



REPORT OF THE BOARD OF DIRECTORS

CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR QUARTER ENDED MARCH 31, 2015

FIRST QUARTER FINANCIAL HIGHLIGHTS

- Total Income of \$259m (Q1 2014 - \$95.2m)
- Total Expenses of \$129.2m (Q1 2014 - \$95.6m)
- Net Profit after Tax of \$87m (Q1 2014 - -\$2.3m)
- Earnings per share of \$0.62 (Q1 2014 - -\$0.02)

FIRST QUARTER PERFORMANCE

Net Profit

The JSEG recorded a Net Profit after Tax of \$87m. This represents an improvement of \$89.3m in the financial performance of the Group when compared to the loss of \$2.3m for the corresponding period in 2014. This was mainly driven by an improvement in income.

Income

Several large value transactions, as well as overall improvements in market activities contributed to the outstanding performance of the Jamaica Stock Exchange Group (JSEG) for the First Quarter ended March 31, 2015.

The JSEG reported consolidated income of \$259m which represented a \$163.8m (172%) increase in income over the First Quarter of 2014. This strong performance was due primarily to an increase in Cess by \$146m (970%) over the comparable prior year period.

Expenses

For the First Quarter ended March 31, 2015, Total Expenses (including finance charges) of \$129.2m increased by \$33.6m or (35%) relative to the outturn for the comparable period in 2014. The increase was due mainly to Securities Commission Fees which showed an upward movement of \$23.2m or (727%) over the comparable period in 2014 and is directly aligned to the significant increase in Cess Income.

Financial Position

Total Assets as at March 31, 2015 of \$798m, reflected an increase of \$105m or 15%, when compared to holdings as at March 31, 2014. This was due primarily to increased investment in Securities by the JSEG.

Due to an increase in Trade and Other Receivables resulting from higher levels of transactions, total assets as at March 31, 2015 reflected a positive movement of \$168m or 27% when compared to the period ended December 2014.


Total Equity as at March 31, 2015 increased by \$95m or 17% over the comparable position at the end of March 31, 2014 and increased by \$88m or 16% 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 strong profit performance for the quarter.

Market Developments & Outlook

There was one listing on the Junior Sock Market in the First Quarter of 2015 which brings the number of securities listed on the Junior Market to twenty-six (26).

The main and junior market indices have increased by 10% and 3% respectively since the start of the year showing encouraging signs of market recovery. If the economy continues to improve and business and consumer confidence continue to rise, it is likely that there may be a bullish 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 March 31, 2015

	Unaudited Three months ended March 2015 \$ '000	Unaudited Three months ended March 2014 \$ '000	Audited Twelve months ended December 2014 \$ '000
ASSETS			
Non-current assets			
Property Plant & Equipment	80,773	89,000	82,428
Intangible Assets	25,538	31,448	24,691
Post employment benefits	66,957	66,193	66,957
Investment in Securities	274,300	266,048	277,342
Long-term receivables	10,756	11,968	10,787
Total non-current assets	458,324	464,657	462,205
Current assets			
Income tax recoverable	-	20,043	19,390
Trade and other receivables	106,184	102,684	62,974
Due from related party	5,252	-	2,376
Investments in securities	59,325	-	-
Government securities purchased under resale agreement	136,516	81,281	68,920
Cash and cash equivalents	32,736	24,933	14,330
Total current assets	340,013	228,941	167,990
Total Assets	798,337	693,598	630,195
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	238,146	238,146	238,146
Fair value reserve	11,650	3,863	10,961
Revenue reserve	398,944	311,535	311,916
Total equity	648,740	553,544	561,023
Non Current Liabilities			
Deferred Tax Liabilities	2,958	15,915	2,613
Total non-current liabilities	2,958	15,915	2,613
Current Liabilities			
Payable & Accruals	127,075	118,031	66,559
Income tax payable	19,564	-	-
Due to related party	-	6,108	-
Total current liabilities	146,639	124,139	66,559
Total Equity & Liabilities	798,337	693,598	630,195

Approved and authorized for issue by the Board of Directors on May 13, 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 Three Months Ended March 31, 2015

Statement II

	Unaudited Three months ended March 2015 \$'000	Unaudited Three months ended March 2014 \$'000	Audited Twelve months ended December 2014 \$'000
INCOME			
Cess	161,426	15,086	68,632
Fee income	66,981	40,033	198,638
Ecampus	1,455	2,654	10,952
Other operating income	22,971	24,361	59,027
	<u>252,833</u>	<u>82,134</u>	<u>337,249</u>
EXPENSES			
Staff costs	46,337	44,126	171,697
Property expenses	19,406	17,514	83,419
Depreciation and amortisation	5,114	5,612	24,522
Advertising and promotion	14,157	12,598	27,750
Professional fees	9,410	6,851	35,595
Securities commission fees	26,341	3,184	12,889
Bad debts, less recoveries	-	-	(3,095)
Ecampus	3,346	2,382	12,654
Other operating expenses	5,120	3,310	18,349
	<u>129,231</u>	<u>95,577</u>	<u>383,780</u>
Investment income	6,208	13,026	42,362
Other gains	-	147	147
Finance costs	-	(8)	(8)
PROFIT/(LOSS) BEFORE TAXATION	129,810	(278)	(4,030)
Taxation	(42,782)	(2,021)	7,158
NET PROFIT/(LOSS)	87,028	(2,299)	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/(losses) on available-for-sale investments	689	1,570	13,016
Deferred income tax on items that may be reclassified to profit or loss	-	-	(4,337)
	<u>689</u>	<u>1,570</u>	<u>5,138</u>
Other comprehensive income for the period, net of taxes	689	1,570	5,138
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	87,717	(729)	8,266
Earnings per share	\$ 0.62	\$ (0.02)	\$ 0.02

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Changes In Equity
For the Three Months Ending March 31, 2015

Statement III

	Share Capital \$'000	Fair Value Reserve \$'000	Revenue Reserve \$'000	Total \$'000
Balance at January 1, 2014	238,146	2,293	313,834	554,273
Loss for the period			(2,299)	(2,299)
Other comprehensive income for the period		1,570		1,570
Total comprehensive income/(loss) for the period		1,570	(2,299)	(729)
Balance at March 31, 2014	238,146	3,863	311,535	553,544
Balance at January 1, 2015	238,146	10,961	311,916	561,023
Profit for the period			87,028	87,028
Other comprehensive income for the period		689		689
Total comprehensive income for the period		689	87,028	87,717
Balance at March 31, 2015	238,146	11,650	398,944	648,740

THE JAMAICA STOCK EXCHANGE LIMITED
 Consolidated Statement Of Cash Flows
 Three Months Ended March 31, 2015 (Unaudited)

	Unaudited Three months ended March 2015 \$'000	Unaudited Three months ended March 2014 \$'000
Net Surplus/Loss	87,028	(2,299)
Adjustments for items not affecting cash flows and changes in non- cash operating assets and liabilities (net)	52,290	9,074
Cash provided by operating activities	139,318	6,775
Cash (used in)/provided by investing activities	(120,912)	1,420
Cash used in financing activities	-	(387)
<i>Net ncrease in cash and cash equivalents</i>	18,406	7,808
<i>Opening cash and cash equivalents</i>	14,330	17,125
<i>Closing cash and cash equivalents</i>	32,736	24,933

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Segment Report
For the Three Months Ended March 31, 2015 (Unaudited)

STATEMENT V

	2015					
	<u>Exchange Operations</u> (\$ 000)	<u>Depository Services</u> (\$ 000)	<u>Investments Other</u> (\$ 000)	<u>Trustees Services</u> (\$ 000)	<u>Eliminations</u> (\$ 000)	<u>Group</u> (\$ 000)
External Revenue	179,072	50,548	6,208	23,214		259,042
Total Revenue	179,072	50,548	6,208	23,214		259,042
Results						
Segment results	93,841	26,211		9,758		129,810
Finance Costs	-	-		-		0
Profit before taxation	93,841	26,211		9,758		129,810
Taxation	(31,280)	(8,737)		(2,765)		(42,782)
Profit for the Period						87,028
Other information						
Depreciation & amortisation	9,309	1,578		22		10,909
Assets						
Segment assets	649,731	145,287		66,158	(62,839)	798,337
Liabilities						
Segment liabilities	119,553	17,858		12,391	(205)	149,597
2014						
	<u>Exchange Operations</u> (\$ 000)	<u>Depository Services</u> (\$ 000)	<u>Investments Other</u> (\$ 000)	<u>Trustees Services</u> (\$ 000)	<u>Eliminations</u> (\$ 000)	<u>Group</u> (\$ 000)
External Revenue	52,546	15,977	13,026	13,611		95,160
Total Revenue	52,546	15,977	13,026	13,611		95,160
Results						
Segment results	(1,148)	(2,644)		3,522		(270)
Finance Costs	(8)	-		-		(8)
Profit/(loss) before taxation	(1,156)	(2,644)		3,522		(278)
Taxation	0			(2,021)		(2,021)
Profit/(Loss) for the Period						(2,299)
Other information						
Depreciation & amortisation	4,092	1,498		22		5,612
Assets						
Segment assets	595,299	143,027		45,404	(90,132)	693,598
Liabilities						
Segment liabilities	113,122	42,963		11,469	(27,500)	140,054

COMPENSATION FUND
Financial Position
For the Three Months Ended March 31, 2015

Statement VI

Unaudited	Unaudited	Audited
Three months ended March 2015 \$'000	Three months ended March 2014 \$'000	Twelve months ended December 2014 \$'000

ASSETS

Non-current assets

Investment in Securities	532,073	550,950	526,592
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Current assets

Income tax recoverable	18,000	6,543	18,408
Other receivables	-	7,183	783
Investment in securities	18,395	0	16,949
Government securities purchased under resale agreement	124,925	104,404	122,850
Cash and cash equivalents	1,881	6,040	3,164
	163,201	124,170	162,154
Total Assets	695,274	675,120	688,746

EQUITY AND LIABILITIES

Contingency reserve	680,496	657,671	676,522
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Non Current Liabilities

Deferred Tax Liabilities	4,661	4,784	4,446
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Current Liabilities

Payable & Accruals	10,117	12,665	7,778
Total Equity & Liabilities	695,274	675,120	688,746

**Compensation Fund
Comprehensive Income**

INCOME

Investment Income	11,927	17,146	62,889
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EXPENSES

Administrative expenses	(6,738)	(6,246)	(28,165)
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Net Income	5,189	10,900	34,724
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Taxation	(1,649)	(1,389)	(6,911)
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NET PROFIT	3,540	9,511	27,813
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OTHER COMPREHENSIVE INCOME

Fair value gain on revaluation of available-for-sale financial assets during the year, net	431	229	781
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TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,971	9,740	28,594
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THE JAMAICA STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 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 THREE MONTHS ENDED MARCH 31, 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 THREE MONTHS ENDED MARCH 31, 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 31 March 2014 and 31 December 2014 was 140,250,000.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015**

10. 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* – Custodian, company management and other activities.

The Group's operations are located solely in Jamaica.

11. COMPENSATION FUND

a. 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, for the period to date there were no contributions by the member dealers as the Board was of the view that the reserve is adequate for the specific purpose.

b. 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 of 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.

JAMAICA STOCK EXCHANGE LIMITED
TOP 10 ORDINARY SHAREHOLDERS REGISTER
AS AT MARCH 31, 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. Stocks & Securities Limited	10,200,000
10. VM Wealth Management Limited	10,200,000

JAMAICA STOCK EXCHANGE LIMITED
SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS
AS AT MARCH 31, 2015

Directors/Alternate Directors	Shareholding
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Edwin McKie*	150,000
Derrick McKoy*	20,000

Senior Managers

Marlene Street*	60,000
Robin Levy	50,000
Suzette McNaught*	30,000
Doreen Parson-Smith*	20,000
Suzette Whyte*	20,000
Neville Ellis*	20,000
Kadyll McNaught*	20,000
Josephine Lewis*	30,000
Riccayla Robb	20,000

** Includes holding in joint accounts*