



REPORT OF THE BOARD OF DIRECTORS

CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR QUARTER ENDED JUNE 30, 2015

SECOND QUARTER FINANCIAL HIGHLIGHTS

- Total Income of \$123m (Q2 2014 - \$83m)
- Total Expenses of \$101.9m (Q2 2014 - \$83m)
- Net Profit after Tax of \$15.1m (Q2 2014 - \$1m)
- Earnings per share of \$0.11 (Q2 2014 - \$0.01)

SECOND QUARTER PERFORMANCE

Net Profit

For the Second Quarter ended June 30, 2015 the Jamaica Stock Exchange Group (JSEG) recorded a Net Profit after Tax of \$15.1m. This represents an improvement of \$16m in the financial performance of the Group when compared to the loss of \$1m for the corresponding period in 2014. This was mainly driven by improvements in all lines of business.

For the six months ended June 2015, Net Profit of \$102m was \$105m above that of the corresponding period in 2014 due primarily to several large transactions conducted during the First Quarter.

Income

The JSEG reported consolidated income of \$123m which represented a \$40m (48%) increase in income over the Second Quarter of 2014. This improved performance was due primarily to an increase in Cess and Fee Income.

For the six months ended June 2015, the JSEG reported consolidated income of \$382m which represents an increase in income of \$204m or 115% when compared to the corresponding period under review.

Expenses

For the Second Quarter ended June 30, 2015, Total Expenses of \$101.9m increased by \$18.9m or (23%) relative to the outturn for the comparable period in 2014. The increase

For the six months ended June 2015, Total Expenses of \$231m, increased by \$53m or 29% over the comparable period in 2014.

Financial Position

Total Assets as at June 30, 2015 of \$816m, reflected an increase of \$129m or 19%, when compared to holdings as at June 30, 2014. This was due primarily to increased investment in securities by the JSEG.

The June 2015 six month period when compared to the period ended December 2014 showed a positive movement of \$186m or 30%.

Total Equity as at June 30, 2015 increased by \$108.9m or 20% over the comparable position at the end of June 30, 2014 and increased by \$106m or 19% over the position as at December 31, 2014. These levels of improvement in the equity position of the Group resulted from increases in fair value reserves and revenue reserves arising from the revaluation of investments in US\$ Bonds and the profit performance for the quarter.

Market Developments & Outlook

There was one listing on the Main Market in the Second Quarter of 2015.

If the economy continues to improve and business and consumer confidence continue to rise, it is likely that there may be a positive outlook for the performance of listed companies and by extension the stock market going forward.

It is also expected that income diversification efforts will reap additional rewards in the medium to long term as the Group continues to pursue a strategic path of growth through promotion of new and existing markets, new product development and the continuous improvement of service delivery to the Group's customers and stakeholders.



Allan Lewis
Chairman



Jane George
Audit Committee Chairman

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Financial Position
At June 30, 2015

	Unaudited Six months ended June 2015 \$ '000	Unaudited Six months ended June 2014 \$ '000	Audited Twelve months ended December 2014 \$ '000
ASSETS			
Non-Current Assets			
Property plant & equipment	80,876	87,787	82,428
Intangible assets	25,372	28,752	24,691
Post employment benefits	66,957	66,193	66,957
Investment in securities	295,136	265,960	277,342
Long-term receivables	10,583	11,915	10,787
Total non-current assets	478,924	460,607	462,205
Current Assets			
Income tax recoverable	-	21,093	19,390
Trade and other receivables	99,273	98,087	62,974
Due from related party	2,242	-	2,376
Investments in securities	61,526	-	-
Government securities purchased under resale agreement	136,923	91,529	68,920
Cash and cash equivalents	37,302	15,405	14,330
Total current assets	337,266	226,114	167,990
Total Assets	816,190	686,721	630,195
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	238,146	238,146	238,146
Fair value reserve	14,820	9,326	10,961
Revenue reserve - non-distributable	48,367	-	-
Revenue reserve	365,699	310,679	311,916
Total equity	667,032	558,151	561,023
Non Current Liabilities			
Deferred tax liabilities	4,543	18,647	2,613
Total non-current liabilities	4,543	18,647	2,613
Current Liabilities			
Payable & accruals	120,993	103,815	66,559
Income tax payable	23,622	-	-
Due to related parties	-	6,108	-
Total current liabilities	144,615	109,923	66,559
Total Equity & Liabilities	816,190	686,721	630,195

Approved and authorized for issue by the Board of Directors on August 4, 2015 and are signed on its behalf by:



Allan Lewis - Chairman



Jane George - Audit Committee Chairman

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement of Comprehensive Income
For the Six Months Ended June 30, 2015

Statement II

	Unaudited Three months ended June 2015 \$'000	Unaudited Three months ended June 2014 \$'000	Unaudited Six months ended June 2015 \$'000	Unaudited Six months ended June 2014 \$'000	Audited Twelve months ended December 2014 \$'000
REVENUE					
Cess	22,204	9,905	183,630	24,991	68,632
Fee Income	70,394	45,511	137,375	85,544	198,638
Ecampus	2,086	2,621	3,541	5,275	10,952
Other operating Income	17,058	12,547	40,029	36,908	59,027
	<u>111,742</u>	<u>70,584</u>	<u>364,575</u>	<u>152,718</u>	<u>337,249</u>
EXPENSES					
Staff costs	46,968	42,501	93,305	86,627	171,697
Property expenses	21,129	17,011	40,535	34,525	83,419
Depreciation and amortisation	4,496	5,791	9,610	11,403	24,522
Advertising and promotion	7,981	4,312	22,138	16,910	27,750
Professional fees	8,795	8,094	18,205	14,945	35,595
Securities commission fees	3,321	2,143	29,662	5,327	12,889
Bad debts, less recoveries	-	(3,880)	-	(3,880)	(3,095)
Ecampus	2,357	2,825	5,703	5,207	12,654
Other operating expenses	6,843	4,159	11,963	-7,469	18,349
	<u>101,890</u>	<u>82,956</u>	<u>231,121</u>	<u>178,533</u>	<u>383,780</u>
Investment income	11,671	12,449	17,879	25,475	42,362
Other gains	-	-	-	147	147
Finance costs	-	-	-	(8)	(8)
PROFIT/(LOSS) BEFORE TAXATION	21,523	77	151,333	(201)	(4,030)
Taxation	(6,401)	(933)	(49,183)	(2,954)	7,158
NET PROFIT/(LOSS)	15,122	(856)	102,150	(3,155)	3,128
OTHER COMPREHENSIVE INCOME					
Items that will never be reclassify to profit or loss:					
Remeasurement of employee benefits assets	-	-	-	-	(5,295)
Deferred income that will never be reclassified to profit or loss	-	-	-	-	1,765
Items that may be reclassify to profit or loss:					
Realised gain on available-for-sale investments	-	-	-	-	(11)
Unrealised gains on available-for-sale investments	3,170	5,463	3,859	7,033	13,016
Deferred income tax on items that may be reclassified to profit or loss	-	-	-	-	(4,337)
Other comprehensive income for the period, net of taxes	<u>3,170</u>	<u>5,463</u>	<u>3,859</u>	<u>7,033</u>	<u>5,138</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,292	4,607	106,009	3,878	8,266
Earnings per share	\$ 0.11	\$ (0.01)	\$ 0.73	\$ (0.02)	\$ 0.02

Statement III

JAMAICA STOCK EXCHANGE LIMITED
 Consolidated Statement Of Changes In Equity
 For the Six Months Ended June 30, 2015

	Share Capital \$'000	Fair Value Reserve \$'000	Revenue Reserve Non- Distributable \$'000	Revenue Reserve \$'000	Total \$'000
Balance at January 1, 2014	238,146	2,293	-	313,834	554,273
Profit for the period				(3,155)	(3,155)
Other comprehensive income for the period		7,033			7,033
Total comprehensive income for the period as restated	238,146	9,326	-	310,679	558,151
Balance at June 30, 2014	238,146	9,326	-	310,679	558,151
Balance at January 1, 2015	238,146	10,961	-	311,916	561,023
Profit for the period				102,150	102,150
Other comprehensive income for the period		3,859			3,859
Revenue reserves reclassification for the period			48,367	(48,367)	-
Total comprehensive income for the period	238,146	14,820	48,367	365,699	667,032
Balance at June 30, 2015	238,146	14,820	48,367	365,699	667,032

THE JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Cash Flows
Six Months Ended June 30, 2015 (Unaudited)

Operating Activities

	Unaudited Six months ended June 2015 \$'000	Unaudited Six months ended June 2014 \$'000
Net Surplus	102,150	(3,155)
Adjustments for items not affecting cash flows and changes in non- cash operating assets and liabilities (net)	52,878	(16,175)
Cash used in operating activities	155,028	(19,330)
Cash (used in)/provided by investing activities	(132,056)	17,997
Cash used in financing activities	-	(387)
Net Increase/(Decrease) In Cash and Cash Equivalents	22,972	(1,720)
Opening Cash and Cash Equivalents	14,330	17,125
Closing Cash and Cash Equivalents	37,302	15,405

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Segment Report
For the Six Months Ended June 30, 2015 (Unaudited)

STATEMENT V

	2015					Group (\$ 000)
	Exchange Operations (\$ 000)	Depository Services (\$ 000)	Investments Other (\$ 000)	Trustees Services (\$ 000)	Eliminations (\$ 000)	
Revenue - external	233,096	85,662	17,879	45,817		<u>382,454</u>
Segment results	83,891	32,063	17,879	17,500		<u>151,333</u>
Finance Costs	-	-		-		
Profit before taxation	83,891	32,063	17,879	17,500		<u>151,333</u>
Taxation	(32,785)	(11,653)		(4,745)		<u>(49,183)</u>
Profit for the Period	51,106	20,410	17,879	12,755		<u><u>102,150</u></u>
Other information						
Depreciation & amortisation	6,421	3,135		54		<u>9,610</u>
Assets						
Segment assets	656,654	156,041		75,934	(72,439)	<u>816,190</u>
Liabilities						
Segment liabilities	121,333	22,039		15,593	(9,807)	<u><u>149,158</u></u>
2014						
	Exchange Operations (\$ 000)	Depository Services (\$ 000)	Investments Other (\$ 000)	Trustees Services (\$ 000)	Eliminations (\$ 000)	Group (\$ 000)
Revenue - external	89,336	33,836	25,475	29,546		<u>178,193</u>
Segment results	(25,574)	(8,503)	25,475	8,409		<u>(193)</u>
Finance Costs	(8)	0		-		<u>(8)</u>
Loss/Profit before Taxation	(25,582)	(8,503)		8,409		<u>(201)</u>
Taxation	-			(2,954)		<u>(2,954)</u>
Loss for the Period						<u><u>(3,155)</u></u>
Other information						
Depreciation & amortisation	8,364	2,995		44		<u>11,403</u>
Assets						
Segment assets	577,634	137,366		46,206	(74,485)	<u>686,721</u>
Liabilities						
Segment liabilities	96,798	36,066		7,560	(11,854)	<u><u>128,570</u></u>

COMPENSATION FUND
Financial Position
For the Six Months Ended June 30, 2015

Statement VI

	Unaudited Six months ended June 2015 \$'000	Unaudited Six months ended June 2014 \$'000	Audited Twelve months ended December 2014 \$'000
ASSETS			
Non-current Assets			
Investment in securities	530,295	531,920	526,592
Current assets			
Income tax recoverable	17,558	13,031	18,408
Other receivables	-	7,183	783
Investment in securities	33,322	15,778	16,949
Government securities purchased under resale agreement	115,933	112,038	122,850
Cash and cash equivalents	3,469	1,569	3,164
Total Assets	700,577	681,519	688,746
EQUITY AND LIABILITIES			
Contingency reserve	688,244	666,322	676,522
Non Current Liabilities			
Deferred tax liabilities	5,227	4,784	4,446
Current Liabilities			
Payable & accruals	7,106	10,413	7,778
Total Equity & Liabilities	700,577	681,519	688,746

**Compensation Fund
Comprehensive Income**

	Unaudited Three months ended June 2015 \$'000	Unaudited Three months ended June 2014 \$'000	Unaudited Six months ended June 2015 \$'000	Unaudited Six months ended June 2014 \$'000	Audited Twelve months ended December 2014 \$'000
INCOME					
Investment income	14,989	16,676	26,916	33,822	62,889
EXPENSES					
Administrative expenses	(6,739)	(6,407)	(13,477)	(12,653)	(28,165)
Net Income	8,250	10,751	13,439	21,169	34,724
Taxation	(1,650)	(1,390)	(3,299)	(2,779)	(6,911)
NET PROFIT	6,600	8,879	10,140	18,390	27,813
OTHER COMPREHENSIVE INCOME					
Fair value gain/(loss) on revaluation of available-for-sale financial assets during the year, net	1,147	(228)	1,578	1	781
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,747	8,651	11,718	18,391	28,594

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015**

1. GROUP IDENTIFICATION

(a) Composition of the Group

The group comprises the Jamaica Stock Exchange Ltd (the Company) which is incorporated in Jamaica as a public limited liability company and its wholly owned subsidiary, Jamaica Central Securities Depository Limited, (subsidiary) which is also incorporated in Jamaica. The Group also comprises the JCSD Trustee Services Limited which is a subsidiary of the Jamaica Central Securities Depository. The registered offices of all three companies are situated at 40 Harbour Street, Kingston, Jamaica.

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, which is the commercial arm of the company.

(b) Principal Activities - Subsidiary

i. Jamaica Central Securities Depository Limited

The principal activity is to establish and maintain a Central Securities Depository (CSD) in Jamaica to transfer ownership of securities "by book entry", including shares, stocks, bonds or debentures of companies and other eligible securities.

ii. JCSD Trustee Services Limited

The principal activity is the provision of trustee, company management custodianship and related services.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the Companies Act, 2004 of Jamaica. The accounting policy

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2014.

The interim financial statements have been prepared on the historical cost basis except for the revaluation of financial assets classified as available-for-sale investments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015**

3. 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.

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

4. EMPLOYEE BENEFIT COSTS

Pension obligations

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

The post employment benefit assets recognised in the statement of financial position represents the fair value of the plan assets, as adjusted for unrecognised actuarial gains and losses and unrecognized past service costs, and as reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to the unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

5. 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.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015**

6. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of consumption taxes.

7. IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of investment have been affected.

8. ORDINARY SHARES

The number of ordinary shares issued is 140,250,000.

9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit, by the weighted average number of ordinary shares in issue.

The weighted average number of ordinary units as at 30 June 2014 and 31 December 2014 was 140,250,000.

10. REVENUE RESERVES – NON-DISTRIBUTABLE

Revenue Reserves – Non Distributable represents externally imposed capital requirements for the subsidiary for which they have complied with.

**JAMAICA STOCK EXCHANGE LIMITED
TOP 10 ORDINARY SHAREHOLDERS REGISTER
AS AT JUNE 30, 2015**

Names	Shareholdings
1. Barita Investments Limited	10,200,000
2. GK Capital Management Limited	10,200,000
3. JMMB Securities Limited	10,200,000
4. M/VL Stockbrokers Limited	10,200,000
5. Mayberry Investments Limited	10,200,000
6. NCB Capital Markets Limited	10,200,000
7. Sagicor Investments Jamaica Limited	10,200,000
8. Scotia Investments Jamaica Limited	10,200,000
9. VM Wealth Management Limited	10,200,000
10. Stocks & Securities Limited	8,455,878

JAMAICA STOCK EXCHANGE LIMITED
SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS
AS AT JUNE 30, 2015

Directors/Alternate Directors

Shareholding

Edwin McKie*	150,000
Derrick McKoy*	20,000

Senior Managers

Marlene Street*	30,000
Robin Levy	50,000
Suzette McNaught*	30,000
Suzette Whyte*	20,000
Kadyll McNaught*	20,000
Josephine Lewis*	30,000

** Includes holding in joint accounts*