing &
Communication
Manager

(Cont'd on next page)

THE MANAGEMENT TEAM



Doreen Parsons Smith
Manager, Human Resources



Adrian A. Buchanan
Manager- Retail Repo Division



Kadyll McNaught Hermitt
Manager, Depository
Service Unit

From the Chairman's Desk

CHAIRMAN'S REPORT



Mr. Allan Lewis
Chairman
Jamaica Stock Exchange

In most respects, 2015 was an outstanding year for the Jamaica Stock Exchange and its subsidiaries (“JSE Group”) as the Group increased its importance as a vital pillar of Jamaica's financial landscape. The shareholders of the Company received robust dividends and the Company's stock price appreciated significantly reflecting the record profits exhibited by the JSE Group. The international reputation of the Exchange was enhanced as Bloomberg asserted that the JSE's Main Index appreciated more than any other stock exchange index in the world. Finally, the depository and trust businesses continued to expand and introduce new products and services.

The Global & Local Economy 2015

Notwithstanding the continued low levels of economic growth (0.8% according to the Planning Institute of Jamaica), Jamaica's economic landscape improved in many respects during 2015 as the targets set under the “IMF Programme” continued to be met and in some cases exceeded. The country's economic performance in 2015 was no doubt assisted by low and declining oil prices and low interest rates throughout the developed world. Very few Jamaicans are able to remember the last time the country exhibited current levels of inflation and borrowing rates for all forms of consumer and corporate loans.

It would be unrealistic to expect that significant economic growth could be attained in such a short time. However, based on the buoyancy of the prices of many listed companies, it is hoped that more widespread benefits will accrue to more Jamaicans as a result of increased employment, new business formation, and continued expansion of exports in general - tourism, agriculture, manufacturing - and the BPO sectors in particular.

(Cont'd on next page)

From the Chairman's Desk

CHAIRMAN'S REPORT

Depository and Trustee Services

The Depository Service Unit (JCSD) and Trustee Services performed well and contributed to meeting the target under the “IMF Programme”. We were able to successfully complete the project that provides the depository services required for the changes implemented to Reverse Repo and how they are now transacted. These changes will reduce risks for investors; enhance the resiliency of the financial sector in Jamaica; and at least in the short term, provide additional business for the JSE Group.

Outlook

Your Board and Management are optimistic for the prospects for the JSE Group in 2016. We expect new listings, general trading activities and the new depository and trust business to grow at least in line with inflation. Our optimism is based in part on the continuation of the current tax incentive measures and a benign world economy characterized by low interest rates and low and stable oil prices.

Your Board and Management are committed to building a World Class institution that underpins the country by, among other things, allowing savers and investors a safe and efficient way to access needed capital through equity, debt and other securities. Desired levels of economic growth will only occur with sufficient new business formation and the expansion

of existing businesses. Simultaneously, the JSE Group is also committed to ensuring a fair market for investors and other stakeholders through reasoned and measured regulations.

Conclusion

The achievements of the JSE in 2015 could not have been accomplished without the dedication and professionalism of all team members led by your accomplished executive team. On behalf of your Board of Directors, I congratulate them for what was achieved in 2015, and anticipate overcoming new challenges. Finally, I would also like to thank our Member Dealers, other customers and the investing public for their continued confidence in the JSE. We look forward to your continued support and patronage in the years to come.



.....
Allan Lewis
Chairman

Regulatory & Market Oversight Committee Report



Mr. Livingstone Morrison
Chairman

The Regulatory and Market Oversight Committee (RMOC) enjoyed another year of growth and development of the regulatory and market surveillance functions of the Jamaica Stock Exchange (JSE).

During the year, the disclosure and transparency standards that are designed to promote and ensure market integrity were strengthened. Arising from this, there was the development and passing of new rules to allow for the introduction of Jamaican Depository Receipts to the Jamaican Capital Markets. Equally, the RMOC instituted over four (4) rule amendments to the JSE Rules; with the most significant being a revised standard for dealings conducted by Insiders of Listed Companies, in particular Directors, Senior Executives and their Connected Parties.

New Disclosure Mandate

In recognizing the importance of transparency to investors and market confidence, in 2015 the RMOC took steps to review disclosure of JSE's regulatory activities. Arising from the exercise a policy directive was issued that made it mandatory to disclose full details to the public of all breaches that were confirmed through market surveillance and compliance processes of the Regulatory & Market Oversight Division (RMOD). The disclosures are represented in a publication entitled "JSE Monthly Regulatory," which is posted to JSE's website. The RMOD began publishing the report in 2013; however, it was revamped to allow for a new disclosure regime that was successfully instituted in February 2015. The new report gives the names of the parties who breached the JSE's rules and the nature of the breach. The RMOC is satisfied with the publication to date and will continue to consider ways to enhance the transparency of the regulatory and market surveillance functions of the JSE.

Recognition and Acknowledgements

The RMOC joins the Board of the JSE, the investing public and stakeholders in recognizing the JSE as being the number one Stock Exchange by Bloomberg in 2015. It is safe to say that the JSE's performance and mark in 2015 is the characterization of a market that has effective market oversight, which the RMOC has diligently, consistently and steadfastly worked at. In its report Bloomberg has recognized the regulatory efforts of the JSE by referencing the following sentiments by Mr. Carl Bennett, the Vice President, Investor Relations, Bank of New York Mellon:

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Regulatory & Market Oversight Committee Report

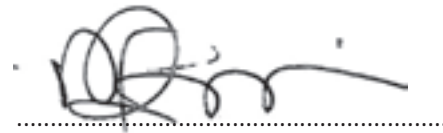
“I’m really impressed with what they’ve done to attract capital to the market....pointing to new measures to combat insider trading and market manipulation.”

Bloomberg has recognized the JSE for its performance and it has acknowledged JSE's regulatory efforts. In addition to the Bloomberg, the RMOC has taken note of findings in a 2015 JSE commissioned survey which was administered to a representative sample of stakeholders. The survey results concluded that the JSE has been successful in engendering the confidence of stakeholders in its capacity to protect the interest of investors by ensuring that listing and trading processes on the Exchange are maintained at a high level of transparency. The RMOC takes pride in this accomplishment and will continue to ensure that the regulatory functions bring positive recognition and reward to the domestic capital market.

Closing Remarks

We will also continue to work diligently to ensure the clear separation between commercial and regulatory functions and to eliminate any residual perceptions that might exist in regards to conflict of interest and transparency. This process is critical to the continued development of the JSE as a demutualised exchange that embraces international standards as a means of promoting market integrity and transparency.

In closing, I extend special thanks and appreciation to the regulatory team of the Jamaica Stock Exchange, including my colleagues on the RMOC, the Chief Regulatory Officer and team members of the RMOD for another year of excellent service to the JSE and all the stakeholders that we are privileged to serve.



Mr. Livingstone Morrison.
Chairman

The Jamaica Stock Exchange and Its Subsidiaries

Audit Committee Report

The Jamaica Stock Exchange (JSE) Audit Committee, which composition comprises 60% independent members, is required to meet at least four (4) times per year. Thirteen (13) meetings were held during the year, with an average of eight two (82%) percent attendance.

The Audit Committee performs a pivotal role in ensuring the company benefits from high standards of auditing. The Audit Committee takes very seriously its responsibility to build and maintain confidence in the integrity of the financial reporting. The Committee ensures that the right environment is preserved that accommodates open discussions supported by a culture of integrity, respect and transparency between management and auditors.

The current members of the Audit Committee are:

- | | |
|-------------------------|--|
| 1. Jane George (Chair) | (Independent) |
| 2. Livingstone Morrison | (Independent) |
| 3. Mr. Garth Kiddoe | (Independent) |
| 4. Mark Croskery | <i>(Alternate Ms. Lamar Harris)</i> |
| 5. Mr. Ian McNaughton | <i>(Alternate Mrs. Rita Humphries-Lewin)</i> |

The Mandate of the Committee

The mandate of the JSE's Audit Committee is to assist the Board of Directors with its oversight responsibilities of the Company's financial statements, its integrity and compliance with legal and regulatory requirements, the adequacy of its internal procedures and processes; as well as serving as a conduit of communication between the Board, the management team and the internal and external auditors. During the year under review, the JSE's Audit Committee was successful in the fulfillment of this mandate.

The Audit Committee looks forward to continue its role in ensuring the Fair, Efficient and Transparent performance of the Jamaica Stock Exchange.

Role & Responsibilities of the Audit Committee

The JSE Audit Committee has the following role and responsibilities:

Financial Statements

- Review the accounting and reporting practices to ensure that they are in compliance with the IRS standard and that they are in compliance with all the regulatory requirements

- Review the quarterly and annual financial statements, ensuring the completeness and accuracy of the information and that the appropriate accounting principles were used before recommending Board approval.

Internal Control

- To monitor the effectiveness of the organization's risk management and internal control systems, ensuring that they are in compliance with international best practices.
- To consider the scope of work for the Internal Auditor and the External Auditor.
- To review the findings and recommendations of both group and to review management's responses and make recommendations to the Board

Internal & External Audit

- Review and monitoring of the effectiveness of the Internal and External Auditors and ensuring that their work is up to international standard and in accordance with the company's regulatory standard
- Ensuring there are no unjustified restrictions or limitations on the Auditors.

Compliance

- Review and consideration of the effectiveness of the system for monitoring compliance with laws and regulations and of the results of management's investigation and follow-up of any instances of non-compliance.
- Review of auditor observations and ensure compliance to recommendations made by Internal and External Auditors.

The Committee reports to the Board bi-monthly or as necessitates. Ernst & Young has been retained as the Auditors for the JSE Group for 2015.



Jane George
Chairman

The Jamaica Stock Exchange and Its Subsidiaries

Compensation Committee Report

The Compensation Committee of the JSE is made up exclusively of non-executive directors and is chaired by the Chairman of the Board Mr. Allan Lewis. Other members of the Committee are:

Mr. Ian McNaughton
Mr. Mark Croskery
Mr. Steven Gooden
Mrs. Jane George

The Committee's mandate is to make recommendations on the Company's framework of executive remuneration. The Committee reviews and approves corporate goals in relation to the CEO's compensation; evaluates the CEO's performance in light of the company's goals and objectives and makes recommendations to the Board with respect to executive and non-executive compensation.

Directors' fee totaled \$8.6 Million in 2015 and represented a \$0.1 Million increase from 2014, which was \$8.5 Million.

GENERAL MANAGER'S REPORT - JSE



Mrs. Marlene Street Forrest
General Manager
Jamaica Stock Exchange

For the JSE Group, 2015 was the best of times. After successive years of market decline measured by a decline in the Jamaica Stock Exchange Index, the Stock Market galloped to close the year at 150,692.13 with an increase in the index by 97.4% when compared to the prior year. All indices advanced, with the Junior market leading with an increase of 160.3% over the previous year. It was a great year when based on Bloomberg, Jamaica a country of sun, Bob Marley and Bolt captured global attention having been declared the Best Performing Stock Exchange globally.

Performed we did. We successfully effected two Mergers & Acquisitions and business restructuring across the Exchange and in the normal course of business, stock prices rallied amidst a stable economic environment and on the back of positive performances by most of our companies. Jamaica Stock Exchange Group, which is comprised of the JSE (Exchange) and its wholly owned subsidiary, the Jamaica Central Securities Depository, was in fact the best performing stock in 2015. While acknowledging the environment which assisted and complemented our efforts, we must give kudos to a team comprised of the directors, management and staff which concentrated on and is executing plans to diversify our business operation in keeping with our objectives to be an all-inclusive service provider for the securities market and to achieve financial viability for our shareholders. In 2015 this was clearly demonstrated by the profitable returns of many of our diversified operations including the Trustee Services Division which added the Repo Division to its service offerings. We are proud of the fact that we promised and we delivered the Online Trading Platform to the market and although still in its infancy, we know it will be a great value added to the market.

For the year 2015, the resilience of companies and the improvement in market participation resulted in improved performance of companies. Our two traditional sources of major revenue, namely Cess Income and Investment Income, significantly improved. Cess Revenue increased due to what we considered the awakening of the bull after a long running bear market and a number of large extraordinary transactions. With the exception of a still fledging e-Campus, the value of all revenue lines, increased in total by over one hundred (100%). Despite this positive performance, the Group continues to be affected by the low number of new listings on the Exchange and the delistings of a few companies which impact on our ability to increase the number of listings on the market. With this in mind, a considerable amount of effort was placed in sensitizing various stakeholders on the positive impact for companies to list on the market. Through a collaborative effort between the JSE and the Multi-lateral Investment Fund, (JSE/MIF Programme) we are making headway in sensitizing both small and medium sized companies and investors on the benefit of equity capital. We are aware that our lobbying efforts for the retention of the Junior Market Incentives are bearing fruits and this augurs well for the Exchange, prospective Junior Market companies and the economy in general.

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GENERAL MANAGER'S REPORT - JSE

It gives me pleasure in reporting that our efforts at diversification, market education, lobbying and operating a fair, efficient and transparent market yielded positive results. I am pleased that the Group returned a profit for the year before other comprehensive income of \$175 million compared to \$3.1 million in the previous year with our subsidiary the JCSD contributing \$48.5m to this performance.

We are now in our second year after listing our ordinary shares on the Exchange and we have pursued a number of critical activities in order to succeed in the pursuit of our strategic objectives and to ensure that we provide value to our shareholders. We are indeed pleased that our earnings per stock unit have significantly improved, moving from \$0.02 cents in 2014 to \$1.25. Our shareholders benefitted not only from the price appreciation of the JSE shares which moved from \$1.57 in 2014 to close 2015 at \$18.60 but received payment of dividend amounting to \$140.3 million or \$1.00 per stock unit.

We have been at the forefront of seeking out market opportunities and responding to market needs and will continue to pursue avenues to ensure that the Group has the capacity to be responsive and to remain profitable.

ENVIRONMENTAL FACTORS

Economic Overview

The year 2015 was a positive year for Jamaica from an economic standpoint. The country remained on course in passing all the reviews under the extended fund facility with the International Monetary Fund. The World Bank reported that Jamaica moved up 27 places to 58 out of 189 countries worldwide in the 2015 Doing Business Ranking. The country repurchased the PetroCaribe loan which had a reducing effect on the debt-to-GDP ratio to the tune of approximately 10%. The primary surplus target agreed with the IMF was revised downwards to 7.25% from 7.5%. The country was successful at borrowing over US\$2 billion on the international capital markets. Despite the positives, the unemployment rate remained stubbornly high; crime continues to be a challenge and the debt is still categorised as a burden.

As it relates to economic growth, the Statistical Institute of Jamaica revealed that the economy grew by 1.5% in the third quarter of 2015 compared to the same period in 2014.

The improved performance in the third quarter of 2015 was due to the increases in both the Goods Producing industries and the Services industries of 3.9% and 0.7% respectively. The Planning Institute of Jamaica (PIOJ) projected that the economy grew by 0.6% in the fourth quarter of 2015. This reflects the fourth consecutive quarter of economic growth. The PIOJ also projected that the economy grew by 0.8% for the year 2015. This compares favourably to the 0.5% growth that was recorded in the year 2014.

The Net International Reserves (NIR) at the end of December 2015 amounted to US\$2,437.27 million. This reflects an increase of US\$435.3 on the US\$2,001.97 million recorded at the end of December 2014.

The JMD closed the year 2015 at a rate of J\$120.4150:US\$1.00. This reflects a depreciation of 5.02% or \$5.75 for the year.

For the calendar year 2015 the rate of inflation was 3.7%. This compares to 6.4% in 2014 and 9.7% in 2013.

The average yields on Treasury Bills for December 2015 were 5.9656%, 5.9618% and 6.0414% for the 28 days, 91 days and 182 days auctions respectively. These compare to average yields of 6.38%, 6.96% and 7.14% for the 28 days, 91 days and 182 days auctions respectively in December 2014. During the year the BOJ reduced the rate on its 30-day Certificate of Deposit to 5.25%. During the year 2014 the rate remained unchanged at 5.75%.

We expect that these lower yields have had a positive impact on the Stock Market in general.

Global Review of Stock Markets for 2015

The performance of the majority of the stocks in the United States were relatively flat due to a further and unexpected decline in commodity prices, particularly oil; continued strength in the dollar; soft economic growth and currency devaluation in China and relatively low interest rates.

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GENERAL MANAGER'S REPORT - JSE

The Shanghai Composite is 9.4 per cent higher after a year of tumultuous swings. Japan's Nikkei is up 9.1 per cent and, thanks to a stable yen, is also 8.5 per cent higher in dollar terms on the year. Europe's benchmarks did well this year in local currency terms, with Italy's FTSE MIB up 12.7 per cent, but only higher by 1.1 per cent in US dollar terms given the euro's weakness. The commodity rout hammered London's FTSE 100, down 4.9 per cent on the year.

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies while still accounting for over 70 percent of global growth declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

The continued reduction in commodity prices but especially oil prices, played a significant role in the performance of the Jamaica Stock Market, so that while the performance of many other markets were relatively flat, many companies on the JSE benefited from these prices and returned relatively higher profit with corresponding higher dividend payments than in the previous year.

JSE MARKET PERFORMANCE IN 2015

2015 was an exceptional year for the JSE indices with several of the indices recording all-time highs. All the indices recorded significant increases except the JSE Cross Listed Index. The Junior Market Index saw the biggest increase of 160.34% or 1,103.09 points closing at 1,791.05 points. The JSE Select recorded the second largest increase of 124.29% or 2,759.47 points closing at 4,979.74 points. The Combined Index increased by 102.33% or 80,045.69 points to close at 158,269.14 points. The Main JSE index and the All Jamaican Composite indices advanced by 97.36% or 74,338.74 points and 99.04% or 83,278.31 points to close at 150,692.13 points and 167,363.25 points respectively. The JSE USD Index increased by 19.00% or 25.71 points to close the year at 161.06 points. The JSE Cross listed index declined by 14.82% or 86.84 points to close at 499.06 points.

Similarly, the market capitalizations achieved substantial growth. As at December 31, 2015, the market capitalization of the Main Market amounted to \$615.56 billion, an increase of 107.37% or \$318.72 billion, compared to the \$296.84 billion at the end of 2014. Market capitalization of the Junior Market at the end of 2015 amounted to \$67.95 billion, up significantly by \$41.5 billion versus the \$26.09 billion for 2014. For the US Dollar Equities Market, the market capitalization at the end of 2015 amounted to US\$132.58 compared to US\$76.58 million at the end of 2014.



Listing of Derrimon Trading Limited.

OPPORTUNITIES

There is no shortage of opportunities to grow the market and achieve profitability for the Group. We are currently pursuing the offering of Depository Receipts to the market and are at an advanced stage which will see this product being offering in the first half of 2016. Our intention is to ensure that each product that is rolled out is of the highest market standard and that the interest of all market players is protected, other products aimed at market diversification will be rolled out post 2016.

Coming soon, the Group also intends to bring more focus to Corporate Governance and will be launching in 2016 its Corporate Governance Index aimed at providing a tool by which listed companies can measure, based on their governance programme, how well they are performing in relation to global standards.

With the new trading platform to which the JSE migrated in 2015, we expect that other products and services will be launched, which will allow for better investor product and service delivery. The JSE is proud to inform that a migration which generally results in higher price of service will be reduced as we partner with our Caribbean Exchanges to effect a more cost effective arrangement of shared cost.

GENERAL MANAGER'S REPORT - JSE

JSE DEPARTMENTAL HIGHLIGHTS 2015

Trading & Settlement Platforms

The JSE relies heavily on the technological infrastructure and employees' competence to deliver high quality products and services to the market. The Group's technology unit continues to operate as a strategic partner to all the business units by focusing on customer service through collaboration and providing solutions that are timely and allow the divisions to create value and operate efficiently. By extension, this facilitates the Exchange in its mandate towards implementing core business strategies and expansion of the service portfolios.

During the year 2015, we experienced no significant downtime that would have otherwise impacted the systems and markets negatively. We have calculated that significant downtime should be no more than 30 minutes in each instance and will continue to ensure that this metric is maintained during 2016 and beyond. Additionally, we will continue to ensure the delivery of a reliable IT Strategy that will enable the JSE to take advantage of emerging trends and technology.

We have made significant progress in the following areas and have achieved several successes.

Successful initiatives during 2015

1. Implementation of Online Trading Platform
2. Implementation of New Website
3. Implementation of Retail Repo Services
4. Implementation of Cross Market Listing
5. Continuing activities for the implementation of a new Trading and Surveillance Platform in 2017

Projects to be implemented in 2016

1. Mobile App
2. Depository Receipts
3. Online Trading Phase II
4. Board Book Solutions

Ongoing Initiatives in 2016

1. Continuing activities towards the implementation of a new trading platform in 2017
2. Infrastructure Improvements to ensure the infrastructure remains robust and agile.
3. Business Solutions geared towards achieving the group's strategy

4. IT Governance, Security and Service Delivery continuous improvements
5. Customer Service and Support continuous improvements



Launch of the Online Trading platform.

The Group's technology unit will continue to leverage successful standards and practices and to adopt new frameworks where applicable. Additionally, we will undertake enabling initiatives that ensure our IT strategy aligns to the JSE Group Strategic Plan. We have made significant progress in this area to ensure the organization's strategic objectives are met.

In the area of Risk Management and Compliance we continue to enhance and maintain system redundancies which allows for 100% availability during business hours. The continued testing and verification of our support services will be further evaluated to ensure business continuity. Our risk management policies and procedures will be further shaped to accommodate new best practice standards while ensuring compliance through continued audits.

Our team remains committed to the initiatives to be achieved in 2016 and will continue to expand its capacity to ensure that the Group takes advantage of market opportunities through the utilization of efficient and effective use of technology.

Marketing Activities

2015 has been one of the most successful years in the history of the Jamaica Stock Exchange. The Stock Exchange was voted by Bloomberg as the number one Exchange in the world for 2015. This is a testament that our objectives to

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GENERAL MANAGER'S REPORT - JSE

provide investor education, such as financial literacy sessions through outreach programmes and industry-specific workshops; keep the market abreast of new changes, engage SME's in listing and expansion prospects and various other sensitization activities have paid handsome dividends. This is attested by the number of new investors that are now a part of the market actively trading and creating personal wealth.

The Exchange utilizes various approaches to reach investors and potential investors. Some of the programmes that provide investor engagement are outlined below:

Capital Market Conference

The JSE hosted its 10th Investments and the Capital Markets Conference in 2015, under the theme, “Regional Transformation Through Innovation and Investments”. After 10 years, the JSE thinks it would be a good strategic move to expand the Conference across the Region, North America, South America and the UK. The Conference is a calendar event where participants meet, share ideas, network and make deals. The Conference continues to experience growth in attendance. The JSE continues to push for small and medium sized business owners to attend the Conference and gain needed exposure.

Stock Market Game

The Stock Market Game is a simulation game for trading stocks on the Jamaica Stock Exchange platform developed to promote a better understanding of the stock market and how it works. It is aimed at High School students in 4th to 6th form. It is designed to strengthen students' critical thinking skills, build confidence and self-esteem. Most importantly, the stock market game instills an understanding of the need to save and invest at an early age.

The 2015 winners of the Stock Market Game were St. Jago High School for the second year running; Calabar High school was the first runner up and Merl Grove High School was the second runner up.

High School Education Programme

The financial crisis has made clear that all individuals need to be financially literate as the consequences of financial mistakes can be devastating.

The JSE continues its drive towards exposing young people on a whole and high school students in particular, to the roles and functions of the Stock Exchange, and to allow

students to develop an appreciation for investments. This is done through the JSE's Schools programme and is geared towards students who are pursuing the CSEC and CAPE exams.



Stock Market games for High School ceremony.

The school programme gives students an understanding of:

- The role & functions of the Stock Market
- The importance of Savings & Investments
- Investment using Stocks and
- The importance of financial literacy

In 2015, 80 high schools and tertiary institutions visited the Stock Exchange numbering over 2000 students and teachers. This was a record year for the Exchange in terms of visits by institutions.

Market Research Competition

This competition is designed to respond to the need to improve the level of market analysis and information available to the investing public. For every quarter of the year, the JSE invites analysts from the securities industry, tertiary institutions and the media to submit their analyses on the performance and future expectations of listed companies.

Interested participants conduct research, perform analyses and prepare submissions on the selected industry using the JSE's prescribed format. At the time of the publication of the Annual Report the 2015 competition was in progress.

JSE's Public Investor Outreach

The JSE Public Investor Outreaches are designed to engage Jamaicans across the length and breadth of the country on how the market works and how Jamaicans can use this medium to invest and create wealth.

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GENERAL MANAGER'S REPORT - JSE

In 2015, the JSE partnered with VM Wealth Management Limited and Barita Investments Limited to host outreaches in Ocho Rios, Mandeville and Kingston.

Corporate Outreach

The Exchange shares with institutions an exciting 40-minute presentation tailored for employees in the Jamaican workforce to improve their understanding of the stock market and the different ways they can create wealth using this channel. The aim of the programme is to present simple and concise information about how the stock market works to benefit Jamaicans. In 2015, the JSE visited 30 institutions to share with them the benefits of the Markets.

National Investor Education Week

The Stock Exchange continues to push the agenda of financial literacy for the Jamaican populace. The National Investor Education week of activities has now become a calendar event and in 2015 the JSE host its 8th National Investor Education Week. The week of activities provides to investors and potential investors information on how the market works and how it can assist them in their financial pursuits.



National Investor Education Week.

Best Practices Awards

The Best Practices Awards was established in 2004 to award Listed Companies and Brokerages that exhibit Best Practices in their organization.

NCBJ won the Governor General's Award for Excellence for the Main Market listed companies and Access Financial Services copped the equivalent award for the Junior Market. Scotia Group Jamaica Limited was also in the prestigious winners' enclosure as they won the coveted JSE/PSOJ Best

Practices Award for Corporate Governance. JMMB Securities Ltd was crowned Top Member Dealer and received the JSE's Chairman's Award for Top Member Dealer, which was being awarded for the first time.

Publications

The Exchange publishes a number of publications aimed at assisting investors, potential investors, academia, researchers and the investment community to make more informed decisions and generally to provide market updates. These publications are:

1. The Stock Market Review
2. The Pocket Book
3. The Year Book
4. A Guide to the Jamaican Securities Markets

e-Campus

Currently in its 5th year of operation, the JSE e-Campus continues to provide quality continuing education for the Financial Services Sector. To date, we have provided training for over 300 persons, both locally and throughout the Caribbean via our Postgraduate Diploma in Financial Services Management and Post-Graduate Certificate courses. In November 2015, the e-Campus held its 4th Graduation and Awards Ceremony for the graduates of Cohorts 5 and 6. The keynote speaker for this momentous occasion was Dr. Wayne Wesley, Executive Director of HEART Trust/ NTA and alumnus of the JSE e-Campus' Post-Graduate Diploma in Financial Services Management programme. He shared key words of wisdom with the graduates and attendees. He also expressed the value of the e-Campus' diploma programme and how it positively impacted his career.

The JSE e-Campus is now being fully utilized as the training arm of the JSE. In addition to the Post Graduate Diploma programme and Certificate courses, the e-Campus is now responsible for all for-profit training courses and workshops. This process began in the third quarter of 2015 and thus far we have had the support of over over 150 persons from various companies across Jamaica attending one or more of the JSE workshops in 2015 yielding approximately \$970,000 net profit. Some of the topics covered were as follows:

- Corporate Secretary
- Estate Planning
- Mastering the Changes in the Investment Market
- Fundamentals of Analyzing Financial Reports

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GENERAL MANAGER'S REPORT - JSE

There is a fresh set of informational topics to be covered via these workshops scheduled to take place in 2016 and beyond. With continued strategic partnership/ sponsorship arrangements in place, we expect that these workshops will continue to be well-received.

INTERNAL AUDIT

Our internal audit functions are outsourced to PriceWaterHouseCooper. The JSE Group proactively responds to the recommendations of the internal auditors for improvement to our operations. This has enabled us to deliver much better services to our internal and external customers and enhanced our risk mitigation programmes.

HUMAN RESOURCES

In positioning the JSE to achieve its objectives, and to ensure that our staff is motivated and prepared to successfully navigate the different challenges, an in-depth strategic exercise was conducted which was inclusive of all levels of team members. Team members were engaged in the organization climate surveys, leadership training sessions and were also placed in focus groups to thoroughly examine issues and identify requisite solutions to contribute to the JSE attaining its earmarked Vision for 2015 - 2017. Emphasis was placed on training and development through various workshops, cross-training opportunities and on-line training programmes offered by our e-Campus.

The year 2015 also saw the advent of the Retail Repurchasing Unit, a division of our subsidiary, the JCSD. The core function of this Unit is to provide trustee services for the Retail Repurchase Market.

FOCUS - 2016

In 2016 the JSE's will seek to explore new avenues of increasing shareholders' value. We intend to do so by focusing on the following:

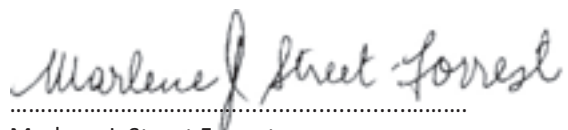
- Further diversification of revenue stream. Capitalizing on market opportunities by providing new products and services while improving and maximizing the opportunities available through our current product offering
- Reduction where possible of our expenses
- Working very closely with our customers and other stakeholders
- Increasing Investor & Business Awareness of the Markets

- Development & Launch of Stock Market mobile application & improved website
- Improve regional and international alliances
- Improvements in our internal capabilities and infrastructure for better service delivery
- Image and brand building

Our ongoing programmes have registered positive results but we are aware that the efforts must be intensified if we are to achieve a ground swell in market participation. Our mandate to grow the market will not be satisfied until a critical mass of investors and companies operate within this marketplace. We believe however that we are making steady progress which will yield long-term reward for the investors in the JSE Group and the market in general.

Many thanks to the members of the Board and the Committees who continue to play their part in ensuring that the strategies and the underlying fabric of the Group is current, modern and appropriate and that the Exchange continues to uphold good governance practices.

We are committed to remaining relevant to our shareholders, listed companies, member dealers and other market participants. The team stands ready to continue to deliver on the promise of 'contributing to the countries in which we operate by facilitating the mobilization, exchange and expansion of capital while providing a return on equity that is acceptable to our shareholders'.



Marlene J. Street Forrest
General Manager, JSE

CORPORATE SOCIAL RESPONSIBILITY

Special Feature on Mr Jordon Dwight Wray (JSE 2015/2016 Scholarship Recipient)

Mr. Jordon Dwight Wray has been selected as the recipient for the Jamaica Stock Exchange Scholarship in the period 2015/2016. He is a twenty two year old second year student from the University of the West Indies Mona Campus where he currently pursues the Bachelors of Science Degrees in Banking and Finance and Accounting in the faculty of Social Sciences. Mr. Wray is a very hardworking and motivated young man who is determined to succeed in whatever he does. He is guided by the philosophy which states that “There is no obstacle in the path of young people that a good education cannot overcome”. He is an outstanding past student of the Excelsior High School where he attended between the years 2006-2013. He was also the recipient of multiple awards based on his exemplary academic performance at Excelsior where he attained nine Caribbean Secondary Examination Certificate (CSEC) subjects, and eight Caribbean Advanced Proficiency Examination (CAPE) units, which resulted in him being named the Top Accounting and Management Studies student after sitting the 2012/2013 CAPE exams. Mr. Wray has also been highlighted for his strong leadership qualities which allowed him the responsibility of being a senior prefect and treasurer for the Excelsior High school Prefect body. He is currently driven towards pursuing a career as an Accountant/ Financial Advisor after completing his undergraduate studies, and also hopes to be an inspiration to his peers and siblings.



Jordon Wray, JSE 2015/16 Scholarship Recipient .

JSE GROUP

2015 Management's Discussion and Analysis

Introduction

The Jamaica Stock Exchange Group comprises the Jamaica Stock Exchange Limited (JSE), Jamaica Central Securities Depository Limited (JCSD) and JCSD Trustee Services Limited (JCSCTS). This Management Discussion and Analysis (MD&A) of the JSE Group's financial condition and results of its operations is provided to enable stakeholders to assess the financial health, material changes and results of its operation for the year ended December 31, 2015. It provides information on liquidity and capital resources and gives a comparative examination of the current year under review against the previous year's performance. The MD&A should be read in conjunction with our Audited Financial Statements and must be considered as complementary information to that which is provided in the audited statements and the accompanying notes. The information presented is based on the best judgment of management, taking into consideration all our internal systems and controls, our plans and the present programmes and policies that are being pursued.

As a company whose securities are publicly traded, the Exchange is most conscious not only of its responsibility as a listed company but as a regulator of listed companies. It therefore operates with the framework of ensuring that its regulatory responsibilities are conducted in an atmosphere of transparency and that its commercial operations are discharged in order to ensure market growth and shareholder profitability.

The JSE offered to the public by way of Initial Public Offer (IPO) 28,050,000 units of shares at a price of \$2.00 with the shares trading in 2015 at a high of \$19.05, a low of \$1.60 and closing the year at a market price of the shares of \$18.60. External market conditions and internal market activities such as new products and services positively impacted on its core revenue streams (Cess Revenue and Listing Fees). We expect that the renewed business and consumer confidence as well as full year impact of new business lines will be reflected in increased activities on the market and which should translate to stability in the share price.

The value of shareholders' investments has been enhanced by the payments of \$140m in 2015. This represents a payment per stock unit of \$1.00 to shareholders. With our thrust to drive profitability, it is expected that shareholders will benefit even further from dividend payments.

UPDATE ON THE IMPLEMENTATION OF THE GROUP STRATEGIC PLAN

At the end of 2014, the Exchange engaged in strategic planning exercise to identify our key objectives for three (3) years, that is, 2015-2017 which we believe is ambitious and stretches the team to perform. We are committed to this process and are pleased to report that many of our targets have been achieved and we are on track with the others. The Exchange embarked on a new strategic plan which will span 2015-2017.

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JSE GROUP
2015 Management's Discussion and Analysis
**STRATEGIC PLAN 2015 2017
PURPOSE-DRIVEN INDICATORS & TARGETS**
(A) Jamaica Stock Exchange

PERFORMANCE INDICATORS	2017 Y3 TARGET	2015 TARGET	2015 ACTUAL	GAP
1. Value of Transactions /year	\$51B	\$22B	\$72B	Above target
2. Net Profit	\$63M	\$20M	\$113M	Above target
3. Net # New Listings /year YTD 2014= 70 listings	16	10	2	-8
4. Amount of Capital Mobilized	\$20B	\$8B	\$8B	none
5. Return of Equity relative to T-bill	T+3%	T-3%	T+19	Above target

(B) Jamaica Central Securities Depository Group

PERFORMANCE INDICATORS	2017 Y3 TARGET	2015 TARGET	2015 ACTUAL	GAP
1. Net Profit \$M	\$25M	\$14M	\$88M	Above target
2. Return on equity (relative to T-Bill)	T+10%	T+8	T+32	About target
3. Trustee Market Share- Non Govt. bonds & Unit Trusts)	50%	42%	51%	Above Target
4. Locally issued govt. debt stock %	100%	0%	0%	To be pursued
5. Registry market share, %	70%	51%	59%	Above target
6. Value of securities in custody \$T	1.46	1.0	1.17	Above Target
7. Market Capitalization (\$322B -2014)	\$600B	\$ 400B	\$683B	Above target
8. # of Trustee Clients	70	50	56	Above Target

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JSE GROUP

2015 Management's Discussion and Analysis

The JSE has delivered on many of the major strategic objectives but is conscious of the fact that more is required to convert these initiatives into improvement for the long-term profitability of the business.

Over the last twelve (12) years the Company has pursued a path of revenue diversification of its products throughout the Exchange and its subsidiaries. The results of this effort are seen in the Group's reaping the benefits from the profitability of the JCSD Trustee Service and Registrar Services and from other initiatives that are making a significant contribution in the operating revenue of the Company. In 2015 Cess revenue and Investment Income, which are usually considered to be the two major sources of revenue of the Group, increased by 340% and 0.15% respectively or a cumulative improvement of \$232.3m. Other areas of the revenue improved by \$138m or 51.3% which resulted in a net improvement in revenue. The Group's Financial Statements reflect an improvement in revenue (not including interest income) of \$371.1m or 110%. The market benefitted from a few large transactions.

Most areas of expenditure increased over the prior year, with the total moving from \$383.8m in 2014 to \$495.9m in 2015, which represents \$112.1m or 29.2% increase in expenditure. Detailed explanation is provided further in this analysis.

The profitability of the Group improved generally when compared to the prior year. Profit after taxation reflects a vast improvement of \$175m from \$3.1m in 2014. This is due mainly to improved market activity, which was primarily caused by generally settled economic conditions during the year. Year over year there was no change in Investment income.

Vision, Strategies and Priorities

The vision, strategies and priorities of the individual companies that comprise the JSE Group, namely the Jamaica Stock Exchange, Jamaica Central Securities Depository and JCSD Trustee Services, are complementary and aligned to the overarching objective of consistently generating an acceptable return on investment for our shareholders, facilitated by providing to our customers an innovative, transparent and customer-oriented world class Exchange and Securities Depository.

Our 2020 Vision: To be an innovative, transparent and customer-oriented world class exchange, operating in over five (5) countries in the Caribbean Region; has over 100 listings and contributes significantly to capital expansion while consistently generating satisfactory returns to our shareholders.

Our Priorities:

- Grow Core Business through Innovation**
 We continue to pursue a path of growing the Group by our thrust into market education, the development of new products, the opening of new markets and the provision of better service to our customers and stakeholders. In keeping with our vision of being the premier securities market in the Caribbean, the Exchange will vigorously target the Region for new listings on the main and junior markets. The Group aims to examine market opportunities wherever they are.

Through market education the Group aims to retain current investors and attract new investors, as we recognize that expansion will not be successful in the long-term without an expanding pool of financially-educated investors. Recognizing that attracting new players to the market must be supported by new and existing products that are driven by customer demand, the JSE is treating this as an imperative. Industry collaboration, stakeholder inclusion and effective lobbying are the conduits through which the innovations in the market will be best facilitated. While we believe that the Group's initiatives will result in more vibrant trading of securities on the stock market as well as a more diversified revenue stream that will augur well for the medium to long-term growth and profitability of the Group, we understand that these initiatives cannot be pursued unless they are driven by external demand.

- Continued Diversification in Related Business Lines**

We continue to diversify our activities into current, relevant and related business lines. The path has taken a two pronged approach, that of nurturing new business lines within the context of continuous review of those operations, while at the same time putting in the necessary infrastructure to encourage the development of other products and services. The decision taken by the Group to

JSE GROUP

2015 Management's Discussion and Analysis

diversify its revenue stream is generally bearing fruits, measured by the contribution to profit. New product offerings by the JCSD's Registrar Services Division and the JCSD Trustee Services have met with success and continue to make significant contributions to the bottom line. These product lines are still in their early stages and have the ability to grow even further. The provision of superior products and services compared to that of our competitors are the avenues that are being pursued to arrive at market penetration and growth. Driven by a market survey in 2015, we are re-engineering our offering in the e-Campus Division to allow for better market product acceptability as well as asset utilization. This we believe will redound to profitability of that division.

Summary of Long Term Vision includes:

- Offering regionally and globally diversified capital market products
- Commitment to high standards of transparency and governance
- Continuously improving shareholders' value
- Setting a strong foundation in all critical divisions and subsidiaries to allow for long-term growth and development
- Enhanced attractiveness of the equities market to investors and businesses
- Participation in the development of the Fixed Income Market
- Strong internal competences
- Being among the top employers of choice in Jamaica
- To be considered a partner that is essential to nation building
- To forge key regional and global partnerships in furtherance of these goals
- Consistent operational and overall profitability

Summary of Our Performance Measurements

- High Customer and Employee Satisfaction
- Financial measurement including growth and profitability targets, net profit and return on equity
- Diversification of products and services scoring a 50:50 split with progressively less emphasis on equities contributions in each year
- Increase in listings on the Main, Junior, USD Equities, and Bond Markets

Overview of the Business

Both the Jamaica Stock Exchange and its subsidiary, the Jamaica Central Securities Depository, are licensed to operate by the Financial Services Commission. The JSE and JCSD operate electronic trading and settlement platforms respectively through a service licensing agreement with providers, Trayport Limited and Percival Limited. The trading and settlement platforms allow for greater product offerings and enable us to maintain competitive pricing for the services that we provide to the market place. The JSE boasts the largest number of listings of equity securities within the English-speaking Caribbean.

Memberships and Accreditations

- Subscribes to the World Federation of Exchanges (WFE)
- Member of the Americas Central Securities Depositories Association (ACSDA)
- Partners of Sustainable Stock Exchanges (Global Initiative)
- ANNA Partner (Securities Numbering Agency)
- e-Campus has been:
 - CPD Certified, UK; approved by the Financial Services Commission;
 - Registered by the University Council of Jamaica (as a Tertiary Institution) and
 - Approved by the Ministry of Education and
 - Also accredited by the General Legal Council of Jamaica for its Law Course

Market Depth

- 60 listed companies offering fifty-nine (59) Ordinary Securities (34 listed on the JSE Main Market, 23 listed on the JSE Junior Market and 2 listed on the US Dollar Equities Market) and thirteen (13) Preference Securities (10 listed on the JSE Main Market and three listed on the JSE Junior Market). One corporate bond is listed on the Bond Market. Trading activities are concentrated mainly around the Ordinary Shares.
- The JSE is the primary venue for the raising of equity capital in Jamaica. The total market capitalization (main and junior markets) as at December 2015 was J\$683.5 billion. The top five stocks represented 56.13% of overall market capitalization.
- The JSE maintained seven indices during 2015:

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JSE GROUP

2015 Management's Discussion and Analysis

- (i) The JSE Market Index
- (ii) The JSE All Jamaican Composite
- (iii) The JSE Select
- (iv) The JSE Cross-Listed Index
- (v) The JSE Junior Market Index
- (vi) The JSE Combined Index
- (vii) The JSE US Dollar Equities Index

The JSE Main Index is a market-weighted index comprising ordinary shares of all listed companies. The All Jamaican Composite Index measures the performance of Jamaican Companies only while the JSE Select Index measures the performance of the JSE's 15 most liquid securities. The JSE Cross-Listed Index measures the performance of the companies that are also registered outside of Jamaica and the JSE Junior Market Index measures the performance of the companies listed on the Junior Market. The JSE Combined Index measures the performance of all the companies listed on the main and junior markets. The JSE US Dollar Equities Index measures the performance of all the companies listed on the US Dollar Equities Market.

- The JSE launched its Junior Market for small and medium sized companies that are seeking to raise between \$50 million and \$500 million via the market and whose participating equity capital will not exceed \$500 million. The Government has made changes to the tax benefit for companies wishing to list on the Junior Market. Instead of a 10 year tax exemption on corporate profits, companies listed effective January 2014 will receive five (5) years tax exemption. However, companies which were listed prior to January 2014 will continue to receive the 10 year tax exemption. The current five (5) year corporate tax incentive is scheduled to be discontinued for new Junior Market companies in the ensuing year. Based on the success of the market, the JSE has continued to make representation to the government to reconsider its decision. We have been made to understand from the government that the tax incentives will not be discontinued and we will update the market on the terms and conditions of the incentive going forward.
- An amount of JA\$9.3 billion was mobilized via Rights Issues and JA\$433 million were raised from IPOs in 2015 and a total of \$5.1 billion has been raised by the companies listed on the Junior Market since inception in 2009.

- The Group is organized into five main business segments from which income is derived, namely:
 - (a) Exchange operations, which deal with the operations of the exchange.
 - (b) Depository Services, which is involved with the holding, transferring and pledging of securities.
 - (c) Investment This represents income derived from investing activities of the Group.
 - (d) Registrar Services, which maintains registers of security holders and facilitate corporate actions on behalf of issuer companies.
 - (e) Trustee services- The Trustee Services represents one of the latest additions to the services offered by the Group and now ranks as the number one service provider in the industry. The JCSSTS leads the market serving over 80% of the Unit Trust market.

Market Operations & Trading

The market improved significantly in 2015 in comparison to 2014. All markets, Main, Junior & US Dollar Equities Market recorded marked improvement in their market statistics in 2015.

Main Market

The Main Market (inclusive of block trades) recorded a total of 21,767 transactions with volume traded of 4.1 billion units that were valued at \$64.6 billion. This represented an increase of 35.4% in the number of transactions, an increase of 94.1% in the volume traded and an increase of 404.7% in the value traded in comparison to the prior year. For the year under review (excluding the block market), increases were also recorded in the market statistics, the number of transactions and value traded increase by 35.5% and 59.7% respectively while the volume traded declined by 11.2% when compared to the market activity of 2014.

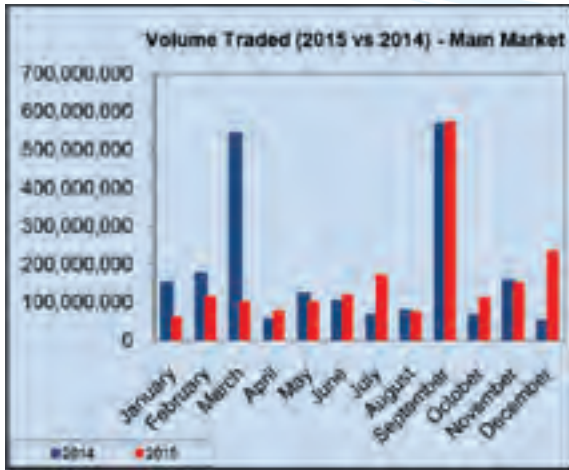
The charts below reflect the trading activity on the main market (excluding blocks) for 2015 compared to 2014. Market activity on the block market in 2015 also recorded increases when compared to the activity in the previous year. On the block market, block trades amounted to 10, a decrease of 9.1%, volume traded amounted to 2.2 billion units, an increase of 62,426.4% and valued traded amounted to \$44.2 billion, an increase of 226,455.67%.

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JSE GROUP

2015 Management's Discussion and Analysis

Charts 1 and 2



Market capitalization of the Main Market amounted to \$615.6 billion at the end of 2015. This was an increase of \$318.7 billion or 107.4% from the start of the year. Please view the chart below for more details.

Chart 3

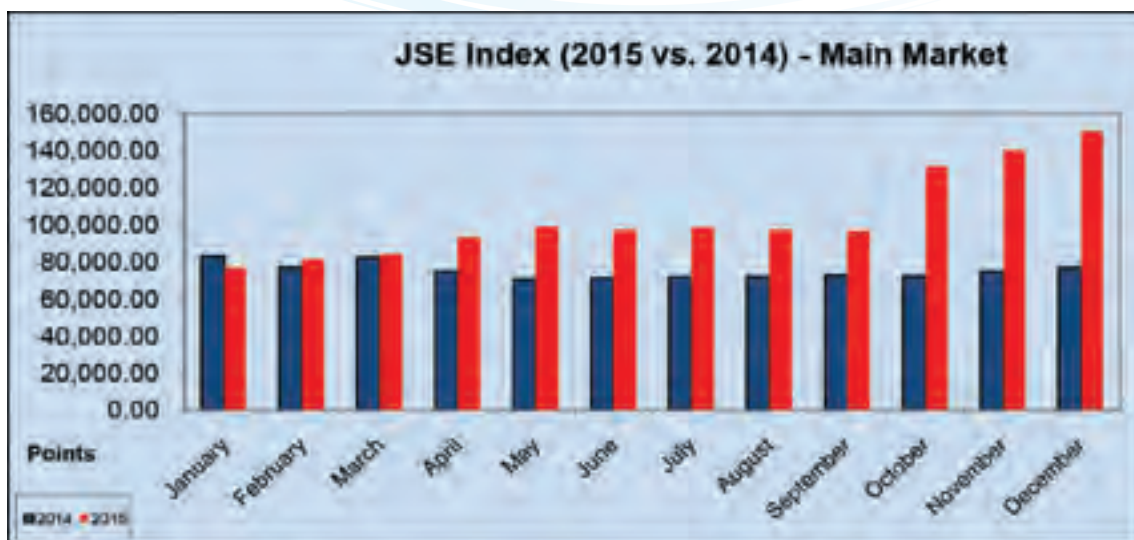


As at the end of 2015: the JSE Index advanced by 74,338.74 points or 97.36% to close at 150,692.13 points, per Chart 4 below. The All Jamaican Composite Index increased by 83,278.31 points or 99.04% to close at 167,363.25 points; the JSE Select Index increased by 2,759.47 points or 124.29% to close at 4,979.74 points; and the JSE Cross Listed Index declined by 86.84 points or 14.82% to close at 499.06 points in comparison to the 2014 year end closing indices.

JSE GROUP

2015 Management's Discussion and Analysis

Chart 4



The vibrant performance of the market for 2015 was also captured in the advance/decline ratio, which indicated that a total of twenty-nine stocks advanced while nine declined. The average price appreciation was 162% for the ordinary stocks in the Main Market partially as a result of twelve companies reflecting significant price increase of more than 100% for the year; one company increased in price by over 1,000%. Presented in table 1 are the top ten advancers and decliners of the Main Market for 2015, while the succeeding charts indicate the recent five years of JSE trading history of the main market.

Table 1 - Top Advancers and Decliners for 2015

WINNERS		LOSERS	
Company	% Change	Company	% Change
Jamaica Stock Exchange Limited	1084.71%	Jamaica Money Market Brokers 7.25%	(18.47%)
Pulse Investments Limited	757.14%	Montego Bay Ice Company Limited	(16.99%)
Caribbean Cement Company Limited	689.63%	Trinidad Cement Limited	(14.82%)
Desnoes & Geddes Limited	506.06%	Jamaica Money Market Brokers 8.75%	(6.67%)
Caribbean Cream Limited	436.00%	Kingston Properties Limited	(6.00%)
Caribbean Flavours & Fragrances	301.70%	Sterling Investments Limited	(2.99%)
LASCO Financial Services Limited	277.55%	Salada Food Jamaica Limited	(2.07%)
LASCO Distributors Limited	275.17%	Proven Investments Limited 8%	(1.96%)
AMG Packaging & Paper Company	268.42%	Jamaica Money Market Brokers 7.50%	(0.50%)
Honey Bun (1982) Limited	259.65%		

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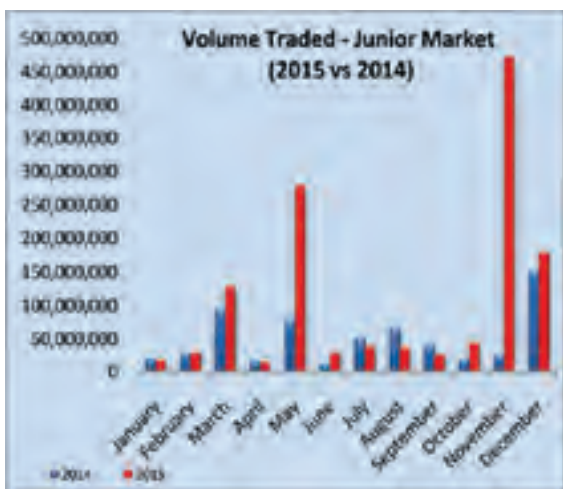
JSE GROUP

2015 Management's Discussion and Analysis

Junior Market

The JSE Junior Market Index increased by 1,103.09 points or 160.3% to close the year at 1,791.05 points.

The market welcomed the listing of one new security during the year, bringing the total listings to twenty-six securities. Derrimon Trading Company Limited 11.75% Cumulative Redeemable Preference Shares were listed on March 27, 2015 and the company raised \$250 million from the Offer of the preference shares. Market activity on the Junior Market increased considerably to reflect an increase of 77.3% in the number of transactions, an increase of 118.8% in the volume traded and an increase of 270.9% in the value traded. The number of transaction amounted to 7,754 trades, the volume traded amounted to 1.3 billion units and the value traded amounted to \$7.4 billion in 2015. As at December 31, 2015, market capitalization of the Junior Market amounted to \$67.9 billion. This was an increase of \$41.8 billion or 160% from the start of the year. There were 253 days of trading in 2015 and 251 days of trading in 2014. The charts below reflect the trading activity in the Junior Market for the year under review compared to the previous year.



JSE GROUP

2015 Management's Discussion and Analysis

Charts - Five Year History of Combined Market Data for the JA\$ Markets



US Dollar Equities Market

In the US Dollar Equities Market, the total volume amounted to 24.6 million units valued at US\$5.0 million in 2015. This was an increase of 17.0% in the value traded and a marginal increase of 0.29% in the volume traded when compared to the market activity in 2014. The number of transactions stood at 651, representing a 142.01% increase on the 269 trades in 2014. The JSE USD Equities Index increased by 25.71 points or 18.99% to close at 161.06 points. Market capitalization ended the year at US\$132.6 million, an increase of 73.1% for the year. Three were no new listings in the US Dollar Equities Market in 2015.

Bond Market

The trading activity on the Bond Market for the year has resulted in 8 trades with a total value of \$7.2 million.

The JSE Group Financial Performance

(Comparison for Years Ended December 31, 2015&December 31, 2014)

(i) Revenue

Operating Revenue of \$708.3 million in 2015 reflects an improvement of \$371.1m or 110.1% increase over 2014. There was positive growth registered in all major revenue areas with the most positive change in Cess, transaction, registrar and trustee services. Highlighted also is the income from the Retail Repurchase Agreement Fees; the newest revenue source. The diversification of the revenue streams is proving to be successful in providing a steady and predictable revenue source and a significant portion of the Group's revenue. New diversified revenue represents over 39.5% of total revenue.

The following table and charts provide a visual representation of the revenue structure of the JSE Group, which primarily derives income from trading and settlement, listing fees, pledge fees, investment income, trustee services, registrar services and other related activities.

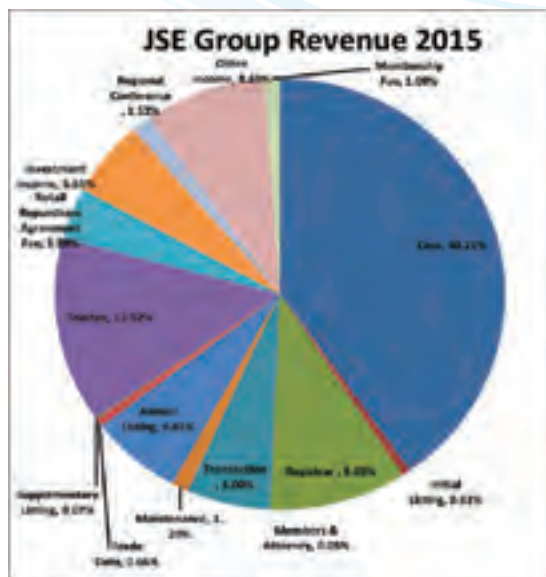
JSE GROUP
2015 Management's Discussion and Analysis
**TABLE 4: JSE GROUP REVENUE (INCLUSIVE OF INVESTMENT INCOME)
PERIOD 2011- 2015**

GROUP REVENUE	2015	2014	2013	2012	2011
<i>Cess</i>	301,882,000	68,632,000	70,373,000	265,164,000	87,564,000
Fee Income					
<i>Annual Listing</i>	49,612,390	49,344,448	38,849,344	43,969,327	41,372,562
<i>Initial Listing</i>	4,549,360	3,423,808	5,010,778	583,547	2,147,848
<i>Supplementary Listing</i>	497,144	337,682	109,433	209,501	308,093
<i>Members & Attorney</i>	375,000	1,624,175	1,000,000	56,390,000	10,000
<i>Transaction</i>	45,009,747	13,902,102	28,959,401	31,629,694	28,956,681
<i>Maintenance</i>	8,972,863	3,733,047	3,381,940	3,423,600	3,268,000
<i>Trade Data</i>	4,945,769	4,027,054	3,467,314	3,788,900	4,146,769
<i>Registrar</i>	73,975,546	51,679,401	22,673,653	20,954,393	17,312,792
<i>Trustee</i>	104,519,850	67,850,000	56,082,997	26,429,174	19,157,225
<i>Retail Repurchase Agreement Fee</i>	29,209,867				
<i>Membership Fee</i>	8,155,697	2,716,833	1,433,600	1,854,000	1,792,000
Other Income					
<i>Regional Conference</i>	11,376,000	13,800,060	14,497,462	9,420,895	11,128,128
<i>Other Income</i>	65,209,697	56,178,940	45,480,538	40,483,360	39,123,902
Sub-Total	708,290,930	337,249,550	291,319,460	504,300,391	256,288,000
<i>Investment Income</i>	42,424,000	42,362,000	56,455,000	38,166,000	24,863,000
<i>Other Gains</i>		147,000	27,000	5,931,000	28,477,000
TOTAL	750,714,930	379,758,550	347,801,460	548,397,391	309,628,000

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JSE GROUP

2015 Management's Discussion and Analysis



• **Expenditure**

Expenses of \$495.9m in 2015 represent an increase of \$112.1m or 29.2% over the \$383.8m in 2014. The Exchange continues to monitor expenditure by applying tight procurement guidelines. Areas which showed significant increases over 2015 are highlighted below:

• **Staff Costs**

Staff Cost was \$215.1m in 2013 compared to \$171.7m in 2014 which represents an increase of \$43.4m or 25.3%. This movement was primarily driven by the an increase in staff complement due to the recently launched Retail Repo Division, salary increase of 5% for 2015 and an end of year incentive of \$17.6m which was awarded to staff due to the Group's performance above budget and in keeping with the JSE Group's Incentive Policy.

• **Advertising & Promotions**

Advertising & Promotion increased from \$27.8m in 2014 to \$41.9m in 2015. This increase of \$14.1m or 50.9% was due to cost associated with the development and execution of a marketing campaign aimed at increasing awareness of and utilization of the markets and the Group's other products and services. This campaign will continue through to 2016.

• **Securities Commission Fees**

An increase of \$34.3m or 266.2% over the previous year is directly related to the increase in Cess Revenue. Cess Fee is paid to the Financial Services Commission on the value of the transaction across the market.

• **Allowance for Bad Debt less Recoveries**

There was a provision of \$6.8m for bad debts during 2015 based on the assessment of the Company's receivables and in keeping with the Group Bad Debt Policy to provide for receivables over 180 days.

- Other Operating Expenses increased by \$10.8m or 59% over the prior year. This was primarily driven by an increase of \$7.8m in expenses in the JCSD Registrar Services Unit to facilitate increase in client services and is offset by \$22m positive movement in revenue.

(Cont'd on next page)

JSE GROUP

2015 Management's Discussion and Analysis

(ii) Net Profit

The parent company's profit for 2015 was \$113m inclusive of \$26m dividend income from subsidiary and the profit from its subsidiary was \$87.6m. Upon consolidation the Group recorded a Net Profit for 2015 of \$175m. This performance was above the profit of \$3.1m recorded in 2014 due primarily to an increase in revenue by 110%. Expenditure increased by 29%.

(iii) Earnings Per Share

Basic earnings per stock unit is calculated by dividing the profit by the weighted average number of stock units. The weighted average number of stock units in 2015 is 140,250,000 and represents the total ordinary stocks on issue at no par value. The basic earnings per stock unit increased from \$0.02 in 2014 to \$1.25 in 2015.

(iv) Revenue Reserves

The Group's Revenue Reserves increased in 2015 to \$329.5 million from \$311.9million in 2014.

Table 5: Five Year Key Financial Highlights

(\$000)	2015	2014	2013	2012	2011
Revenue	750,715	379,612	347,775	542,467	281,151
Expenses *	495,930	383,788	349,614	360,960	272,030
Surplus derived from Operations	174,953	3,128	5,674	129,903	33,919
Earnings per share \$	1.25	0.02	0.05	1.16	1.21

* --includes finance charges



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JSE GROUP

2015 Management's Discussion and Analysis



Market Conditions and Outlook

(This section contains certain forward-looking statements that contain elements of Management's best evaluation of current conditions and likely future events)

The country continues to perform well under the IMF Standby Agreement meeting all X number of reviews. The new government has indicated its intention to continue the programme which augurs well for the continuation of both business and investor confidence. There are definite signs of economic recovery which we believe will flow through to more activities on the market and by extension an improvement in the revenues of the Group. We expect that the response to the Online Trading will continue to expand and that extended depository services will be in demand. Further we are of the view that other products such as Depository Receipts scheduled to be launched in 2016 will gain market acceptance. The success of these products and services will need the collaborative approach of the Group, regulators, government and our member dealers.

All markets advanced in 2015.

There were only two new listings on the Junior Stock Market which were in the pipeline from the previous year. Other potential listing shied away from the market due to uncertainties surrounding government policies on the incentives. We believe that even if there is a decision to stay the elimination of the benefits for new listings, there will be a lag time in 2016 for other new companies to come to market other than those who readied themselves and were listed in anticipation of the elimination of the corporate tax benefit at March 31, 2016. Our partnership with the IDB Multilateral Investment Fund on a US\$ 1.1m project aimed at 'Promoting Access to Equity Financing to SMEs through the Junior Market' is on track. This is stimulating more interest in the equities market which will ultimately lead to more listings and more persons investing in the market.

A number of large transactions occurred on the markets in 2015. The JSE Group expects to see a few more large transactions in 2016. However of more significance is our expectation that more transactions will be processed through its Registrar and Trustee Services Division. Our expectation is that 2016 will be a year not without challenges locally, but factors in the economy including the government's performance under the IMF Standby Programme and the respite in increases in oil prices are among the factors which will continue to impact on companies. We expect that companies' performance will impact on the performance of the market.

For further information and in keeping with the JSE Listing Requirement, financial information is also available on the JSE Website www.jamstockex.com. We invite you to visit our Facebook page at www.facebook.com/jamaicastockexchange.

The Regulatory & Market Oversight Division

2015 Year In Review of JSE's Regulatory Activities

In 2015 the Regulatory & Market Oversight Division (RMOD) aptly performed with zeal and tenacity given the heightened activities on the Jamaica Stock Exchange (JSE). During the course of the year the RMOD satisfied its operational objectives by making Active Oversight its modus operandi.

Operational Principle

Active Oversight resulted in the RMOD establishing consistent engagement with market constituents on their roles and responsibilities through:

1. The circulation of Three Hundred and Twelve (312) reminder notices to Listed Companies which highlighted the due-date for filings, filing requirements and penalties for breaches;
2. The convening of Three (3) one-on-one Orientation Sessions with Company Secretaries of Listed Companies in relation to their role and market rules;
3. Establishing a compliance and monitoring system for Listed Companies' conformance with JSE Rule 414 Corporate Governance Guidelines; and Member-dealers' compliance with JSE Rule 229 Business Continuity and Contingency Plan;
4. The convening of one (1) member-dealer training session on interpreting and preparing schedules in accordance with JSE Rule Appendix 12, Member-dealers' Report and Financial Information;
5. Creating a 2-day turnaround cycle for reviewing Prospectuses and Circulars against the background of examining Fourteen (14) Prospectuses, Eight (8) Takeover Bid Circulars and Five (5) Directors' Circulars.

Operational Summary

For the 2015 calendar year the RMOD handled Two Hundred and Five (205) regulatory issues which formed its Market Surveillance and Compliance Log. In 2014 the Division handled Two Hundred and Thirty Eight (238) regulatory issues. Table 1 below provides a summary of the activities.

Table 1 - Regulatory Issues by Type & Group (2015/2014)

Year	2015	2014
Nature of Infraction	Total	
Complaints against Member-dealers	0	1
Complaints against Listed Companies	6	0
Compliance & Mkt. Surveillance- Member-dealers	39	62
Compliance & Mkt. Surveillance-Listed Company	156	170
Other Compliance & Mkt. Surveillance Issues.	4	5
Total	205	238

Operational Activities

The RMOD's operational activities are centered on Member-dealer Regulation, Market Surveillance, Enforcement, Dispute Resolution, Risk Assessment and Listed Company Compliance. Below is the performance outcome for each activity.



Mr. Wentworth Graham
Chief Regulatory Officer

The Regulatory & Market Oversight Division

2015 Year In Review of JSE's Regulatory Activities

1. Member-dealer Regulation

During 2015 the RMOD examined Two Hundred and Three (203) financial statements for member-dealers. These submissions comprised of Monthly, Quarterly and Audited Statements. In 2014 the number of member-firm financial statements that were reviewed by the Division amounted to Two Hundred and Ninety Seven (297).

In addition to examining member-dealers financial statements, the RMOD also conducted one (1) for-cause-offsite inspection of member-dealers' operations in 2015. During the course of the year the RMOD also examined an aspect of the Jamaica Central Securities Depository operations.

2. Market Surveillance

The RMOD's market surveillance routine involves examining daily trading activities on the JSE to detect market infractions. Arising from this exercise Exception Reports are created. In 2015 the RMOD formulated Thirty-one (31) Exception Reports based on its market surveillance activities. In 2014 the Division created Fourteen (14) Exception Reports. The RMOD's market surveillance activities also include examining submissions that Listed Companies made with the JSE; these include Financial Statements, Dividend notices, meeting advisories, among others. In 2015 the Division examined One Thousand Two Hundred and Thirty-eight (1,238) Listed Company submissions; in 2014 the tally was One Thousand and Ninety-two (1,092). ▶

3. Enforcement

The Division's enforcement activities involve levying fines, delisting and suspension of market constituents. In 2015 the Division administered Fifty-nine (59) enforcement actions. Arising from enforcement activities the RMOD levied fines which amounted to \$12 million and suspended One (1) Listed Company from trading on the JSE. In 2014 the number of enforcement actions amounted to Thirty-one (31), which saw fines amounting to \$5.18 million and One (1) Listed Company being suspended from trading.

4. Dispute Resolution

For 2015 the RMOD handled Six (6) complaints through its Dispute Resolution processes. In 2014 the Division handled One (1) complaint.

5. Risk Assessment

The RMOD's Risk Assessment is supported by examinations from JSE's Internal Auditors. For the year under review JSE's Internal Auditors conducted one (1) assessment of RMOD's operations. The Auditors also did one (1) assessment of the Divisions operations in 2014. During the course of 2015 the RMOD was also examined by the Financial Services Commission.

6. Listed Company Compliance & Oversight

The performance outcome for Listed Company Compliance and Oversight is represented in **Table 2** below:

Activity	2015	2014	2013
Member-dealers timely filing of Monthly Statements	95%	97%	93%
Member-dealers timely filing of Quarterly Statements	100%	98%	86%
Member-dealers timely filing of Audited Statements	58%	85%	91%
Main Market Companies timely filing of Unaudited Statements	95%	96%	91%
Main Market Companies timely filing of Audited Statements	78%	80%	59%
Main Market Companies timely filing of Annual Reports	86%	79%	69%
Junior Market Companies timely filing of Unaudited Statements	95%	87%	86%
Junior Market Companies timely filing of Audited Statements	87%	77%	69%
Junior Market Companies timely filing of Annual Reports	68%	48%	50%
Percentage of regulatory/compliance Issues Closed	96%	98%	97%
Total Number of Enforcement Actions	59	31	40

Closing Remarks

In closing, I wish to thank the Regulatory & Market Oversight Committee (RMOC), staff of the RMOD and the wider JSE Group for their support and input in making the RMOD realizing another year of creditable performance. To the investing public, Listed companies, member-dealers and other stakeholders the RMOD is hereby giving assurance that it will continue providing the highest level of service that resound in engendering market confidence while satisfying its mission of "Safeguarding Market Integrity" and JSE's purpose of "Providing a Fair, Efficient and Transparent Stock Market" to all.

SHAREHOLDINGS

Top 10 for Jamaica Stock Exchange As at December 31, 2015

Name	Joint Holders	Volume	Percentage
BARITA INVESTMENTS LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
GK CAPITAL MANAGEMENT LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
JMMB SECURITIES LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
M/VL STOCKBROKERS LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
MAYBERRY INVESTMENTS LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
NCB CAPITAL MARKETS LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
SAGICOR INVESTMENTS JAMAICA LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
SCOTIA INVESTMENTS JAMAICA LIMITED		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
VM WEALTH MANAGEMENT		<u>10,200,000</u> 10,200,000	<u>7.27</u> 7.27
STOCKS AND SECURITIES LIMITED		<u>7,131,808</u> 7,131,808	<u>5.09</u> 5.09

Executives Holdings for Jamaica Stock Exchange As at December 31, 2015

Name	Joint Holders	Volume	Percentage
MARLENE STREET FORREST 1656248	Keena Street	<u>30,000</u> 30,000	<u>0.02</u> 0.03
ROBIN LEVY 1903798		<u>50,000</u> 50,000	<u>0.04</u> 0.04

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SHAREHOLDINGS

Executives Holdings for Jamaica Stock Exchange As at December 31, 2015

Name	Joint Holders	Volume	Percentage
SUZETTE MCNAUGHT 1300367	Minette McLeish	<u>30,000</u> 30,000	<u>0.02</u> 0.02
SUZETTE WHYTE 1902956	Felix Whyte	<u>20,000</u> 20,000	<u>0.01</u> 0.01
KADYLL MCNAUGHT HERMITT	Garth Anthonio Hermitt	<u>20,000</u> 20,000	<u>0.01</u> 0.01
JOSEPHINE LEWIS	Suzette Marie Smith Stacey Ann Lewis	<u>10,000</u> 10,000	<u>0.00</u> 0.00

Directors Holdings for Jamaica Stock Exchange As at December 31, 2015

Name	Joint Holders	Volume	Percentage
EDWIN MCKIE 1002955	Beulah McKie	<u>200,000</u> 200,000	<u>0.1426</u> 0.1426
<u>ALTERNATE DIRECTORS</u>			
Derrick McKoy 1187145	Grace McKoy	<u>70,000</u> 70,000	<u>0.4991</u> 0.4991

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SUBSIDIARIES' REPORT FOR 2015

OVERVIEW

The JCSD Group, comprising the Jamaica Central Securities Depository Limited and subsidiary JCSD Trustee Services Limited, enjoyed its most successful year in 2015 with an expanded line of services, doubled total revenue, almost tripled profitability and a strengthened capital position at year end.

FINANCIAL ANALYSIS

With the value of trading on the Exchange increasing throughout 2015, the Group's share of Cess Revenue increased by 344% from \$8.5m in 2014 to \$37.7m in 2015. Membership & Users Fees, which includes Registrar Services Fee Income, increased by 82% from \$76.1m in 2014 to \$138.7m in 2015, while Trustee Services Fee Income grew by 54% over the same period, as the Group's revenue diversification strategy continued to pay off. Total revenue of \$314.8m for 2015 represented a 105% year-over-year increase.

The Group's total expenses of \$191.0m for the year represented an increase of 41% increase over 2014, largely due to increased personnel costs to staff the new Retail Repurchase Services Department and increased property expenses. It is notable that the new Department was profitable, despite having nine months of start-up expenses but only three months of billable revenue for the year 2015.

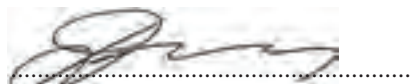
The resulting JCSD Group after-tax profit of \$87.6m for the year represented a 295% increase over 2014's comparable figure. The consolidated balance sheet reflected a strengthened capital position, with equity increasing by 48% to end 2015 at \$229.0m, \$48.4m of which was transferred to non-distributable reserves to meet regulatory requirements for JCSD Trustee Services. Total assets grew from \$177.2m at the start of 2015 to \$305.1m at its close. An interim dividend of \$26m was also paid to parent company, the Jamaica Stock Exchange, during the year.

OPERATIONAL REVIEW

The increasing number and variety of clients and activities over the year has put additional pressure on the Group's technical and human resources to maintain high service standards. The continued efficient delivery of services has been assisted by upgrades to the main operating systems, additional hires and targeted training. Board oversight, sound planning methodologies, increased insurance coverage and regular process reviews, as supported by internal audits conducted by PriceWaterhouseCoopers, were critical to the process of managing the risks of our increased client commitments and expanded business lines.

CONCLUSION & VISION

The Group continues to prove itself to be a valued and trustworthy partner for financial service providers' fundraising and administrative efforts and to add value to the investing public. We plan to continue to grow our range of products, client base and profitability in contributing positively to the JSE Group's financial results and the development of Jamaica's capital markets.



Robin Andrew Levy
General Manager & Company Secretary
- JCSD and JCSCTS



AND ITS SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**



Chartered Accountants

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ey.com

INDEPENDENT AUDITOR'S REPORT

To the Members of The Jamaica Stock Exchange Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Jamaica Stock Exchange Limited and its Subsidiaries (the Group) and the Jamaica Stock Exchange Limited (the Company), which comprise the Group and the Company statements of financial position as at December 31, 2015, the Group and the Company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Cont'd on next page)

A member firm of Ernst & Young Global Limited
Partners: Allison Peart, Linval Freeman, Winston Robinson, Anura Jayatillake, Kayann Sudlow



Chartered Accountants

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of The Jamaica Stock Exchange Limited (Continued)

Report on the Financial Statements (Continued)

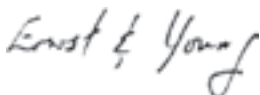
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on additional requirements of 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 maintained and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act in the manner so required.



Chartered Accountants
Kingston, Jamaica

February 26, 2016

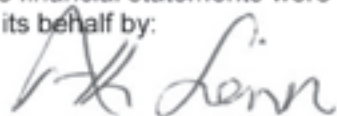
A member firm of Ernst & Young Global Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Non-current assets			
Property, plant and equipment	4	86,177	82,428
Intangible assets	5	45,224	24,691
Employee benefits	7	118,789	66,957
Investment in securities	8(a)	233,359	277,342
Long-term receivables	9	11,082	10,787
Total non-current assets		494,631	462,205
Current assets			
Income tax recoverable		-	19,390
Due from related party	10	141	2,376
Trade and other receivables	11	119,174	60,443
Investment in securities	8(b)	62,985	-
Government securities purchased under resale agreements	12	50,404	68,920
Cash and cash equivalents	13	64,009	14,330
Total current assets		296,713	165,459
Total assets		791,344	627,664
Equity			
Share capital	14	238,146	238,146
Fair value reserve	15	5,945	10,961
Revenue reserve non-distributable	16	48,367	-
Revenue reserve	17	329,469	311,916
Total equity		621,927	561,023
Non-current liabilities			
Deferred tax liabilities	18	43,772	2,613
Total non-current liabilities		43,772	2,613
Current liabilities			
Income tax payable		19,060	-
Payables and accruals	19	106,585	64,028
Total current liabilities		125,645	64,028
Total equity and liabilities		791,344	627,664

The accompanying notes form an integral part of these financial statements.

The financial statements were approved for issue by the Board of Directors on February 26, 2016 and signed on its behalf by:



Allan Lewis

Director



Jane George

Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Revenue			
Cess		301,882	68,632
Fee income		330,086	198,638
E-campus		9,978	10,952
Other operating income	20	66,345	59,027
		<u>708,291</u>	<u>337,249</u>
Expenses			
Staff costs	21	215,139	171,697
Property expenses		87,581	83,419
Depreciation and amortization	4,5	18,833	24,522
Advertising and promotion		41,876	27,750
Professional fees		35,336	35,595
Securities commission fees		47,205	12,889
Bad debts, less recoveries		6,838	(3,095)
E-campus		14,004	12,654
Other operating expenses		29,118	18,349
		<u>495,930</u>	<u>383,780</u>
Investment income	22(a)	42,424	42,362
Other gains	23	-	147
Finance costs	24	-	(8)
Profit(Loss) before taxation	25	254,785	(4,030)
Taxation	26	(79,832)	7,158
Profit for the year	27	<u>174,953</u>	<u>3,128</u>
OTHER COMPREHENSIVE INCOME			
Item that will never be reclassified to profit or loss:			
Remeasurement of employee benefits asset	7(c)	46,825	(5,295)
Deferred income tax on item that will never be reclassified to profit or loss	18	(15,608)	1,765
Items that may be reclassified to profit or loss:			
Realised gain on sales of available-for-sale investments	15	(5,433)	(11)
Unrealised (loss)/gains on available-for-sale investments	15	(2,090)	13,016
Deferred income tax on items that may be reclassified to profit or loss	18	2,507	(4,337)
Other comprehensive income for the year, net of taxes		<u>26,201</u>	<u>5,138</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>201,154</u>	<u>8,266</u>
Earnings per stock unit	28	<u>\$1.25</u>	<u>\$0.02</u>

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Share Capital	Fair Value Reserve	Revenue Reserve Non- Distributable	Revenue Reserve	Total
	\$'000 (Note 14)	\$'000 (Note 15)	\$'000 (Note 16)	\$'000 (Note 17)	\$'000
Balance at January 1, 2014,	238,146	2,293	-	312,318	552,757
Profit for the year	-	-	-	3,128	3,128
Other comprehensive income:					
Appreciation in fair value of investments, net of taxes	-	8,668	-	-	8,668
Remeasurement of employees benefit assets, net of taxes	-	-	-	(3,530)	(3,530)
Total comprehensive income for the year	-	8,668	-	(402)	8,266
Balance at December 31, 2014	238,146	10,961	-	311,916	561,023
Profit for the year	-	-	-	174,953	174,953
Appreciation in fair value of investments, net of taxes	-	(5,016)	-	-	(5,016)
Remeasurement of employees benefit assets, net of taxes	-	-	-	31,217	31,217
Total comprehensive income for the year	-	(5,016)	-	206,170	201,154
Transfer to non-distributable revenue reserve	-	-	48,367	(48,367)	-
Dividend (Note 32)	-	-	-	(140,250)	(140,250)
Balance at December 31, 2015	238,146	5,945	48,367	329,469	621,927

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Profit for the year		174,953	3,128
Adjustments for:			
Depreciation of property, plant and equipment	4	13,045	13,788
Amortisation of intangible assets	5	5,788	10,734
Gain on sale of available-for-sale investments	22(a)	(5,620)	(11)
Gain on disposal of property, plant and equipment	23	-	(147)
Unrealised foreign exchange gain	22(a)	(10,737)	(18,809)
Employee benefits expense	7(c)	2,559	673
Bad debts, less recoveries	11	6,838	(5,584)
Income tax charge (credit)	26	79,832	(7,158)
Interest income	22(a)	(26,067)	(23,542)
Interest expense	24	-	8
Operating cash flows before movements in working capital		240,591	(26,920)
(Increase)/Decrease in trade and other receivables		(65,569)	23,588
Increase/(Decrease) in payables and accruals		42,557	(12,043)
Post employment benefit contributions	7(d)	(7,566)	(6,732)
Cash utilised in operations		210,013	(22,107)
Income tax paid		(13,324)	(13,923)
Interest paid		-	(8)
Cash provided by/(used in) operating activities		196,689	(36,038)
Cash flows from investing activities			
Investment securities, net		(59,349)	(10,000)
Proceeds from disposal of property, plant and equipment		-	147
Government securities purchased under resale agreements		16,569	3,348
Receipts from/(Payments made by) related parties		2,235	(15,495)
Proceeds from sale of available-for-sale investments		52,566	39,105
Acquisition of property, plant and equipment	4	(16,794)	(5,883)
Acquisition of intangible assets	5	(26,321)	(4,023)
Long-term receivables		(295)	(1,411)
Interest received		24,045	26,805
Cash (used in)/provided by investing activities		(7,344)	32,593
Cash flows from financing activities			
Dividends paid		(140,250)	-
Loan repaid		-	(387)
Cash used in financing activities		(140,250)	(387)
Net increase/(decrease) in cash and cash equivalents		49,095	(3,832)
Cash and cash equivalents at the beginning of the year		14,330	17,125
Effect of foreign exchange rate changes		584	1,037
Cash and cash equivalents at the end of the year	13	64,009	14,330


The accompanying notes form an integral part of these financial statements

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Non-current assets			
Property, plant and equipment	4	73,966	74,307
Intangible assets	5	33,092	15,533
Investment in subsidiary	6	61,000	61,000
Employee benefits	7	78,568	46,510
Investment in securities	8(a)	154,836	202,999
Long-term receivable	9	9,721	9,066
Total non-current assets		411,183	409,415
Current assets			
Income tax recoverable		1,832	15,441
Due from related party	10(b)	10,119	2,937
Trade and other receivables	11	54,689	29,757
Investment in securities	8(b)	61,022	-
Government securities purchased under resale agreements	12	16,731	62,181
Cash and cash equivalents	13	15,125	2,802
Total current assets		159,518	113,118
Total assets		570,701	522,533
Equity			
Share capital	14	238,146	238,146
Fair value reserve	15	3,470	9,376
Revenue reserve	17	212,316	219,830
Total equity		453,932	467,352
Non-current liabilities			
Deferred tax liabilities	18	25,771	-
Total non-current liabilities		25,771	-
Current liabilities			
Due to related party	10(b)	21,649	11,132
Payables and accruals	19	69,349	44,049
Total current liabilities		90,998	55,181
Total equity and liabilities		570,701	522,533

The accompanying notes form an integral part of these financial statements.

The financial statements were approved for issue by the Board of Directors on February 26, 2016 and signed on its behalf by:



Allan Lewis

Director



Jane George

Director

**COMPANY STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Revenue			
Cess		264,150	60,120
Fee income		57,621	54,730
E-campus		9,978	10,952
Other operating income	20	87,727	59,515
		<u>419,476</u>	<u>185,317</u>
Expenses			
Staff costs	21	122,585	107,061
Property expenses		44,260	48,425
Depreciation and amortization	4,5	12,341	17,635
Advertising and promotion		38,913	27,241
Professional fees		17,288	18,663
Securities commission fees		44,915	12,234
Bad debts less recoveries		3,080	312
E-campus		14,004	12,654
Other operating expenses		7,526	5,724
		<u>304,912</u>	<u>249,949</u>
Investment income	22(a)	34,137	33,248
Other gains	23	-	147
Finance costs	24	-	(8)
Profit/(Loss) before taxation	25	148,701	(31,245)
Taxation	26	(35,397)	12,201
Profit/(Loss) for the year		<u>113,304</u>	<u>(19,044)</u>
OTHER COMPREHENSIVE INCOME			
Item that will never be reclassified to profit or loss:			
Remeasurement of employee benefits asset	7(c)	29,148	(3,043)
Deferred income tax on item that will never be reclassified to profit or loss	18	(9,716)	1,014
Items that may be reclassified to profit or loss:			
Realised gains on sale of available-for-sale financial assets	15	(5,433)	(9)
Unrealised loss on available-for-sale financial assets	15	(3,426)	10,676
Deferred income tax on items that may be reclassified to profit or loss	18	2,953	(3,557)
Other comprehensive income for the year, net of taxes		<u>13,526</u>	<u>5,081</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>126,830</u>	<u>(13,963)</u>

The accompanying notes form an integral part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Share Capital \$'000 (Note 14)	Fair Value Reserve \$'000 (Note 15)	Revenue Reserve \$'000 (Note 17)	Total \$'000
Balance at January 1, 2014	238,146	2,266	240,903	481,315
Loss for the year	-	-	(19,044)	(19,044)
Other comprehensive income:				
Appreciation in fair value of investments	-	7,110	-	7,110
Remeasurement of employee benefits assets, net of taxes	-	-	(2,029)	(2,029)
Total comprehensive income for the year	-	7,110	(21,073)	(13,963)
Balance at December 31, 2014	238,146	9,376	219,830	467,352
Profit for the year	-	-	113,304	113,304
Other comprehensive income:				
Appreciation in fair value of investments	-	(5,906)	-	(5,906)
Remeasurement of employee benefits assets, net of taxes	-	-	19,432	19,432
Total comprehensive income for the year	-	(5,906)	132,736	126,830
Dividend (Note 32)	-	-	(140,250)	(140,250)
Balance at December 31, 2015	238,146	3,470	212,316	453,932

The accompanying notes form an integral part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Profit/(Loss) for the year		113,304	(19,044)
Adjustments for:			
Depreciation of property, plant and equipment	4	9,680	10,013
Amortisation of intangible assets	5	2,661	7,622
Gain on disposal of property, plant and equipment		-	(147)
Foreign exchange gain on investments	22(a)	(8,395)	(14,963)
Post employment benefit expense	7(c)	1,854	455
Bad debts, less recoveries	11	3,080	(2,177)
Gain on sale of investments in available-for-sale financial assets	22(a)	(5,620)	(9)
Income tax charge/(credit)	26	35,397	(12,201)
Interest income	22(a)	(20,122)	(18,276)
Interest expense	24	-	8
Operating cash flows before movements in working capital		131,839	(48,719)
(Increase)/Decrease in trade and other receivables		(28,012)	25,845
Increase /(Decrease) in trade and other payables		25,300	(14,380)
Post employment benefit contributions	7(d)	(4,764)	(4,372)
Cash provided by/(used in) operations		124,363	(41,626)
Income tax paid		(2,780)	238
Interest paid		-	(8)
Cash provided by/ (used in) operating activities		121,583	(41,396)
Cash flows from investing activities			
Net acquisition of investments in securities		(59,349)	-
Proceeds from sale of investments in available-for-sale financial assets		52,566	22,146
Government securities purchased under resale agreements		45,087	2,600
Advances from related parties		3,335	4,654
Acquisition of property, plant and equipment	4	(9,339)	(4,712)
Net proceeds on disposal of property, plant and equipment		-	147
Acquisition of intangible assets	5	(20,220)	(2,994)
Long-term receivable		(655)	(273)
Interest received		19,243	21,270
Cash provided by investing activities		30,668	42,838
Cash flows from financing activities			
Dividend paid		(140,250)	-
Loan repaid		-	(387)
Cash used in financing activities		(140,250)	(387)
Net increase in cash and cash equivalents		12,001	1,055
Cash and cash equivalents at the beginning of the year		2,802	1,014
Effect of foreign exchange rate changes		322	733
Cash and cash equivalents at the end of the year	13	15,125	2,802

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)

1. Identification and principal activities

The Jamaica Stock Exchange Limited (the Company) is incorporated in Jamaica as a public limited liability company. The main activities of the Company are the regulation and operation of a stock exchange and the development of the stock market in Jamaica. The Company performs the twin role of regulating participants in the stock market, and operating an efficient platform on which that market trades. The Company is domiciled in Jamaica with registered office at 40 Harbour Street, Kingston, Jamaica and is listed on the Main Market of the Jamaica Stock Exchange.

The Group comprises the Company and its wholly-owned subsidiary as detailed below:

<u>Subsidiary</u>	<u>Principal Activity</u>
Jamaica Central Securities Depository Limited (JCSD) and its wholly-owned subsidiary, JCSD Trustee Services Limited (Incorporated July 21, 2008)	To establish and maintain a Central Securities Depository (CSD) in Jamaica to facilitate the transfer of ownership of securities by book entry, including shares, stocks, bonds or debentures of companies and other eligible securities. Its subsidiary JCSD Trustee Services Limited provides trustee custodianship and related services.

Both the JCSD and its subsidiary are incorporated and domiciled in Jamaica. The Company and its subsidiaries are herein referred to as the Group.

2. Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

(b) Adoption of new and revised International Financial Reporting Standards:

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

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. This amendment is not relevant to the Group, since the Group does not have contributions from employees or third parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

- (b) New and amended standards and interpretations that became effective during the year (Continued)

Annual Improvements 2010-2012 Cycle

With the exception of the improvement relating to IFRS 2 *Share-based Payment* applied to share-based payment transactions with a grant date on or after July 1, 2014, all other improvements are effective for accounting periods beginning on or after July 1, 2014. The Group has applied these improvements for the first time in these financial statements. They include:

IFRS 2 *Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Group did not grant any awards during the year and thus these amendments did not impact the Group's financial statements or accounting policies.

IFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This amendment did not impact the Group's accounting policies as there were no business combinations during the year.

IFRS 8 *Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities

These amendments did not have any impact on the financial statements of the Group.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact on the Group's financial statements as no property revaluation adjustments were recorded by the Group during the current year.

IAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

- (b) New and amended standards and interpretations that became effective during the year
(Continued)

Annual Improvements 2011-2013 Cycle

These improvements are effective from July 1, 2014 and the Group has applied these amendments for the first time in these financial statements. They include:

IFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

This amendment is not relevant for the Group as it has no joint arrangements.

IFRS 13 *Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.

IAS 40 *Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment did not impact the accounting policy of the Group.

New revised and amended standards and interpretations that are not yet effective

At the date of approval of the financial statements, certain new and revised standards and interpretations were in issue but are not yet effective or early adopted for the financial period being reported on.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)**(b) New and amended standards and interpretations that are not yet effective****(i) Classification and measurement**

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

(ii) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects a significant impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(iii) Hedge accounting

This amendment would not apply as the Group does not apply hedge accounting.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)**(b) Adoption of new and revised International Financial Reporting Standards (Continued)**

*New revised and amended standards and interpretations that are not yet effective
(Continued)*

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2015, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in an exposure draft in July 1, 2015 and will monitor any further developments.

IFRS 16 Leases

This new standard requires lessees to account for all leases under a single on-balance sheet model, subject to certain exemptions in a similar way to finance leases under IAS 17. Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately. The standard provides guidance on the two recognition exemptions for leases – leases of “low value” assets and short-term leases with a term of 12 months or less. Lessor accounting is substantially the same as IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted but not before the company applies IFRS 15. The directors and management have not yet assessed the impact of the application of this standard on the Group's financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (Continued)

*New revised and amended standards and interpretations that are not yet effective
(Continued)*

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements as the Group does not have any bearer plants.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (Continued)

*New revised and amended standards and interpretations that are not yet effective
(Continued)*

Amendments to IAS 27: *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure Initiative*

The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is currently assessing the impact of IAS 1 on the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

(b) **Adoption of new and revised International Financial Reporting Standards (Continued)**

*New revised and amended standards and interpretations that are not yet effective
(Continued)*

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after January 1, 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (Continued)

*New revised and amended standards and interpretations that are not yet effective
(Continued)*

Annual Improvements 2012-2014 Cycle (continued)

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments are not expected to have any impact on the Group's financial statements.

(c) Basis of measurement and functional currency

The Group's financial statements have been prepared on the historical cost basis, except for financial assets classified as available-for-sale that are measured at revalued amounts or fair values as set out in the accounting policies at Note 3(h). Historical cost is generally based on the fair value of the consideration given in exchange for assets. Unless otherwise stated, the financial statements are presented in thousands of Jamaica dollars (\$'000). The Jamaican dollar is the functional currency of the Group and Company.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)**(d) Basis of consolidation (Continued)**

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(e) Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by Management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

- Allowance for credit losses

In determining amounts recorded for impairment of amounts due from debtors in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from amounts due from debtors, for example, payment default or adverse economic conditions. Management also makes estimates of the likely future cash flows from impaired amounts due from debtors as well as the timing of such cash flows.

At year end the impairment provision recognised in respect of trade receivables of the Group amounted to \$13.58 million (2014: \$6.74 million) and for the Company \$5.30 million (2014: \$2.22 million) (Note 11).

- Residual value and expected useful life of property, plant and equipment

The residual value and the useful life of each asset are reviewed at least at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)**(e) Accounting estimates and judgements (Continued)**

- **Fair value of financial instruments**

As described in Note 31, management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets. Valuation techniques commonly used by market practitioners supported by appropriate assumptions are applied by the Group. The financial assets of the Group at the end of the reporting period stated at fair value determined in this manner amounted to \$296.34 million (2014: \$277.34 million) and the Company \$215.86 million (2014: \$203 million) (Note 8).

Had the fair value of these securities been 2% higher or lower the fair value reserve for the Group would increase/decrease by \$5.93 million (2014: \$5.55 million), Company \$4.32 million (2014: \$4.06 million).

- **Employee benefits**

As disclosed in Note 7, the Group operates a defined benefit pension plan. The retirement benefit asset disclosed in the statement of financial position for the Group is \$118.79 million (2014: \$66.96 million) and Company \$78.57 million (2014: \$46.51 million), in respect of the defined benefits plan is subject to estimates in respect of periodic costs which costs are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan.

The estimated return on pension assets assumption is determined by considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Group estimates the appropriate discount rate annually which rate is used to determine the present value of estimated cash outflows expected to be required to settle the pension and post-retirement benefit obligations. Actuaries are contracted in this regard.

To determine the appropriate discount rate in the absence of high quality corporate bonds, the interest rate on government bonds that have that have maturities approximating the related pension liabilities was considered.

- **Taxes**

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. The Group establishes provisions, based on reasonable estimates taking cognizance of possible differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Note 18 and Note 26).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

2. Statement of compliance and basis of preparation (Continued)**(f) Comparative information**

Where necessary comparative figures have been reclassified to conform with changes in presentation in the current year. In particular, on the statement of financial position trade receivable balances amounting to \$2.02 million have been offset against the corresponding amounts in deferred income, which is included in trade payables and accruals. This reclassification has no impact on the statement of profit or loss and other comprehensive income.

3. Significant accounting policies**(a) Foreign currencies**

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Group operates (its functional currency).

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(b) Current vs. non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)
(c) Fair value measurement

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 is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Property, plant and equipment

Property, plant and equipment held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at cost, less accumulated depreciation and impairment losses.

Properties in the course of construction for supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)**(d) Property, plant and equipment (Continued)**

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land and work-in-progress are not depreciated:

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than freehold land, land improvements and work-in-progress) less residual values, over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Intangible assets**(i) Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(f) Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)

3. Significant accounting policies (Continued)

(f) Impairment of tangible and intangible assets (Continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Employee benefit costs

Pension obligations

The Group operates a defined benefit pension plan. The cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each reporting period.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through the statement of profit or loss and other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under expenses in consolidated statement of profit or loss and other comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)**(h) Financial assets and liabilities**

Financial assets comprise cash and cash equivalents, government securities purchased under resale agreements, investment securities, due from related parties and receivables. Financial liabilities comprise payables and due to related parties.

(i) Recognition

The Group initially recognises financial instruments on the date at which the Group becomes a party to the contractual provisions of the instrument, i.e., the date that they are originated.

(ii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

The Group enters into transactions whereby it transfers assets but retains either all or a portion of the risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, repurchase transactions.

(iii) Measurement

On initial recognition, financial assets and liabilities are measured at fair value plus or minus as applicable, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The measurement of financial assets subsequent to initial recognition depends upon their classification as set out in Note 3(h)(iv) below, namely: loans and receivables are measured at amortised cost using the effective interest method; held-to-maturity investments are measured at amortised cost using the effective interest method; investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably determined are measured at cost.

Financial liabilities are measured at amortised cost after initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Expressed in Jamaican Dollars)

3. Significant accounting policies (Continued)

(h) Financial assets and liabilities (Continued)

(iv) Classification

The Group classifies its financial assets into the following categories: loans and receivables; held-to-maturity; and available-for-sale. Management determines the classification of its investments at initial recognition.

(1) Loans and receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash and cash equivalents and long-term receivable) are measured at amortised cost using the effective interest method less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(2) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity and which are not designated as at fair value through profit or loss or as available-for-sale. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be compromised and reclassified as available-for-sale and the Group would be prohibited from classifying investment securities as held-to-maturity for two financial years. Held-to-maturity investments are measured at amortised cost.

(3) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified in any of the other three categories of financial assets. They are intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or market prices. Available-for-sale investments are measured at fair value, except for any unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Interest income is recognised in profit or loss using the effective interest method. Other unrealised gains and losses arising from changes in fair value of available-for-sale investments are recognized in other comprehensive income. On disposal or impairment of these investments, the unrealized gains or losses included in fair value reserve are transferred to profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)**(h) Financial assets and liabilities (Continued)****(v) Identification and measurement of impairment**

At each financial year end, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults in the Group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset level and collectively. All individually significant loans and receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, management makes judgements as to current economic and credit conditions and their effect on default rates, loss rates and the expected timing of future recoveries, ensuring that assumptions remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale securities are recognised by transferring the cumulative loss that has been recognised directly in other comprehensive income in equity to profit or loss. The cumulative loss that is removed from equity and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)

3. Significant accounting policies (Continued)

(h) Financial assets and liabilities (Continued)

(v) Identification and measurement of impairment (Continued)

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(i) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase the asset at a fixed price on a future date (repurchase agreements) and securities purchased under agreements to resell the asset at a fixed price on a future date (reverse repurchase agreements) are treated as collateralised financing transactions. In the case of reverse repurchase agreements, the underlying asset is not recognized in the Group's financial statements; in the case of repurchase agreements the underlying collateral is not derecognized from the Group's financial statements but is segregated as pledged assets. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective interest method.

(j) Investment in subsidiary

Investment in subsidiary is stated at cost in the financial statements of the Company.

(k) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

(i) Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)

3. Significant accounting policies (Continued)

(k) Taxation (Continued)

(ii) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(l) Related party transactions and balances

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”, that is, the company).

(a) A person or a close member of that person’s family is related to the company if that person:

- (i) has control or joint control over the company;
- (ii) has significant influence over the company; or
- (iii) is a member of the key management personnel of the company or of a parent of the company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)

(l) Related party transactions and balances (Continued)

(b) An entity is related to the company if any of the following conditions applies:

- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan established for the benefit of employees of either the company or an entity related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(c) A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(m) Revenue recognition

(i) Cess income

Cess income which is based on a percentage of the volume of business done through brokers on the Stock Exchange and derived from levies on investors, is accounted for on the accruals basis.

(ii) Fee income

Fee income derived from annual listing fees charged to listed companies is accounted for on the accruals basis. Fee income also includes initial listing fees paid by entities wishing to be listed on the Stock Exchange. These are accounted for when they become due.

Fee income of the subsidiaries include:

Membership fees

These are annual fees charged to the brokers and institutional investors who participate in the CSD, and are accounted for on the accrual basis.

Account maintenance fees

These are monthly fees charged to the brokers and institutional investors who participate in the CSD, and are accounted for on the accrual basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

3. Significant accounting policies (Continued)**(m) Revenue recognition (Continued)****(ii) Fee income (Continued)****User fees**

These include charges per transaction for deposits, withdrawals and delivery orders (trades), and are accounted for on the accrual basis.

Trustee service fee

These include service fees charged for the provision of trustee services, company management, custodianship and related services and are accounted for on the accrual basis.

(iii) E-campus income

This represents revenue generated from JSE offering of post graduate certificate and diploma courses to professionals and is accounted for on the accrual basis.

(iv) Members/dealers license fee

These are fees levied on members/dealers annually. Additionally, an initial fee determined on the basis of a bid is payable by new dealers subject to approval by the Board of Directors.

(v) Other operating income:

This includes income related to other services and events of the group such as website charges, conferences and seminars, and is accounted for on the accrual basis.

(vi) Investment income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably.

Interest income is accrued on a time basis and is recognised in the statement of comprehensive income, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
4. Property, plant and equipment

The Group

	Freehold land \$'000	Freehold buildings \$'000	Furniture & fixtures \$'000	Office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in- progress \$'000	Total \$'000
Cost								
January 1, 2014	4,997	65,633	11,737	28,356	85,203	4,348	9,111	209,385
Additions	-	639	89	2,686	2,442	-	27	5,883
Disposals	-	-	-	(1,393)	(6,403)	(670)	-	(8,466)
Transfers (Note 5)	-	1,149	-	8,493	-	-	(9,111)	531
December 31, 2014	4,997	67,421	11,826	38,142	81,242	3,678	27	207,333
Additions	-	1,926	1,463	5,596	4,348	-	3,461	16,794
Disposals	-	-	-	(13)	-	-	-	(13)
Transfers	-	27	-	-	-	-	(27)	-
December 31, 2015	4,997	69,374	13,289	43,725	85,590	3,678	3,461	224,114
Depreciation								
January 1, 2014	-	21,625	8,866	17,388	70,607	1,099	-	119,585
Charge for year	-	1,670	692	4,368	6,322	736	-	13,788
Eliminated on disposals	-	-	-	(1,383)	(6,403)	(672)	-	(8,468)
December 31, 2014	-	23,295	9,558	20,363	70,526	1,163	-	124,905
Charge for year	-	1,724	657	5,331	4,597	736	-	13,045
Eliminated on disposals	-	-	-	(13)	-	-	-	(13)
December 31, 2015	-	25,019	10,215	25,681	75,123	1,899	-	137,937
Carrying amounts								
December 31, 2015	4,997	44,355	3,074	18,044	10,467	1,779	3,461	86,177
December 31, 2014	4,997	44,126	2,268	17,779	10,716	2,515	27	82,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)

4. Property, plant and equipment (Continued)

The Company

	Freehold land \$'000	Freehold buildings \$'000	Furniture & fixtures \$'000	Office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in- progress \$'000	Total \$'000
Cost								
January 1, 2014	4,997	65,633	8,661	21,982	60,313	4,348	9,111	175,045
Transfers	-	1,149	-	7,962	-	-	(9,111)	-
Additions	-	639	81	2,513	1,452	-	27	4,712
Disposal	-	-	-	(1,393)	(6,066)	(670)	-	(8,129)
December 31, 2014	4,997	67,421	8,742	31,064	55,699	3,678	27	171,628
Transfers	-	27	-	-	-	-	(27)	-
Additions	-	1,926	538	2,229	1,185	-	3,461	9,339
Disposal	-	-	-	(13)	-	-	-	(13)
December 31, 2015	4,997	69,374	9,280	33,280	56,884	3,678	3,461	180,954
Depreciation								
January 1, 2014	-	21,625	6,850	14,425	51,438	1,099	-	95,437
Charge for year	-	1,670	399	3,371	3,838	735	-	10,013
Eliminated on disposals	-	-	-	(1,393)	(6,066)	(670)	-	(8,129)
December 31, 2014	-	23,295	7,249	16,403	49,210	1,164	-	97,321
Charge for year	-	1,724	329	4,252	2,639	736	-	9,680
Eliminated on disposals	-	-	-	(13)	-	-	-	(13)
December 31, 2015	-	25,019	7,578	20,642	51,849	1,900	-	106,988
Carrying amounts								
December 31, 2015	4,997	44,355	1,702	12,638	5,035	1,778	3,461	73,966
December 31, 2014	4,997	44,126	1,493	14,661	6,489	2,514	27	74,307

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
4. Property, plant and equipment (Continued)

The following useful lives are used in the calculation of depreciation of property, plant and equipment:

Buildings	-	40 years
Furniture and fixtures	-	10 years
Office equipment	-	5 years
Computer hardware	-	5 years
Motor vehicles	-	5 years

No depreciation is provided on freehold land, land improvements and work-in-progress.

5. Intangible assets

	The Group			The Company		
	Computer Software \$'000	Computer Software Development Project \$'000	Total \$'000	Computer Software \$'000	Computer software Development Projects \$'000	Total \$'000
Cost						
January 1, 2014	79,570	13,278	92,848	51,340	9,360	60,700
Transfers (Note 4)	606	(1,137)	(531)	-	-	-
Additions	142	3,881	4,023	71	2,923	2,994
Disposal	(110)	-	(110)	(110)	-	(110)
December 31, 2014	80,208	16,022	96,230	51,301	12,283	63,584
Transfers	2,330	(2,330)	-	1,994	(1,994)	-
Additions	4,786	21,535	26,321	-	20,220	20,220
December 31, 2015	87,324	35,227	122,551	53,295	30,509	83,804
Amortisation						
January 1, 2014	60,915	-	60,915	40,539	-	40,539
Charge for the year	10,734	-	10,734	7,622	-	7,622
Disposal	(110)	-	(110)	(110)	-	(110)
December 31, 2014	71,539	-	71,539	48,051	-	48,051
Charge for the year	5,788	-	5,788	2,661	-	2,661
December 31, 2015	77,327	-	77,327	50,712	-	50,712
Carrying amounts						
December 31, 2015	9,997	35,227	45,224	2,583	30,509	33,092
December 31, 2014	8,669	16,022	24,691	3,250	12,283	15,533

Amortisation of the computer software is calculated based on an estimated useful life of 3 - 5 years. Amortisation is not calculated on computer software in development.

6. Investment in subsidiary

	2015 \$'000	2014 \$'000
Shares at cost in Jamaica Central Securities Depository Limited	61,000	61,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits

The Group operates a defined benefit pension plan for its employees. The plan is open to all permanent employees and is administered by Prime Asset Management Limited. The plan is funded by employee contributions of 5% of pensionable salary, with an option for additional voluntary contributions of up to 8.4% of pensionable salary. The companies in the Group contribute to the plan at rates determined periodically by external actuarial valuations (currently 6.6% of pensionable salary) to meet the obligations of the plan.

Pension benefits are determined on the basis of 2% of final pensionable salary times pensionable years of service.

The trustees administer an irrevocable trust for providing pensions and other benefits to employees of The Jamaica Stock Exchange Limited and Jamaica Central Securities Depository Limited (the employers). The benefits are provided in accordance with the provisions of the rules of The Jamaica Stock Exchange Superannuation Pension Plan (formerly Jamaica Stock Exchange Pension Scheme) and funding as recommended by the actuaries to meet past and future liabilities of the Plan.

Contributions are received from The Jamaica Stock Exchange Limited and Jamaica Central Securities Depository Limited on behalf of the employees who are eligible for membership. Management determines the level of contribution required to the Plan on the recommendation of the Trustees. The Trustees make and approve changes by the Investment Manager, Custodian/Trustee, Actuary, Plan Administrator and Investment Consultant; monitor and review performance of the Investment Manager at least quarterly; review the Plan's performance on a quarterly basis and approve any deviation from investment policy; review the actuarial valuation, changes in methods and assumptions and their impact upon the Plan; and review investment policies and principles at least annually.

Performance targets are set to achieve appropriate investment asset mix and diversification, rate of return above inflation and rate of return above a benchmark portfolio constructed on specified market indices and Government instruments. The primary objective of the Plan is to maximize the benefit paid to members at retirement through optimisation of returns on investments within constraint of risk exposure in the asset mix strategy. The asset mix of the Plan consists of long-term asset mix strategy with average equity content providing that the equity component is well diversified. The Plan is exposed to interest rate risk, inflation and changes in life expectancy for pensioners. Note 7(g) details the plan's exposure in respect of various financial assets.

The most recent actuarial valuation was carried out as at December 31, 2015, by Duggan Consulting Limited, a qualified actuary. The present value of the defined benefit obligation and the related current service costs and past service costs have been measured using the projected unit credit method.

(a) Principal assumptions used for the purpose of the actuarial valuations:

Financial Assumptions

	2015	2014
Discount rate	8.5%	9.5%
Expected rate of future salary increases	6.0%	6.5%
Future pension increases	0.0%	0.0%
Administrative expenses	1.0%	1.0%

Mortality

American 1994 Group Annuitant Mortality (GAM94) table with 5 year mortality improvement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(b) Amount included in the statement of financial position in respect of the plan:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Fair value of plan assets	327,556	225,455	216,649	156,607
Present value of defined benefit obligations	(208,767)	(158,498)	(138,081)	(110,097)
	<u>118,789</u>	<u>66,957</u>	<u>78,568</u>	<u>46,510</u>
Net asset in the statement of financial position	<u>118,789</u>	<u>66,957</u>	<u>78,568</u>	<u>46,510</u>

(c) Amounts recognised in profit or loss and other comprehensive income in respect of the plan:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current service costs	8,225	6,428	5,778	4,421
Interest costs	16,332	13,235	11,325	9,142
Return on plan assets	(21,998)	(18,990)	(15,249)	(13,108)
Net expense/(income) for year recognised in profit or loss	<u>2,559</u>	<u>673</u>	<u>1,854</u>	<u>455</u>
Items in Other Comprehensive Income (OCI):				
Remeasurements loss on obligation for OCI	21,065	6,847	7,826	4,947
Remeasurements loss on assets for OCI	(67,890)	(1,552)	(36,974)	(1,904)
Total remeasurements for OCI	<u>(46,825)</u>	<u>5,295</u>	<u>(29,148)</u>	<u>3,043</u>
	<u>(44,266)</u>	<u>5,968</u>	<u>(27,294)</u>	<u>3,498</u>

(d) Movement in the net asset recognised in the statement of financial position:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net asset at start of year	66,957	66,193	46,510	45,636
Net income/(expenses) from profit or loss and OCI	44,266	(5,968)	27,294	(3,498)
Contributions by Company	7,566	6,732	4,764	4,372
Net asset at end of year	<u>118,789</u>	<u>66,957</u>	<u>78,568</u>	<u>46,510</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(e) Changes on the present value of the defined benefit obligations:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening defined benefit obligations	158,498	128,694	110,097	88,727
Service cost	13,956	11,527	9,387	7,732
Interest cost	16,332	13,235	11,325	9,142
Members' contributions	3,698	2,789	2,098	1,555
Benefits paid	(4,782)	(4,594)	(2,652)	(2,006)
Remeasurement gain	21,065	6,847	7,826	4,947
Closing defined benefit obligations	<u>208,767</u>	<u>158,498</u>	<u>138,081</u>	<u>110,097</u>

(f) Changes in fair value of plan assets:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening fair value of plan assets	225,455	194,887	156,607	134,363
Members' contributions	9,429	7,887	5,707	4,865
Employer's contributions	7,566	6,733	4,764	4,373
Interest income on plan assets	21,998	18,990	15,249	13,108
Benefits paid	(4,782)	(4,594)	(2,652)	(2,006)
Remeasurement loss on asset for OCI	67,890	1,552	36,974	1,904
Closing fair value of plan assets	<u>327,556</u>	<u>225,455</u>	<u>216,649</u>	<u>156,607</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(g) The fair value of plan assets is analysed as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Corporate bonds	13,007	3,010	8,603	2,091
Equity investments	127,902	54,162	84,594	37,622
Foreign currency bonds	92,656	78,351	61,283	54,424
Government of Jamaica securities	41,638	35,430	27,541	24,611
Real estate	26,000	26,000	17,197	18,060
Repurchase agreements	11,850	16,842	7,838	11,699
Unit trust	3,725	2,449	2,464	1,701
Others	10,778	9,211	7,129	6,399
Fair value of plan assets	327,556	225,455	216,649	156,607

(h) The history of experience adjustments is as follows:

	The Group Defined Benefit Pension Plan	
	2015 \$'000	2014 \$'000
Present value of defined benefit obligation	(208,767)	(158,498)
Fair value of plan assets	327,556	225,445
Surplus in the plan	118,789	66,947
Experience adjustments on plan liabilities	21,065	6,847
Experience adjustments on plan assets	(67,890)	(1,552)

	The Company Defined Benefit Pension Plan	
	2015 \$'000	2014 \$'000
Present value of defined benefit obligation	(138,081)	(110,097)
Fair value of plan assets	216,649	156,607
Surplus in the plan	78,568	46,510
Re-measurement loss on obligation for OCI	7,826	4,947
Re-measurement gain on obligation for OCI	36,974	1,904

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(h) The history of experience adjustments is as follows (Continued):

The Group and the Company expect to make contributions of \$10.20 million and \$4.96 million, respectively (2014: \$8.10 million and \$4.80 million, respectively) to the defined benefit plan during the next financial year.

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by or other assets used by the Group.

(i) Sensitivity analyses

1. Discount rate

	2015			
	Group		Company	
	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000
Increase/ (Decrease) in defined benefit obligation	245,278	(181,576)	162,016	(120,196)

	2014			
	Group		Company	
	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000
Increase/ (Decrease) in defined benefit obligation	183,808	(139,657)	128,130	(96,720)

2. Salary Assumption

	2015			
	Group		Company	
	1% decrease in Salary Assumption \$'000	1% increase in Salary Assumption \$'000	1% decrease in Salary Assumption \$'000	1% increase in Salary Assumption \$'000
(Decrease)/ Increase in defined benefit obligation	(192,748)	226,891	(127,558)	149,865

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(h) The history of experience adjustments is as follows (Continued):

The Group and the Company expect to make contributions of \$10.20 million and \$4.96 million, respectively (2014: \$8.10 million and \$4.80 million, respectively) to the defined benefit plan during the next financial year.

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by or other assets used by the Group.

(i) Sensitivity analyses

1. Discount rate

	2015			
	Group		Company	
	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000
Increase/ (Decrease) in defined benefit obligation	245,278	(181,576)	162,016	(120,196)

	2014			
	Group		Company	
	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000
Increase/ (Decrease) in defined benefit obligation	183,808	(139,657)	128,130	(96,720)

2. Salary Assumption

	2015			
	Group		Company	
	1% decrease in Salary Assumption \$'000	1% increase in Salary Assumption \$'000	1% decrease in Salary Assumption \$'000	1% increase in Salary Assumption \$'000
(Decrease)/ Increase in defined benefit obligation	(192,748)	226,891	(127,558)	149,865

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
7. Employee benefits (Continued)

(i) Sensitivity analyses (Continued)

2. Salary Assumption (Continued)

	2014			
	Group		Company	
	1% decrease in Salary Assumption \$'000	1% increase in Salary Assumption \$'000	1% decrease in Discount rate Assumption \$'000	1% increase in Discount rate Assumption \$'000
(Decrease) Increase in defined benefit obligation – pension	(146,167)	172,659	(101,135)	120,379

3. Actuarial gains/(losses) on defined benefit obligation arising from:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Demographic assumptions	-	(3,397)	-	(2,364)
Financial assumptions	(20,115)	(6,340)	(13,232)	(4,607)
Experience adjustments	(950)	2,890	5,406	2,024
Total actuarial losses	(21,065)	(6,847)	(7,826)	(4,947)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
8. Investment in securities

(a) Non-current – classified as available for sale:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NWC Variable Rate Note 10.78%; 2016 (2014: 9.59%)	-	824	-	824
Benchmark Investment Notes: Fixed rates notes – 2017- 2019 (7.5%-8.5%) (2014: 2017 to 2019, 7.5%-8.57%)	66,294	66,633	52,293	52,661
Variable Rates Notes – 2017-2023, 7.72 %-8.04% (2014: 2017 to 2023, 7.67% - 7.795%)	22,891	22,827	4,462	4,410
Foreign Currency Investments: GOJ 10.625 % US\$ Global Bond, 2017 (nominal value US\$401,800)	52,994	55,540	52,994	55,540
Government of Belize 5% guaranteed mortgage notes 2029 (nominal value US\$44,281)	5,708	4,713	5,708	4,713
GOJ FR 5.25% and 7% US\$ Benchmark investment notes 2014-2038 (2014 6.75% (nominal value US\$109,000)	13,850	12,637	13,850	12,637
GOJ FR 5.25% and 7% US\$ Benchmark investment notes 2014-2038 (2014 6.75% (nominal rate US\$150,000)	19,501	17,393	-	-
GOJ 8% Global Euro Bond 2019 (nominal value US\$195,978)	25,529	72,214	25,529	72,214
GOJ US\$ 8% Global Bond 2019 (nominal value US\$195,988)	26,592	24,561	-	-
	<u>233,359</u>	<u>277,342</u>	<u>154,836</u>	<u>202,999</u>

Included in the investment balances above is interest receivable in the amount of \$6.67 million for the Group and \$4.96 million for the Company (2014: \$4.56 million for the Group and \$3.78 million for the Company).

(b) Current – classified as available for sale:

Available for sale:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NWC Variable Rate Note 6.4% 2016 (2014: 10.78%)	405	-	405	-
BOJ Variable rate COD 6.48% 2016	25,111	-	25,111	-
	<u>25,516</u>	<u>-</u>	<u>25,516</u>	<u>-</u>
Investment in Unit Trust	37,469	-	35,506	-
	<u>62,985</u>	<u>-</u>	<u>61,022</u>	<u>-</u>

Included in the investment balances above is interest receivable in the amount of \$0.06 million for the Group and Company (2014: \$Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
8. Investment in securities (Continued)

(c) Movement in investment in securities:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
The movement for the year in available-for-sale financial assets is as follows:				
Balance at January 1	277,342	282,915	202,999	207,642
Additions	60,000	10,105	60,000	-
Foreign exchange gain	8,025	13,043	5,180	9,826
Movement in fair value of available-for-sale financial assets	(7,524)	13,005	(8,859)	10,667
Disposal of investments	(41,499)	(41,726)	(43,462)	(25,136)
Balance at December 31	296,344	277,342	215,858	202,999

9. Long-term receivables

These represent loans granted to employees. The loans are repayable by monthly installments and are for a period of 5 years. These loans carry an interest rate of 10% per annum. The current portion of these loans, due within twelve months from the end of the reporting period, amounted to \$5.43 million (2014: \$6.18 million) for the Group and \$3.90 million (2014: \$4.72 million) for the Company and is included in other receivables (Note 11).

10. Related party transactions/balances

(a) During the year the Group and the Company had the following transactions with related party in the normal course of business.

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Subsidiary				
Jamaica Central Securities Depository Limited				
Rental income	-	-	1,837	1,837

(b) Amount due from/(to) related parties

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Jamaica Stock Exchange Compensation Fund	141	2,376	165	2,376
Jamaica Central Securities Depository Limited	-	-	9,954	561
	141	2,376	10,119	2,937
Amount owed to related party: JSCD Trustee Services Limited	-	-	(21,649)	(11,132)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
10. Related party transactions/balances (Continued)
(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Short-term benefits	39,880	37,469	24,257	23,102
Post employment benefits	2,405	2,276	1,450	1,381
	<u>42,285</u>	<u>39,745</u>	<u>25,707</u>	<u>24,483</u>

(d) Loans to related parties

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Loans to key management personnel	<u>4,329</u>	<u>5,044</u>	<u>3,806</u>	<u>4,386</u>

11. Trade and other receivables

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cess receivable	23,173	5,225	20,461	4,609
Fees receivable	45,344	14,100	-	-
E-campus	5,940	3,437	5,940	3,437
Registrar service fee	14,935	14,081	-	-
Other	<u>23,901</u>	<u>23,722</u>	<u>26,939</u>	<u>20,517</u>
	113,293	60,565	53,340	28,563
Less: Allowance for doubtful debts – other receivables	<u>(13,575)</u>	<u>(6,737)</u>	<u>(5,296)</u>	<u>(2,216)</u>
	99,718	53,828	48,044	26,347
Prepayments	<u>19,456</u>	<u>6,615</u>	<u>6,645</u>	<u>3,410</u>
	<u>119,174</u>	<u>60,443</u>	<u>54,689</u>	<u>29,757</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
11. Trade and other receivables (Continued)

The average credit period on services is 30 days. No interest is charged on the trade and other receivables in accordance with the Group's policy. The Group has provided 100% for receivables over 180 days (except where these amounts are assessed as recoverable by management), because historical experience is such that receivables that are past due beyond 180 days are generally not recoverable.

Included in trade and other receivables however, are debtors with a carrying amount of approximately \$NIL million (2014: \$5.01 million) for the Group and \$NIL million (2014: \$2.93 million) for the Company which are past due at the reporting date for which the Group has not provided as there has not been a change in credit quality and the amounts are still considered recoverable.

Ageing of receivables that are past due but not impaired:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
180-365 days	-	2,482	-	2,170
Over 1 year	-	2,531	-	756
	-	5,013	-	2,926

Movement in allowance for doubtful debts on other receivables:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of year	6,737	21,688	2,216	11,078
Impairment losses recognised during year	7,506	-	3,080	-
Write-offs during the year	-	(9,367)	-	(6,685)
Recoveries during for the year	(668)	(5,584)	-	(2,177)
Balance at end of year	13,575	6,737	5,296	2,216

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. Concentration of credit risk is limited due to the nature of the customer base. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts and that non-past due unimpaired receivable are collectable in full.

Cess receivable at the end of the year included \$5.77 million (2014: \$2.2 million), \$5.31million (2014: \$0.59 million) and \$4.72 million (2014: \$0.58 million) for the Group and \$5.1 million (2014: \$2.3 million), \$4.7 million (2014: \$0.53 million) and \$4.2 million (2014: \$0.5 million) for the Company due from three brokers which represent 24% (2014: 41%), 23% (2014: 11%) and 21% (2014: 11%) for the Group and 25% (2014: 50%), 23% (2014: 12%) and 21% (2014: 11%) for the Company respectively for three brokers.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
11. Trade and other receivables (Continued)

Ageing of impaired other receivables:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
180+ days	13,575	6,737	5,296	2,216

12. Government securities purchased under resale agreement

The Group entered into reverse repurchase agreements collateralised by the Government of Jamaica securities. These agreements may result in credit exposure in the event that the counter parties of these transactions are unable to fulfill their contractual obligations. Included in this balance is foreign currency denominated amount of US\$0.06 million and US\$0.04 million for the Group and Company respectively (2014: US\$0.48 million for the Group and US\$0.44 million for the Company) and interest receivable of \$0.02 million for the Group and \$0.006 million for the Company (2014: \$0.24 million for the Group and \$0.23 million for the Company). The fair value of collateral held pursuant to reverse repurchase agreements is \$50.06 million for the Group and \$16.66 million for the Company (2014: \$68.49 million for the Group and \$61.80 million for the Company).

13. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of bank overdraft and investments in money market instruments with an original maturity of three months or less from the date of acquisition that are held to meet cash requirements rather than for investment purposes.

- (a) Cash and cash equivalents at the reporting date as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash on hand and in banks	64,009	14,330	15,125	2,802

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
14. Share capital

	2015 \$'000	2014 \$'000
Authorised:		
2,400,000,000 ordinary shares of no par value (2014: 2,400,000,000)		
1,000,000 preference shares of no par value (2014: 1,000,000)		
Issued capital:		
140,250,000 ordinary stocks of no par value (2014: 140,250,000)		
Nil preference shares of no par value		
Issued capital:		
At January 1 and December 31 - ordinary stocks	<u>238,146</u>	<u>238,146</u>

15. Fair value reserve

The reserve represents the fair value adjustment relating to available-for-sale investment in securities (Note 8).

	<u>The Group</u>		<u>The Company</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at January 1	<u>10,961</u>	<u>2,293</u>	<u>9,376</u>	<u>2,266</u>
Net (loss)/gain arising on revaluation of available-for-sale financial assets	(2,090)	13,016	(3,426)	10,676
Net gain reclassified to profit on sale of investment	(5,433)	(11)	(5,433)	(9)
Deferred tax adjustments on available-for-sale financial assets (Note 18)	<u>2,507</u>	<u>(4,337)</u>	<u>2,953</u>	<u>(3,557)</u>
	<u>(5,016)</u>	<u>8,668</u>	<u>(5,906)</u>	<u>7,110</u>
Balance at December 31	<u>5,945</u>	<u>10,961</u>	<u>3,470</u>	<u>9,376</u>

The fair value reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
16. Revenue reserve – non distributable

In order to provide custody services to its clients, JCSD Trustee Services Limited (the "subsidiary") is required by the Financial Services Commission to have a minimum of \$50 million as Non-Distributable Capital. Consequently during the year, in order to meet this requirement, the subsidiary received approval from the Board of Directors to transfer \$48.37 million from Revenue Reserves to Revenue Reserves – Non-Distributable.

17. Revenue reserve

Reflected in the financial statements of the:

	2015 \$'000	2014 \$'000
Parent company	212,316	219,830
Subsidiaries	<u>117,153</u>	<u>92,086</u>
	<u>329,469</u>	<u>311,916</u>

18. Deferred tax

	<u>The Group</u>		<u>The Company</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax assets	9,658	21,128	9,234	16,489
Deferred tax liabilities	<u>(53,430)</u>	<u>(23,741)</u>	<u>(35,005)</u>	<u>(16,489)</u>
Net position at the end of the year	<u>(43,772)</u>	<u>(2,613)</u>	<u>(25,771)</u>	<u>-</u>

The movement in the net deferred tax position was as follows:

	<u>The Group</u>		<u>The Company</u>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At January 1	(2,613)	(15,129)	-	(9,721)
(Charged)/Credited to income for the year (Note 26)	(28,058)	15,088	(19,008)	12,264
(Charged)/Credited to equity	(15,608)	1,765	(9,716)	1,014
Credited/(Charged) to fair value reserve for the year (Note 15)	<u>2,507</u>	<u>(4,337)</u>	<u>2,953</u>	<u>(3,557)</u>
At December 31	<u>(43,772)</u>	<u>(2,613)</u>	<u>(25,771)</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
18. Deferred tax (Continued)

The following are the deferred tax assets and deferred tax liabilities recognised by the Group during the year:

Deferred tax assets

	The Group		
	Accrued Vacation \$'000	Tax Loss \$'000	Total \$'000
At January 1, 2014	1,256	18,317	19,573
Credit to income for the year	69	1,486	1,555
At December 31, 2014	1,325	19,803	21,128
Credit/(Charged) to income for the year	131	(11,601)	(11,470)
At December 31, 2015	1,456	8,202	9,658

	The Company		
	Accrued Vacation \$'000	Tax Loss \$'000	Total \$'000
At January 1, 2014	920	13,453	14,373
Credit to income for the year	162	1,954	2,116
At December 31, 2014	1,082	15,407	16,489
Charged to income for the year	(49)	(7,206)	(7,255)
At December 31, 2015	1,033	8,201	9,234

Deferred tax liabilities

	The Group				
	Capital Allowance in excess of Depreciation \$'000	Interest receivable \$'000	Unrealised gains in investment in securities \$'000	Retirement Benefit Asset \$'000	Total \$'000
January 1, 2014	(8,670)	(2,753)	(1,213)	(22,066)	(34,702)
(Charged)/Credited to income for the year	14,464	1,088	-	(2,019)	13,533
Credited to equity for the year	-	-	-	1,765	1,765
Charged to fair value reserve (Note 15)	-	-	(4,337)	-	(4,337)
At December 31, 2014	5,794	(1,665)	(5,550)	(22,320)	(23,741)
Charged to income for the year	(14,245)	(675)	-	(1,668)	(16,588)
Charged to equity for the year	-	-	-	(15,608)	(15,608)
Credited to fair value reserve (Note 15)	-	-	2,507	-	2,507
December 31, 2015	(8,451)	(2,340)	(3,043)	(39,596)	(53,430)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
18. Deferred tax (Continued)
Deferred tax liabilities (Continued)

	The Company				Total \$'000
	Capital Allowance in excess of Depreciation \$'000	Interest receivable \$'000	Unrealised gains in investment in securities \$'000	Retirement Benefit Asset \$'000	
January 1, 2014	(5,296)	(2,386)	(1,200)	(15,212)	(24,094)
(Charged)/Credited to income for the year	10,455	998	-	(1,305)	10,148
Credited to equity for the year	-	-	-	1,014	1,014
Charged to fair value reserve (Note 15)	-	-	(3,557)	-	(3,557)
At December 31, 2014	5,159	(1,388)	(4,757)	(15,503)	(16,489)
(Charged)/Credited to income for the year	(10,490)	(293)	-	(970)	(11,753)
Charged to equity for the year	-	-	-	(9,716)	(9,716)
Credited to fair value reserve (Note 15)	-	-	2,953	-	2,953
December 31, 2015	(5,331)	(1,681)	(1,804)	(26,189)	(35,005)

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for indefinite carry forward and offset against future profits amount to approximately \$24,603,000 (2014: \$86,955,000) for the Group and: \$24,603,000 (2014: \$73,767,000) for the Company. A deferred tax was recognised in respect of these losses. For the year ended December 31, 2014 a deferred tax asset was recognized in respect of the losses only to the extent of available taxable temporary differences.

19. Payables and accruals

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Payables and accruals	106,585	64,028	69,349	44,049

No interest is charged on the payables balance. The Group has financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

20. Other operating income

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Regional conference	11,376	13,800	11,376	13,800
Administrative fee	26,587	25,728	26,587	25,728
Other	28,382	19,499	49,764	19,987
	66,345	59,027	87,727	59,515

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
21. Staff costs

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Salaries and other employee benefits	195,699	157,740	111,298	98,621
Statutory contributions	16,881	13,284	9,433	7,985
Charge on pension plan (Note 7(c))	2,559	673	1,854	455
	<u>215,139</u>	<u>171,697</u>	<u>122,585</u>	<u>107,061</u>

22. Investment income

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(a) Investment income includes:				
Interest income	26,067	23,542	20,122	18,276
Foreign exchange gain	10,737	18,809	8,395	14,963
Gain on sale of available-for-sale investments	5,620	11	5,620	9
	<u>42,424</u>	<u>42,362</u>	<u>34,137</u>	<u>33,248</u>
(b) Investment income earned, analysed by category of financial asset is as follows:				
Loans and receivables	7,128	8,589	6,155	7,698
Available-for-sale	35,296	33,773	27,982	25,550
	<u>42,424</u>	<u>42,362</u>	<u>34,137</u>	<u>33,248</u>

23. Other gains

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Disposal of property, plant & equipment	-	147	-	147

24. Finance costs

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest on borrowing	-	8	-	8

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
25. Profit/(Loss) before taxation

Profit/(Loss) before taxation is stated after taking account of the following:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income:				
Interest	26,067	23,542	20,122	18,276
Expenses:				
Directors' fees	8,616	8,537	6,236	6,447
Audit fees	3,942	3,650	2,376	2,200
Depreciation of property, plant and equipment	13,045	13,788	9,680	10,013
Amortisation of intangible assets	5,788	10,734	2,661	7,622

26. Taxation

Recognised in profit or loss

(i) The charge/(credit) for the year represents

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current tax	51,774	7,930	16,389	63
Deferred tax (Note 18)	28,058	(15,088)	19,008	(12,264)
	<u>79,832</u>	<u>(7,158)</u>	<u>35,397</u>	<u>(12,201)</u>

(ii) The charge for the year is reconciled to the profit as per the statement of comprehensive income as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Profit/(Loss) before tax	<u>254,785</u>	<u>(4,030)</u>	<u>148,701</u>	<u>(31,245)</u>
Tax at the domestic income tax rate of 33½%	84,928	(1,343)	49,567	(10,415)
Tax effect of items that are not deductible in determining taxable profits	1,155	4,906	982	2,047
Effect of income not taxable	(7,878)	(10,665)	(15,914)	(4,175)
Other	<u>1,627</u>	<u>(56)</u>	<u>762</u>	<u>342</u>
	<u>79,832</u>	<u>(7,158)</u>	<u>35,397</u>	<u>(12,201)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
27. Profit of the Group for the year

Reflected in the financial statements of the:

	The Group	
	2015	2014
	\$'000	\$'000
Parent company	113,304	(19,044)
Subsidiary	87,649	22,172
Less Dividend paid to parent company	(26,000)	-
	<u>174,953</u>	<u>3,128</u>

28. Earnings per stock unit

The basic earnings per stock units is calculated by dividing the profit by the weighted average number of ordinary stock unit.

	The Group	
	2015	2014
Profit (\$'000)	174,953	3,128
Weighted average number of ordinary stock units	140,250,000	140,250,000
Basic earnings per stock unit	<u>\$1.25</u>	<u>\$0.02</u>

29. Segment reporting

The Group's operations are organized into four main business segments as follows:

- Exchange operations – The operation and regulation of the Stock Exchange.
- Depository – Services in connection with transferring and holding of securities, shares, stocks, bonds and debentures.
- Investments – Income derived from investing activities of the Group.
- Trustee, custodianship, company management and other activities.

The Group's operations are located solely in Jamaica.

	2015					
	Exchange operations \$'000	JCSD Services \$'000	Investment other \$'000	Trustees Services \$'000	Interest Eliminations \$'000	Group \$'000
Revenue - external	419,476	186,085	42,424	133,730	(31,000)	750,715
Segment result/ Profit before taxation	114,564	64,404	42,424	64,393	(31,000)	254,785
Taxation						(79,832)
Profit for the year						<u>174,953</u>
Other information						
Depreciation and amortisation	12,341	5,795	-	697	-	18,833
Assets						
Segment assets	570,701	204,516	-	125,881	(109,754)	791,344
Liabilities						
Segment liabilities	116,769	59,878	-	39,894	(47,124)	169,417
Capital expenditure	9,339	5,038	-	2,417	-	16,794

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
29. Segment reporting (Continued)

	2014					
	Exchange operations \$'000	Depository Services \$'000	Investment other \$'000	Trustees Services \$'000	Interest Eliminations \$'000	Group \$'000
Revenue - external	185,317	86,875	42,362	67,850	(2,793)	379,611
Segment result	(64,485)	(4,217)	42,362	22,318	-	(4,022)
Finance cost	(8)	-	-	-	-	(8)
Loss before taxation	(64,493)	(4,217)	42,362	22,318	-	(4,030)
Taxation						7,158
Profit for the year						3,128
Other information						
Depreciation and amortisation	17,635	6,799	-	88	-	24,522
Assets						
Segment assets	522,533	130,616	-	54,227	(79,712)	627,664
Liabilities						
Segment liabilities	55,181	21,086	-	7,456	(17,082)	66,641
Capital expenditure	4,712	1,171	-	-	-	5,883

Revenue from two brokers of the exchange operations represents \$10.5 million and \$10.3 million (2014: \$11.3 million and \$12 million) of the Group's total revenues.

30. Commitments
Capital commitments:

Capital commitments which were authorized and contracted for as at December 31, 2015, amounted to \$4.56 million for the Group and \$2.36 for the Company in relation to a website development project (2014: \$7.763 million for the Group and Company – in relation to computer software development).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

31. Financial instruments**(a) Capital risk management:**

The capital structure of the Group consists of equity attributable to the shareholders of the parent company comprising issued capital, reserves, and retained earnings.

The Group's objectives when managing its capital structure, which is a broader concept than the equity on the face of the statement of financial position are:

- i) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and
- ii) To maintain a strong capital base to support the business development.

The Group's overall strategy remains unchanged from 2014.

The subsidiary is subject to externally imposed capital requirements (capital in excess of \$50 million). The subsidiary has complied with this requirement (Note 16).

(b) Financial risk management objectives

The Group's Investment Committee is responsible for recommending to the Board of Directors, through the Audit and Finance Committee, uniform investment decisions, policies and procedures for the operations of the Group. The specific duties of the Investment Management Committee are to receive and review data on current market conditions and economic outlook; review various risk reports submitted including fair value, credit risk, liquidity risk, market risk, and review monthly report on portfolios and establish quarterly investment portfolio strategies. The Group does not enter into or trade financial investments, including derivative financial instruments for speculative purposes.

(c) Market risk

The Group's investment activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Group manages its risk through extensive research and monitors the risk exposures on the local and international markets.

There has been no change to the manner in which the Group manages and measures this risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(c) Market risk (Continued)
Foreign currency risk management

The Group undertakes certain investment transactions denominated in currencies other than the Jamaican dollar. Exchange rate exposures are managed within approved policy parameters and maintaining a manageable balance in the types of investments.

The following balances held in United States dollars are included in these financial statements:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Investment in securities	144,174	187,058	98,081	145,105
Government securities purchased under resale agreement	6,978	54,584	4,255	50,141
Cash and cash equivalents	19,693	1,488	9,850	409
	<u>170,845</u>	<u>243,130</u>	<u>112,186</u>	<u>195,655</u>

Sensitivity analysis

The Group's investment portfolio is exposed to the United States dollar. The Group's sensitivity to a 1% increase or 8% decrease in the Jamaican dollar against the United States dollar is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of the 1% (2014: 1%) increase or 8% (2014: 10%) decrease in the Jamaican dollar against the United States dollar exposure would be a decrease in profit of the Group by J\$1.71 million (2014: \$2.43 million) million or J\$13.67 million (2014: J\$24.31 million) increase; company J\$1.12 million (2014: J\$1.96 million) decrease or J\$8.97 million (2014: J\$19.57 million) increase. The Group's sensitivity to foreign currency has increased during the current year mainly due to the increased holdings of investments, government securities purchased under resale agreements and cash and cash equivalents denominated in foreign currencies.

The analysis is done on the same basis as 2014 and assumes that all other variables, in particular interest rate, remain constant.

Interest rate risk management

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. Interest rate sensitivity analysis has been determined based on the exposure to interest rates for the Group's investment in securities at the end of reporting period as these are substantially the interest sensitive instrument impacting financial results. For floating rate financial assets and financial liabilities, the analysis assumes the amount outstanding at year end was outstanding for the whole year. A 100 (2014: 250) basis points increase or 150 (2014: 100) basis points decrease for local currency and 100 (2014: 200) basis points increase or 50 (2014: 50) basis points decrease for United States currency represents management's assessment of the reasonable possible change in interest rates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(c) Market risk (Continued)
Interest rate risk management (Continued)

Net effect on profit if market interest rates had been 100 or 150 basis points higher or lower for investment denominated in local currency and 100 or 50 basis points higher or lower for investments denominated in United States currency and all other variables were held constant is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Effect on profit increase 100 (2014: 250) basis points (J\$)	229	228	48	130
Effect on profit decrease 150 (2014: 100) basis points (J\$)	(343)	(504)	(72)	(52)

The Group's and the Company's sensitivity to interest rates has increased during the current year as the Group had an increase in the number of variable rate financial instruments.

(d) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is guided by the investment policies and procedures of the Stock Exchange. In relation to bank accounts and investment securities, the Group, as a policy, deals only with credit worthy counterparties, to minimise credit risk exposures. In addition, limits are assigned to various counterparties by the Group.

Trade receivables consist of broker members of the Group and accordingly mitigates against credit risk in relation to such receivables. In the case of other receivables, ongoing credit evaluation is performed on the financial condition of those receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

The carrying amount of financial assets recorded in the financial statements, represents the Company's maximum exposure to credit risk.

	The Group		The Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Available-for-sale financial assets	296,344	277,342	215,858	202,999
Trade and other receivables	99,718	53,828	48,044	26,347
Due from related parties	141	2,376	10,119	2,937
Government securities purchased under resale agreements	50,404	68,920	16,731	62,181
Cash and bank balances	64,009	14,330	15,125	2,802
	510,616	416,796	305,877	297,266

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash resources, banking facilities, and by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's and the Company's contractual maturity for its non-derivative financial assets and financial liabilities. The tables below have been drawn up based on undiscounted contractual maturities of financial assets including interest that will be earned on those except where the Group and the Company anticipates that the cash flows will occur in a different period, and in the case of financial liabilities, based on the earliest date on which the Group and the Company can be required to pay.

	The Group						Total \$'000
	Weighted Average effective Interest rate %	Less than 1 month \$'000	1 to 3 Months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	
	2015						
Financial assets							
Non-interest bearing		44,316	99,860	-	-	-	144,176
Interest bearing	5.1	20,698	1,396	4,186	13,908	-	40,188
Variable interest rate Instruments	5.28	28,438	30,477	1,852	23,475	4,274	88,516
Fixed interest rate Instruments	7.2	12,530	4,388	15,775	215,636	9,583	257,912
		105,982	136,121	21,813	253,019	13,857	530,792
Financial liabilities							
Non-interest bearing		73,852	21,649	-	-	-	95,501

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(e) Liquidity risk management (Continued)

		The Group						
		Weighted Average effective Interest rate %	Less than 1 month \$'000	1 to 3 Months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2014								
Financial assets								
Non-interest bearing			12,842	51,306	-	-	-	64,148
Interest bearing	5.10		1,564	717	3,760	12,432	918	19,391
Variable interest rate Instruments	8.72		512	463	1,283	11,957	19,887	34,102
Fixed interest rate Instruments	4.80		17,345	59,918	8,804	231,372	39,938	357,377
			<u>32,263</u>	<u>112,404</u>	<u>13,847</u>	<u>255,761</u>	<u>60,743</u>	<u>475,018</u>
Financial liabilities								
Non-interest bearing			31,786	-	-	-	-	31,786
		The Company						
		Weighted Average effective Interest rate %	Less than 1 month \$'000	1 to 3 Months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2015								
Financial assets								
Non-interest bearing			5,275	78,874	-	-	-	84,149
Interest bearing	5.10		10,353	1,026	3,077	12,199	-	26,655
Variable interest rate instruments	6.44		5	25,400	699	5,395	-	31,499
Fixed interest rate instruments	6.39		12,530	4,388	11,920	152,440	9,583	190,861
			<u>28,163</u>	<u>109,688</u>	<u>15,696</u>	<u>170,034</u>	<u>9,583</u>	<u>333,164</u>
Financial liabilities								
Non-interest bearing			49,517	21,649	-	-	-	71,166

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(e) Liquidity risk management (Continued)

	The Company						Total \$'000
	Weighted Average effective interest rate %	Less than 1 month \$'000	1 to 3 Months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	
	2014						
Financial assets							
Non-interest bearing		2,393	17,048	-	-	-	19,441
Interest bearing	5.10	430	498	2,744	10,331	918	14,921
Variable interest rate instruments	9.25	68	116	321	2,488	4,612	7,605
Fixed interest rate instruments	5.59	16,668	52,722	6,796	190,179	22,705	289,070
		19,559	70,384	9,861	202,998	28,235	331,037
Financial liabilities							
Non-interest bearing		21,890	11,132	-	-	-	33,022

(f) Fair value of financial instruments

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 following methods and assumptions have been used to measure the Group's financial instruments that are carried at fair value:

- (i) Financial assets classified as available-for-sale are measured at fair value using interpolated yields derived from quoted prices of similar instruments or broker quotes from market makers.
- (ii) The fair value of fixed rate financial instruments is estimated using present value or other estimation techniques based on market conditions on similar instruments at the reporting date.
- (iii) The carrying amount of liquid assets and other assets maturing within one year is assumed to approximate their fair value. This assumption is applied to liquid assets and the other short-term elements of all other financial assets and financial liabilities.

No significant unobservable inputs were applied in the valuation of the Group's financial instruments classified as available-for-sale.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
31. Financial instruments (Continued)
(g) Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). There were no Level 3 fair value investments.

	The Group 2015			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale financial instruments				
Debt securities	-	289,614	-	289,614

	The Group 2014			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale financial instruments				
Debt securities	-	272,784	-	272,784

	The Company 2015			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale financial instruments				
Debt securities	-	210,835		210,835

	The Company 2014			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale financial instruments				
Debt securities	-	199,218	-	199,218

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**

32. Dividends

Two dividend payments were declared by the Board of Directors.

- On June 8, 2015 a dividend of \$0.53 per ordinary share was paid to shareholders on July 10, 2015. The total dividend paid was \$74.3 million.
- On December 9, 2015 a dividend of \$0.47 per ordinary share was paid to shareholders on December 30, 2015. The total dividend paid was \$65.9 million.

33. Compensation fund

The Jamaica Stock Exchange Limited Compensation Fund ("the Fund") was created by contributions of the Exchange's member-dealers for the purpose of compensating investors who may have suffered pecuniary loss as a result of a defalcation or fraudulent misuse of securities or document of title to securities. The Exchange fulfils its obligations under Sections 27 through 35 of the Securities Act by its administration of the Fund.

Section 27(2) of the Securities Act stipulates that "The assets of the Compensation Fund are the property of the recognised stock exchange but shall be –

- (a) Kept separate from all other property; and
- (b) Held in trust for the purposes specified in this part."

Accordingly, the assets and liabilities of the Fund are segregated from those of the Exchange and separate audited financial statements are produced for the Fund.

(a) Compensation fund financial position**(i) Compensation fund receipts**

These are contributions by member dealers of the Stock Exchange, based on a percentage of the volume of business done by them through the Exchange, for maintaining the Contingency Reserve Fund. However, during the year there were no contributions by the member dealers as the Board was of the view that the reserve was adequate for the specific purpose.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
33. Compensation fund (Continued)
(a) Compensation fund financial position (Continued)
(ii) Contingency reserve

This fund is created out of surpluses for the purpose of providing some protection to the investing public should they suffer pecuniary loss as a result of defalcation or fraudulent misuse of securities or documents of titles to securities. Provisions in respect of the fund are in accordance with Sections 27 to 35 of The Securities Act.

	2015 \$'000	2014 \$'000
<u>Assets</u>		
Non-current asset		
Investment in securities	528,287	526,592
Current assets		
Income tax recoverable	22,757	18,408
Accounts receivable	-	783
Investment in securities	43,246	16,949
Government securities purchased under resale agreements	120,838	122,850
Cash and cash equivalents	4,859	3,164
	<u>191,700</u>	<u>162,154</u>
Total assets	<u>719,987</u>	<u>688,746</u>
<u>Equity and liabilities</u>		
Contingency reserve	706,398	676,522
Non-current liability		
Deferred tax liability	8,316	4,446
Current liability		
Payable and accruals	5,273	7,778
	<u>13,589</u>	<u>12,224</u>
Total equity and liabilities	<u>719,987</u>	<u>688,746</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
33. Compensation fund (Continued)
(b) Compensation fund – comprehensive income

	2015 \$'000	2014 \$'000
Investment income	55,969	62,889
Administrative expenses	(27,171)	(28,165)
Net income	28,798	34,724
Taxation	(5,333)	(6,911)
Profit for the year	23,465	27,813
Other comprehensive income		
Fair value gain on revaluation of available-for-sale financial assets during the year, net of taxes	6,411	781
Total comprehensive income for the year	29,876	28,594

(c) Investments in securities

	2015 \$'000	2014 \$'000
Non-current		
<u>Held-to-maturity – at amortised cost:</u>		
Government of Jamaica Securities		
NWC Variable rate bond 8.54%, 2016 (2014: 10.78%)	6,094	12,237
GOJ Benchmark Investment notes		
Fixed rate notes 8.56% 2016 - 2024 (2014: 8.03%)	237,586	236,428
Variable rate notes 6.61% 2025 (2014: 7.84%)	156,732	157,038
<u>Foreign currency investments</u>		
GOJ Fixed rate US\$ Global Bonds; 10.625% 2017 (normal value US\$350,000)	43,362	41,370
Government of Belize guaranteed mortgage notes, 2038 (nominal value US\$55,200; 4.25%)	5,465	5,214
GOJ US\$ 8% (Global Bond 2019 (nominal value US\$195,000)	19,014	17,247
GOJ Fixed Rate US\$ Benchmark investment note 6.75%, 2020 (nominal value US\$72,200)	9,002	8,373
GOJ FR US\$ BMI Note 5.25%, 2016 (nominal value US\$442,283)	51,032	48,685
	528,287	526,592
Current:		
Investment in US\$ Unit Trust	11,296	-
Available-for-sale – at fair value		
Investment in unit trust (see below)	31,950	16,949
	43,246	16,949

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
34. Compensation fund (Continued)
(c) Investments in securities (Continued)

	2015 \$'000	2014 \$'000
Movement for the year in available-for-sale investments:		
Balance at January 1	16,949	15,777
Purchases	16,452	-
Movement in fair value	9,616	1,172
Foreign exchange gain	229	-
Balance at December 31	<u>43,246</u>	<u>16,949</u>

(d) Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash on hand and in banks	<u>4,859</u>	<u>3,164</u>

(e) Contingency reserve

	2015 \$'000	2014 \$'000
Opening contingency reserve	676,522	647,928
Net profit	23,465	27,813
Fair value gain on available-for-sale	9,616	1,172
Deferred tax adjustment on fair value	<u>(3,205)</u>	<u>(391)</u>
Closing contingency reserve	<u>706,398</u>	<u>676,522</u>

(f) Deferred tax liability

The movement in the net deferred tax position was as follows:

	2015 \$'000	2014 \$'000
At January 1	(4,446)	(4,784)
Credited to income for the year	(665)	729
Charged to contingency reserve	<u>(3,205)</u>	<u>(391)</u>
At December 31	<u>(8,316)</u>	<u>(4,446)</u>

Deferred tax liability is attributable to the following

	Interest receivable	Fair value on available- for-sale instrument \$'000	Total \$'000
January 1, 2015	(3,363)	(1,083)	(4,446)
Credited to income for the year	(665)	-	(665)
Charged to contingency reserve	<u>-</u>	<u>(3,205)</u>	<u>(3,205)</u>
December 31, 2015	<u>(4,028)</u>	<u>(4,288)</u>	<u>(8,316)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Jamaican Dollars)**
34. Compensation fund (Continued)
(f) Deferred tax liability (Continued)

	Interest receivable	Fair value on available- for-sale instrument \$'000	Total \$'000
January 1, 2014	(4,092)	(692)	(4,784)
Credited to income for the year	729	-	729
Charged to contingency reserve	-	(391)	(391)
December 31, 2014	<u>(3,363)</u>	<u>(1,083)</u>	<u>(4,446)</u>

(g) Administrative expenses include management charges of \$26.51 million (2014: \$25.73 million) by The Jamaica Stock Exchange for administration of the Fund.

(h) Income tax

This comprises:

	2015 \$'000	2014 \$'000
Income tax	4,668	6,891
Prior year under provision	-	749
Deferred tax	665	(729)
	<u>5,333</u>	<u>6,911</u>

	2015 \$'000	2014 \$'000
The charge for the year reconciled to the net income as follows:		
Net profit before taxation	<u>28,798</u>	<u>34,724</u>
Tax at 33½%	9,599	11,575
Prior year under provision	-	749
Tax effect of items not chargeable in determining taxable profits	<u>(4,266)</u>	<u>(5,413)</u>
	<u>5,333</u>	<u>6,911</u>

(i) Government securities purchased under resale agreement

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica securities. These agreements may result in credit exposure in the event that the counterparties of these transactions are unable to fulfill their contractual obligations. Included in this balance is foreign currency denominated amount of US\$1.12 million (2014: US\$1.01 million) and interest receivable of J\$0.45 million (2014: J\$0.43 million). The fair value of collateral held pursuant to reverse repurchase agreements \$120.38 million (2014: \$122.40 million).

FINANCIAL & STATISTICAL HIGHLIGHTS

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenue (\$)	750,715,000.00	379,758,000.00	347,802,000.00	548,397,000.00	+309,628,000	232,537,000	263,387,000	561,297,000	240,797,000
Expenses(\$)	495,930,000.00	383,788,000.00	349,614,000.00	360,960,000.00	272,030,000	230,239,000	283,248,000	302,306,000	212,796,000
Income Before Taxes (\$)	254,785,000.00	4,030,000.00	1,812,000.00	187,437,000.00	37,598,000	2,298,000	-19,861,000	258,991,000	28,001,000
Net Income After Tax (\$)	174,953,000.00	3,128,000.00	5,674,000.00	129,903,000.00	50,310,000	37,402,000	43,018,000	207,703,000	44,116,000
Compensation Fund (\$)	706,398,000.00	676,522,000.00	647,928,000.00	604,296,000.00	578,617,000	564,125,000	544,281,000	510,134,000	463,759,000
Members' Equity (\$)	621,927,000.00	561,023,000	552,757,000	571,460,000	467,734,000	434,609,000	423,931,000	436,956,000	486,273,000
Reported Share Volume (Millions)* (Units)	5,412.40	2,713.38	2,311.20	3,151.11	2,125.52	3,617.26	1,764.89	2,953.01	2,433.48
Daily Average Share Volume (Millions)* (Units)	21.40	10.80	9.21	12.60	8.43	10.66	6.98	11.81	9.73
Reported Dollar Value (Millions)* (\$)	72,077.50	14,801.45	17,364.21	66,294.86	22,241.92	21,020.82	12,189.89	67,026.87	29,047.42
Daily Average Dollars Value (Millions)* (\$)	284.89	58.93	69.18	265.18	88.26	69.6	48.12	268.10	116.18
JSE Combined Index as at December 31	158,269.14	78,223.45	82,934.95	93,503.79	97,134.00				
JSE Market Index as at December 31	150,692.13	76,353.39	80,633.55	92,101.22	95,297.20	85,220.82	83,321.96	80,152.02	107,968.00
JSE Junior Market Index as at December 31	1,791.05	687.96	757.86	647.78	748.86	379.92	150.01		
Member Organizations	12	12	11	11	11	11	11	11	11
New Listed Companies/Securities*	1/1	6/8	8/14	4/05	5/7	8/10	1	9	1
Total Listed Companies/Securities*	60/73	60/73	67	61	52	51	44	45	44
Total Shares Listed (Billions) (Main and Jnr)	61.29	62.35	61.20	51.04	51.51	47.65	47.16	47.49	47.16
Market Capitalization as at December 31:(Billion) (\$) (Main and Jnr)	683.51	322.93	519.57	612.74	691.44	564.72	544.88	597.28	876.69
JSE USD Equities Market Index as at December 31	161.06	135.35	92.86	67.86	78.57				
Market Capitalization as at December 31:(Million) (\$) (USD Equities)	132.58	76.58	38.34	28.02	32.44				

*Includes Junior Market

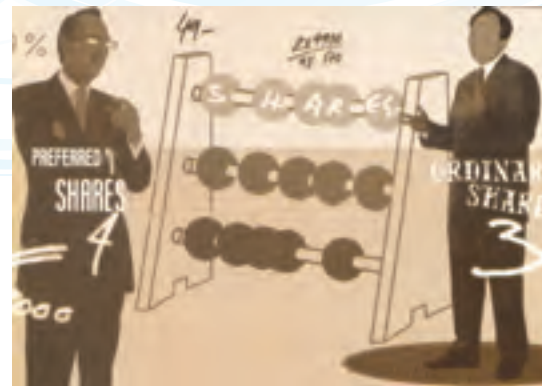
△ Restated

∅ Loss due to Exceptional Item - Write off of Fixed Income Development (\$128.7M)

+ One off gain from disposal of property

Talking Simply about Shares

Listed companies pay both initial listing fees and annual fees. In return, their SHARES are bought and sold on the JSE based on rules set by the Jamaica Stock Exchange and approved by the Financial Services Commission (FSC).



WHAT IS A SHARE?

A Share is a unit of ownership interest in a company. When you buy or receive shares in a company, you become a part owner of that company. This is known as having equity in that company. The more shares you have in relation to the total number of shares issued by the company, the more of the company you own. For example, if a company issued 10,000 shares and you own 100 shares, then you are 1.0% owner. People who own shares in a company are referred to collectively as "shareholders" or "stockholders."

ARE THERE DIFFERENT TYPES OF SHARES?

Yes, there are two basic kinds of shares:

- A. **Ordinary Shares**- Also known as "common stock". As part of the percentage ownership described earlier the ordinary shareholder or common stockholder usually has four basic rights in proportion to the number of shares owned:
- The right to receive dividends if and when these are declared by the Board of Directors. It is possible that the shareholders may not receive any dividends if the company performs poorly.
 - The right to vote at meetings of the shareholders.
 - The right to claim a portion of the company's undivided assets, if the company is liquidated.
 - The right to subscribe to additional stock or share offerings before they are made available to the general public. This is known as pre-emptive right.

A company may also be authorized to issue more than one class of common stock or shares, some of which may not have voting rights. (Not all companies have this provision)

- B. **Preference Shares** - Also called 'preferred shares or stocks.' The holders of these shares have certain rights and privileges over ordinary shareholders. There are different classes of preferred shares, which confer different rights. The most common types give the preferred shareholder:

- The right to receive dividends at a fixed rate prior to payment of dividends to ordinary shareholders.
- The first right of payment should the company go bankrupt or be dissolved.
- Ordinarily no voting rights.

WHAT ARE THE BENEFITS OF OWNING SHARES?

There are three main benefits of share ownership

- The shareholder benefits from the growth in the value of his or her shares over time. That is, over time the shares can be worth more than was paid for them. This is known as 'Price Appreciation'.
- The shareholder can receive income through dividends declared from time to time and paid by the company's directors.
- The shareholder gets the opportunity to participate in the continuing development of the companies in which they invest. The involvement of shareholders helps the companies and strengthens the economy.



Talking Simply about Shares

WHAT IS A DIVIDEND AND HOW IS IT DETERMINED?

A dividend is a proportionate distribution of earnings (profits) of a company to its shareholders. With common (ordinary) shares or stocks, the rate of the dividend varies with the company's performance and the amount of cash on hand. With common shares the Board of Directors of the company decides the amount of the dividend to be paid out. They may also decide to hold back some of the profits to expand the company's operation. With preferred stocks or shares, the rate can be fixed or variable.

Dividends can be paid quarterly, half yearly or once per year.

WHY DO COMPANIES ISSUE SHARES?

The main reason companies issue shares is to raise capital or money. A company may need start-up capital, to repay debts or to expand. A company may also want to widen its ownership base. When you buy shares you enable the company to carry on business using your money.

The number of shares which a company is authorized to issue is set out in its Articles of Incorporation and can only be increased with the consent of shareholders in a General Meeting.

WHY DO PEOPLE BUY SHARES?

People buy shares for different reasons. However, the principal reason is to get the best returns on their investments, whether over the long or short term. The hope is someday the stock you bought will be worth more than the amount you paid for them and that people will offer you more money to buy them from you. It is wise to regard shares as long-term investments.

WHAT ARE THE RISKS INVOLVED?

Every investment has an element of risk and buying and selling shares is not an exception. Anyone who buys shares should be aware that, although the value of each share can go up, especially over the long term, the value can also go down. It depends among other things, on the performance of the company, the value that investors in general place on owning that company's shares and on general economic conditions within the country.



WHAT ARE SOME OF THE THINGS I SHOULD DO BEFORE AND AFTER I BUY SHARES?

No one can guarantee success in the market. However, the possibility of success can be improved if, before investing in shares, you should:-

- Collect and study as much information as possible about the company in which you intend to invest.*
- Seek professional investment advice from a broker or other qualified persons.*
- Learn how to read and understand the basic financial statements and reports which the companies listed on the Stock Exchange are required to publish.*
- Develop the habit of reading and understanding financial publications.*
- After buying shares, monitor and track your investments by maintaining a daily record of advances or declines in the stock value.*



WHERE CAN I BUY SHARES

Contact a stock broker (JSE Member/Dealer). This is a person whose business it is to buy and sell shares at one of the brokerage firms authorized by the Financial Services Commission and the Jamaica Stock Exchange to operate in Jamaica.

You can visit or telephone the broker, informing him/her which shares and how many you wish to purchase. Your broker is your link with the market. He or she will buy or sell according to your orders.

(Cont'd on next page)

Talking Simply about Shares

HOW DO I BUY OR SELL SHARES?

Contact your broker and advise him or her to buy or sell shares on your behalf. Give him or her clear instructions, whether orally or in writing.

The buying/selling process begins when you place the order with your stockbroker (member/dealer) for a specified number of shares in a company. There are three types of orders that you can place:

- a. *A market order - asks your broker to buy or sell stocks at the market price.*
- b. *A limit order - sets the price at which you want stocks to be bought or sold.*
- c. *A stop order - gives an approximate buying or selling price of stock. When the approximate price is reached the stock order becomes a market order.*

HOW DO I PAY?

You will receive a contract note that states the company whose stock you have bought or sold, the price paid or received, the commission and other fees and the settlement date. You should pay your bill by the settlement date.



HOW MUCH DO I HAVE TO EARN TO BUY SHARES?

A person from any income level, who has some amount of surplus funds available no matter how small, may decide to invest in the stock market.

A principal rule is never to invest any money you will need to pay your bills and other immediate living expenses. You will need to keep the money you need for your living expenses in a more liquid or immediately available manner.

WHAT IS A BONUS ISSUE?

This is the process whereby money from a company's reserves is converted into share capital, which is then distributed to shareholders in proportion to their existing holdings.

A bonus issue is also known as a script or capitalization



WHAT IS A STOCK SPLIT?

This is the division of the existing shares of a company into larger number of shares, without changing the capitalization of the company. Each new stock will now be worth less depending on the ratio of the split. For example, if a stock with a market value of \$10.00 splits for 4 to 1, each new stock will be worth one fourth of the previous price, that is \$2.5 of each shareholder would get four shares for every one they owned previously. And, if the company had, let's say one million shares outstanding before the split, it would now have four million shares outstanding and worth the same dollar amount of the one million shares.

Usually, the rationale for stock split is that the lower priced stock might make the company more attractive to investors.

WHAT IS THE RECORD DATE?

It is the date by which a shareholder must be officially recorded on the company's share register in order to be entitled to a dividend, bonus, right or other distribution.

(Cont'd on next page)

Talking Simply about Shares

WHAT IS A BOND?

A bond is an interest bearing government or corporate debt security. It is a loan from the purchaser to the issuer which obligates the issuer to pay the bondholder a fixed interest at specific intervals and to repay the principal upon maturity. A bond issued by a company has no corporate ownership privileges as in the case of shares.



JSE Corporate Highlights

Scenes from the JSE's Public Investor Forums



Scenes from the JSE's Young Investor Ceremony



JSE Corporate Highlights

Scenes from the JSE's Stock Market Game for High Schools Ceremony



JSE Corporate Highlights

Scenes from the JSE's Schools Programme



Scenes from the JSE's National Investor Education Week Church Service



JSE Corporate Highlights

JSE Corporate Highlights

Scenes from Best Practices Awards



Scenes from the JSE's 38th Annual General Meeting



Jamaica Stock Exchange Yearly Trading Summary Main Market (1979-2015)

YEAR	YEAR-END MARKET CAPITAL JA\$(000)	NO. OF LISTED COMPANIES	VOLUME TRADED (000)	VALUE TRADED JA\$(000)	YEAR-END JSE INDEX	YEAR-END ALL JA COMPOSITE	YEAR-END JSE SELECT	YEAR-END CROSS LISTED	YEAR-END COMBINED INDEX	NO. OF TRANS.	NO. BROKERS	YEAR-END COMBINED MKT CAP JA\$(000)
1979	109,600	39	4,833	2,217	59.28					420	5	
1980	124,149	41	7,390	5,101	69.83					502	5	
1981	225,761	33	4,198	3,332	152.23					799	5	
1982	315,964	32	5,542	10,156	211.16					1,375	5	
1983	359,199	32	5,185	9,820	240.38					1,566	5	
1984	697,729	32	9,744	26,017	461.10					2,117	5	
1985	1,456,590	33	37,640	117,146	941.50					3,049	6	
1986	3,085,766	36	59,252	374,617	1,499.87					6,691	8	
1987	3,468,661	41	71,877	399,971	1,515.09					11,187	8	
1988	4,290,291	44	43,522	136,739	1,439.22					6,446	8	
1989	6,228,384	44	95,202	516,456	2,075.85					13,892	8	
1990	7,321,285	44	57,960	230,782	2,539.36					8,691	9	
1991	22,214,715	44	144,258	1,156,609	7,681.50					24,072	9	
1992	76,974,281	48	395,606	4,687,337	25,745.88					49,791	9	
1993	41,879,310	48	567,454	8,346,770	13,099.68					55,519	9	
1994	58,018,064	50	741,754	5,155,463	16,676.74					43,144	10	
1995	50,755,753	51	3,565,607	11,560,485	14,266.99					42,600	10	
1996	66,116,257	50	560,528	4,629,395	16,615.99					23,189	8	
1997	79,619,594	49	905,387	4,594,108	19,846.66					18,623	8	
1998	79,038,726	47	604,545	2,064,243	20,593.33					13,748	8+	
1999	104,041,538	44	520,531	2,218,714	21,892.58					9,256	6	
2000	160,135,746	44	694,897	3,441,081	28,893.24	26,894.76	883.67			21,066	6	
2001	222,006,166	42	2,845,199	5,948,358	33,835.59	32,508.99	1,015.26			20,979	10	
2002	292,297,900	40	1,604,591	7,636,877	45,396.21	46,142.81	1,450.34			26,999	10	
2003	512,884,380	41	4,290,433	24,237,330	67,586.72	55,629.64	1,697.87			35,954	10	
2004	879,297,296	40	5,194,558	35,994,853	112,655.51	116,218.38	3,176.62					
2005	839,852,762	41	2,498,028	40,746,681	104,510.38	104,941.62	2,859.62					
2006	822,862,351	44	5,639,412	37,040,992	100,678.00	107,213.42	2,942.88			41,921	11	
2007	876,690,610	44	2,433,488	29,047,425	107,968.00	106,782.82	2,928.98			38,621	11	
2008	597,277,036	45	2,953,011	67,026,871	80,152.03	73,994.96	1,984.74			30,323	11	
2009	544,882,559	44	1,764,894	12,189,895	83,321.96	70,995.77	1,896.05	962.92		16,099	11	
2010	564,720,705	43	3,571,199	20,828,652	85,220.82	80,793.80	2,192.19	863.01		18,359	11	
2011	619,444,770	40	1,819,302	20,993,976	95,297.20	102,178.79	2,874.01	794.55	97,134.00	23,319	11	
2012	590,637,443	36	2,581,249	61,109,565	92,101.22	91,161.60	2,489.67	873.93	93,503.79	19,515	11	612,739,023
2013	492,179,964	36	1,833,463	15,978,243	80,633.55	81,850.04	2,176.17	740.28	82,934.95	18,284	11	519,571,097
2014	296,836,862	36	2,121,337	12,807,536	76,353.39	84,084.94	2,220.27	585.90	78,223.45	16,073	12	322,933,971
2015	615,559,573	36	4,116,651	64,647,786	150,692.13	167,363.25	4,979.74	499.06	158,269.14	21,767	12	683,506,273

+ Six (6) active Brokers 3.64%19,838,146.00

* The All Jamaican Composite started on the May 1, 2000 at 31,931.32 points

* JSE Select started on the June 1, 2000 at 1,000 points

* JSE Cross Listed Index started on March 2, 2009 at 1,000 points

* JSE Combined Listed Index started on April 1, 2011 at 86,897.43 points

Jamaica Stock Exchange Yearly Trading Summary Junior Market (2010-2015)

YEAR	YEAR-END MARKET CAPITAL JA\$(Million)	NO. OF LISTED COMPANIES	VOLUME TRADED	VALUE TRADED	NO. OF TRANS.	NO. BROKERS	YEAR-END JSE JNR MARKET INDEX
2010	8,466.81	8	50,331,871	206,559,980	1,192	11	379.92
2011	23,595.00	12	306,220,533	1,247,948,069	7,883	11	748.86
2012	22,101.58	16	569,866,235	5,185,299,007	5,047	11	647.78
2013	27,391.13	21	477,733,468	1,385,965,574	7,157	11	757.86
2014	26,097.11	26	592,044,500	2,002,910,571	4,374	12	687.96
2015	67,946.70	23	1,295,714,331	7,429,758,488	7,754	12	1,791.05

Jamaica Stock Exchange Stock Market Data - Main Market

YEAR	YEAR-END ISSUED SHARES (000)	TOTAL VOLUME TRADED (000)	ORDINARY VOLUME TRADED (000)	BLOCK VOLUME TRADED (000)	Average Daily Volume	Average Daily Value
1995	11,356,118	3,565,607	463,050	3,102,557		
1996	12,007,219	560,528	322,575	237,954		
1997	17,274,915	905,387	470,322	435,065		
1998	19,324,078	604,545	371,783	232,762		
1999	23,041,396	520,531	440,744	79,787	2,203,718	7,555,098
2000	28,501,260	694,897	599,834	95,063	3,014,241	16,296,328
2001	33,189,889	2,845,199	714,718	2,130,481	2,870,353	13,839,283
2002	35,769,494	1,604,591	1,434,820	169,771	5,716,412	27,466,744
2003	41,877,268	4,290,433	2,765,449	4,524,984	11,017,724	56,933,666
2004	42,280,569	5,194,557	3,240,964	1,953,593	12,759,705	114,056,429
2005	46,193,644	2,498,028	1,908,000	590,027	7,751,431	105,013,441
2006	49,234,751	5,639,412	2,917,899	2,721,512	11,671,598	78,135,584
2007	47,162,791	2,433,487	2,254,376	179,110	9,017,507	103,776,801
2008	47,491,439	2,953,011	2,295,768	657,243	9,183,074	97,517,814
2009	47,163,202	1,764,894	1,662,158	102,735	6,569,796	45,511,377
2010	47,647,441	3,571,199	2,641,538	929,661	10,482,293	68,838,178
2011	47,386,693	1,819,302	1,550,142	269,159	6,151,358	71,829,756
2012	46,038,017	2,581,249	1,431,282	1,149,967	5,725,128	73,180,378
2013	47,577,008	1,833,463	1,386,439	447,023	5,523,663	56,604,418
2014	45,828,363	2,121,337	2,117,762	3,575	8,437,299	50,984,279
2015	47,271,409	4,116,651	1,881,261	2,235,390	7,435,813	80,745,725

CORPORATE INFORMATION

Registered Office:	The Jamaica Stock Exchange, Jamaica Central Securities Depository & JCS D Trustee Services 40 Harbour Street P.O. Box 1084 Kingston. Telephone: (876) 967-3271-2 Fax: (876) 967 -3277
Bankers	National Commercial Bank Cnr. Duke & Barry Streets Kingston.
Attorneys -at -law	Livingston, Alexander & Levy 72 Harbour Street, Kingston
Auditors	Ernst & Young 8 Olivier Road Kingston 8
Website Address	www.jamstockex.com
E -Mail Address	communications@jamstockex.com

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Fax: 929-8432
email: barita@cwjamaica.com

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Fax: 960-6705/ 968-7607
email: investmentinfo@scotiabank.com

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Fax: 927-9273
E-mail: GKCapitalgkco.com
Website: www.GK-Capital.com

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Fax: 929-1501/ 920-2103
email: sales@mayberry.com

SAGICOR INVESTMENTS LTD.

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Fax: 926-4385
email: info@sagicor.com

M/VL STOCKBROKERS LTD.

2-6 Grenada Crescent
Kingston 5
Phone: 960-1570/926-4319
Fax: 960-1571
email: info@mvl.com.jm

NCB CAPITAL MARKETS LTD.

32 Trafalgar Road, 3rd floor,
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Phone: 960-7108
Fax: 960-7649/ 920-4313
Toll Free: 1-88-4-WEALTH
email: info@ncbcapitalmarkets.com

STOCKS AND SECURITIES LTD.

33 ½ Hope Road
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Fax: 929-4825
email: info@sslinvest.com

**VICTORIA MUTUAL WEALTH
MANAGEMENT LTD.**

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Fax: 960-4972
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PROVEN WEALTH LTD.

26 Belmont Road
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BCW CAPITAL

82 Knutsford Boulevard
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Fax: 906- 3545
email: info@bcwcapital.com

NOTES

PROXY FORM

Please affix
\$100 postage
stamp in this
box

I/We

of.....

being a Member of the Jamaica Stock Exchange, hereby appoint

.....

of.....

or failing him/her

of.....

as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the said company to be held on the 23rd day of June, 2016 and any adjournment thereof.

Signed this.....day of.....2016

.....

Signature

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. 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.
3. The proxy form will attract stamp duty of J\$100 which may be paid by affixing stamps or stamp duty impressed by the Stamp Office.

