



58 HALF WAY TREE ROAD  
KINGSTON 10, JAMAICA, W.I.  
P. (876) 929-8451/4 F. (876) 920-1458

February 12, 2016

Fellow Shareholders,

Eppley produced earnings per share of \$70.43 in 2015, a 19% return on our \$377 per share listing price. Our net asset value was \$438 per share.

#### Portfolio

At the end of the year we had a \$1.4 billion portfolio consisting mainly of various types of credit investments. The average income yield of our portfolio was 15%. Our capital-at-risk less than 0.1% of capital.<sup>1</sup>

#### Capitalization

Our leverage was 3.0x of our capital at the end of the year and our average cost of debt was 10%.

#### Financial Performance

Our profit after tax in 2015 was \$56.1 million compared to \$51.1 million in 2014. Further detail on last year's financial performance will be contained in our annual report.

#### Dividend

Today the Board of Directors approved a dividend of \$43.40 per share payable on March 11 to ordinary shareholders on record as of February 26.

Consistent with our previously disclosed policy, this payment and the \$9.00 per share ordinary dividend paid in each of the last three quarters represents a distribution of the vast majority of our profits to shareholders.

As a result, upon the payment of this dividend shareholders will have received a 19% cash return on their \$377 per share IPO investment in the previous twelve months.

Subject to the discretion of the Board of Directors, we expect to maintain our dividend policy in future periods.

Sincerely,



**Nigel L. Clarke**  
Chairman



**Nicholas A. Scott**  
Managing Director

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<sup>1</sup> Capital-at-risk is the sum of loans and leases over 90 days and insurance premium finance contracts cancelled late, net of provisions.

**EPPLEY LIMITED**

**FOURTH QUARTER 2015**

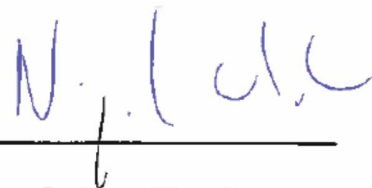
**Eppley Limited**  
**Statement of Comprehensive Income**  
*(Jamaican dollars in thousands)*

	<b>Unaudited 12 months ended Dec. 2015</b>	<b>Audited 12 months ended Dec. 2014</b>	<b>Unaudited 3 months ended Dec. 2015</b>	<b>Unaudited 3 months ended Dec. 2014</b>
<b>Net Investment Income</b>				
Interest Income	199,589	117,681	54,032	36,101
Interest expense	<u>(117,438)</u>	<u>(48,701)</u>	<u>(29,496)</u>	<u>(16,879)</u>
<b>Net interest income</b>	82,151	68,980	24,536	19,222
Other operating income	34,607	33,042	9,628	7,719
Administrative expenses	<u>(60,680)</u>	<u>(50,791)</u>	<u>(19,863)</u>	<u>(15,519)</u>
Profit before Taxation	56,078	51,231	14,301	11,422
Taxation	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>-</u>
<b>Net Profit being Total Comprehensive Income for the Year</b>	<u><u>56,078</u></u>	<u><u>51,176</u></u>	<u><u>14,301</u></u>	<u><u>11,422</u></u>
<b>EARNINGS PER SHARE (3)</b>	<b>\$70.43</b>	<b>\$64.27</b>	<b>\$17.96</b>	<b>\$14.34</b>

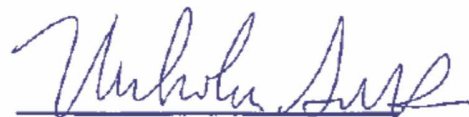
**Eppley Limited**  
**Statement of Financial Position**  
*(Jamaican dollars in thousands)*

	<b>Unaudited Dec. 2015</b>	<b>Audited Dec. 2014</b>
<b>ASSETS</b>		
Cash and Deposits	348,196	519,791
Taxation recoverable	4,166	1,319
Other receivable	51,195	50,186
IPF Receivables	114,500	113,516
Loans Receivables	580,009	473,501
Lease Receivable	285,886	253,361
Investment Securities	47,606	-
Property, Plant and Equipment	7,499	3,248
	<b>1,439,058</b>	<b>1,414,922</b>
<b>LIABILITIES</b>		
Due to related parties	1,653	1,653
Taxation payable	1,082	1,082
Deferred Taxation	328	328
Borrowings	1,048,604	1,038,823
Other liabilities	38,938	29,550
	<b>1,090,605</b>	<b>1,071,436</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	181,189	181,189
Retained earnings	167,264	162,297
	<b>348,454</b>	<b>343,486</b>
	<b>1,439,058</b>	<b>1,414,922</b>

Approved by the Board of Directors on February 12, 2016 and signed on its behalf by:



**Nigel L. Clarke**  
Chairman



**Nicholas A. Scott**  
Managing Director

**Eppley Limited**  
**Statement of Changes in Equity**  
*(Jamaican dollars in thousands)*

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 1 January 2014	181,189	139,786	320,975
Net Profit for the period		51,176	51,176
Dividends	-	(28,665)	(28,665)
<b>Balance as at 31 December, 2014</b>	<b><u>181,189</u></b>	<b><u>162,297</u></b>	<b><u>343,486</u></b>
Balance as at 1 January 2015	181,189	162,297	343,486
Net Profit for the period	-	56,078	56,078
Dividends	-	(51,111)	(51,111)
<b>Balance as at 31 December, 2015</b>	<b><u>181,189</u></b>	<b><u>167,263</u></b>	<b><u>348,454</u></b>

**Eppley Limited**  
**Statement of Cash Flows**  
*(Jamaican dollars in thousands)*

	<b>Unaudited 12 months ended Dec. 2015</b>	<b>Audited 12 months ended Dec. 2014</b>
<b>Cash Flows from Operating Activities</b>		
Net profit	56,077	51,176
Adjustments for items not affecting cash:		
Depreciation	2,950	1,187
Amortisation of intangible assets	36	-
Amortisation of premium on investments	67	-
Gain on disposal of property, plant and equipment and intangible asset	-	-
Interest income	(199,589)	(117,681)
Interest expense	117,438	48,701
Unrealised gain on Unit Trust Fund	(6,957)	-
Exchange (gains)/losses on foreign balances	(23,891)	(25,988)
Taxation	-	55
	<u><b>(53,869)</b></u>	<u><b>(42,551)</b></u>
<b>Changes in non-cash working capital components:</b>		
Other receivables	40	2,996
Insurance premium financing receivables	(24)	13,483
Loans receivable	(88,644)	(151,322)
Lease receivables	(27,316)	(80,520)
Interest received	199,204	117,699
Other liabilities	9,422	13,301
Due to related parties	-	-
	<u><b>38,813</b></u>	<u><b>(126,914)</b></u>
Tax withheld at source/paid	(2,847)	(878)
Interest paid	(117,247)	(48,701)
<b>Net cash provided by/(used in) operating activities</b>	<u><b>(81,280)</b></u>	<u><b>(176,493)</b></u>
<b>Cash Flows from Investing Activities</b>		
Term deposits with maturity periods in excess of 90 days	(5,409)	(79,806)
Acquisition of Investments	(120,285)	-
Proceed from sale of investments	80,090	-
Additions to property, plant and equipment	(7,237)	(28)
<b>Net cash provided by/(used) in investing activities</b>	<u><b>(52,840)</b></u>	<u><b>(79,834)</b></u>

**Eppley Limited**  
**Statement of Cash Flows (Cont'd)**  
*(Jamaican dollars in thousands)*

	<b>Unaudited 12 months ended Dec. 2015</b>	<b>Audited 12 months ended Dec. 2014</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(51,111)	(28,665)
Shares issued	-	-
Loans received	34,624	699,116
Loans repaid	(30,586)	(139,693)
Net cash (used in)/provided by financing activities	<u>(47,073)</u>	<u>530,758</u>
Increase/(Decrease) in net cash balance	(181,194)	274,431
Effects of foreign exchange rates changes on cash and cash equivalents	4,326	4,040
<b>Cash and cash equivalents at beginning of year</b>	<u>439,293</u>	<u>160,821</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>262,426</u></u>	<u><u>439,293</u></u>



**Ten Largest Shareholders**  
(at December 31, 2015)

Musson Investments Limited	299,999
ATL Group Pension Fund Trustees Nominee Limited	204,250
Stony Hill Capital Limited	121,666
General Accident Insurance Company Jamaica Limited	73,000
Michael Subratie	33,268
Ravers Limited	22,134
Nicholas Scott	8,357
Nigel Clarke	5,305
Stephanie Scott	5,300
Maxim Rochester	3,978

**Shareholdings of Directors**  
(at December 31, 2015)

	Direct	Connected
Nigel Clarke	5,305	-
Melanie Subratie	-	299,999
P. B. Scott	-	299,999
Nicholas Scott	8,357	5,300
Sharon Donaldson	800	-
Jennifer Scott	-	-
Keith Collister	-	-
Byron Thompson	2,000	-
Maxim Rochester	3,978	-

**Shareholdings of Executives**  
(at December 31, 2015)

	Direct	Connected
Nadia Jervis	277	-
Jacquelin Watson	-	-

**1. Identification and Activities**

Eppley Limited formerly Orrett and Musson Investment Company Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10.

The principal activity of the company is insurance premium financing, lease and loan financing.

The company is a public company listed on the Jamaica Stock Exchange at July 29, 2013.

**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 their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2014. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

### 3. Earnings Per Share

	<b>Unaudited 12 months ended Dec. 2015</b>	<b>Audited 12 months ended Dec. 2014</b>	<b>Unaudited 3 months ended Dec. 2015</b>	<b>Unaudited 3 months ended Dec. 2014</b>
Net Profit being Total Comprehensive Income for the Year	56,078	51,176	14,301	11,422
No. of Shares Outstanding	<u>796,249</u>	<u>796,249</u>	<u>796,249</u>	<u>796,249</u>
<b>EARNINGS PER SHARE</b>	<b>\$70.43</b>	<b>\$64.27</b>	<b>\$17.96</b>	<b>\$14.34</b>

### 4. Cash and Cash Equivalents

	<b>Unaudited 12 months ended Dec. 2015</b>	<b>Audited 12 months ended Dec. 2014</b>
Cash and bank balances	36,702	309,292
Term Deposits	<u>311,494</u>	<u>210,499</u>
	348,196	519,791
Less: Term deposits with maturity period in excess of ninety days	(85,215)	(79,806)
Less: Interest Receivable	<u>(554)</u>	<u>(692)</u>
	262,426	439,293