



MALTA STOCK EXCHANGE plc

2015

ANNUAL REPORT



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Malta Stock Exchange plc
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Malta Stock Exchange

as at 31 December 2015

Board of Directors

Chairman

Deputy Chairman

Directors

Mr Joseph Portelli

Professor Joseph Falzon

Dr Abdalla Kablan

Professor Tanya Sammut-Bonnici

Mr Steven Tedesco

Ms Marie Cordina

Secretary

Audit Committee

Chairman

Members

Mr Steven Tedesco

Mr Joseph Portelli

Professor Tanya Sammut-Bonnici

Ms Berta Vella

Ms Marie Cordina

Secretary

Risk Management Committee

Chairman

Members

Professor Joseph Falzon

Dr Abdalla Kablan

Ms Joanne Camilleri

Ms Marie Cordina

Ms Eileen V Muscat

Ms Elaine Paris

Secretary

Executive Committee

Chairman

Members

Ms Eileen V Muscat

Mr Alex Pace

Dr Robert Vella Baldacchino

Mr Simon Zammit

Ms Marie Cordina

Secretary

Technical Committee

Chairman

Members

Ms Eileen V Muscat

Dr Elizabeth A Calleja Mousu'

Ms Marie Cordina

Ms Stephanie Galea

Mr Alex Pace

Dr Robert Vella Baldacchino

Mr Simon Zammit

Company Secretary

Ms Marie Cordina

External Advisory Board

Chairman

Members

Mr Joseph Portelli

Mr Nick Calamatta, Calamatta Cuschieri Investment Services Ltd.

Dr Nicholas Curmi, Ganado Advocates

Dr Louis de Gabriele, Camilleri Preziosi Advocates

Mr Karl Mercieca, Ernst & Young

Dr Karl Strobl, Ashima Fexserv

Mr Chris Vassallo, Hogg Capital Investments Ltd.

Mr Andreas Woelfl, Argentarius ETI Management Ltd.

Ms Marie Cordina

Secretary





Letter of Transmittal

The Chairman
Malta Stock Exchange plc
Garrison Chapel
Castille Place
Valletta VLT 1063

April 2016

The Chairman & President
Malta Financial Services Authority
Notabile Road
Attard BKR 3000


Dear Sir

In accordance with the Financial Market Rules Stipulating Financial Requirements and Financial Reporting Requirements applicable to Regulated Markets and Central Securities Depositories, I have the honour to transmit the Audited Financial Statements and a report on the activities of the Malta Stock Exchange for the year ended 31 December 2015.

Yours faithfully



Joseph Portelli
Chairman



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for the year ended 31 December 2015

liment tal-Gazzetta tal-Gvern ta' Malta, Nru. 15,355, 13 ta' Novembru, 1990
Taqsim A

MALTA

ACT No. XXXIII of 1990

ATT Nru. XXXIII ta' l-1990

AN ACT enacted by the Parliament

Chairman's Message

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ta' Malta.

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ta' titol u sabiex jipprovdi dwar hwej-
jeg oħra ancillari jew incidental
għalihom jew li għandhom x'jaqsmu
magħhom.

AN ACT to establish the Malta Stock Ex-
change and to regulate its functions, to
provide for orderly trading in sec-
urities and to provide for matters ancil-
lary or incidental thereto or connected
therewith.

Nagħti l-kunsens tiegħi.

CARMELO CARU
Agent Pres

(L.S.)

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jipprovdi dwar hwejjeg oħra ancillari jew incidental għ-
għandhom x'jaqsmu magħhom.

RESIDENT bil-parir u l-kunsens ta' Kam-
Parlament, u bl-awtorità ta' l-Istess



Chairman's Message



I am pleased to present the Annual Report for 2015 which was an extremely productive year, characterised by a record financial performance. Two major projects were completed - migration to Target2-Securities and the unveiling of Prospects, the Exchange's new market aimed at SMEs and start-up companies. We also saw a sharp increase in the demand for ancillary services such as the dematerialisation of securities within the CSD and the request for issuance of ISINs.

During much of 2015, the MSE focused on strengthening its corporate governance, business and product development, and the sound promotion of the MSE brand.

Last year, the Malta Stock Exchange Equity Index was one of the world's best performers registering a gain of 33%. This resulted in a significant increase in the Exchange's market capitalisation. Furthermore, turnover in the equity and corporate bond markets registered substantial increases of 60% and 38% respectively.

One equity issue, eight corporate bonds, ten government stocks and eighty-one treasury bills with a total issue value of just under €1.5 billion were admitted during the year. Furthermore, a considerable number of Collective Investment Schemes were also admitted to the market. The Central Securities

Depository was approached by over thirty companies seeking dematerialisation, raising the number of such dematerialised securities up to 42 securities within the CSD at the end of the year.

I am pleased to report the Exchange registered record pre-tax profits of €2.5 million - an increase of 7.8% when compared to 2014. Improved performance was mainly attributable to new admissions, increased turnover and more stringent control on expenditure.

A significant cost-cutting exercise was initiated and strict protocols were enacted to rein in spending. We are optimistic the Exchange's operating expenses will drop further in 2016, in spite of new T2S related expenses, the completion of a business continuity office and a new Collective Agreement coming into force.

Last year, we made a conscious effort to reach out to stakeholders with the aim of affording them the opportunity to critique and to advise the Board of Directors on all aspects of the MSE's operations. Indeed, the Exchange set up its first ever External Advisory Board along with a CSD working group made up of experts and stakeholders from across the financial industry. I am pleased to report that today the Exchange has a solid reputation of being accessible and able to listen to the needs of stakeholders and the industry.

On the corporate governance front, we restructured a number of departments, most notably by streamlining reporting lines. We also created a separate risk management department, directed the internal auditor to report directly to the Board and created clear succession planning within each department.

Last year the Board took a major strategic decision to strive to enhance the Exchange's visibility not only locally but internationally. We have increased the resources allocated to Business and Product Development and have upgraded our website with an entirely new design endeavouring to look more institutional. Likewise, we have redesigned much of our marketing material. We have also for the first time introduced Client Relationship Management (CRM) software to create a database of potential leads for new business.

We have also joined forces with numerous stakeholders including legal and accounting firms, FinanceMalta and Malta

Enterprise to jointly sponsor business development trips to Italy, Spain and London. In 2016 we expect trips to Turkey, China, the Middle East and Africa, besides mainland Europe.

2015 saw the Exchange consolidate its support towards philanthropy by forming a Corporate Social Responsibility Fund which will contribute 1% of the Exchange's profits after tax to cultural, educational, social and environmental causes.

We also strived to increase financial literacy through numerous initiatives such as the organisation of an Investor Education Conference and the setting up of a Financial Literacy Board in conjunction with the Ministry of Education. The project's aim is to further financial education among school children starting at a relatively young age.

In 2016 the Exchange will celebrate its 25th Anniversary. The MSE shall host an Art Exhibition and hold a number of events at its premises between May and July. We are grateful for the financial support of our eight corporate sponsors to help defray part of these costs.

2016 shall also see the fruition of a number of projects that have been under development throughout 2015. These include the official launch of Prospects, the launching of the Sharia Equity Index, a total return equity index, a number of bond indices, hosting of a Capital Markets Round Table, installation of a new ticker and video boards and the creation of the Malta Stock Exchange Institute.

One project we eagerly anticipate is the rollout in mid-2016 of E-Portfolio which will not only offer on-line services and functionality to investors, (and eventually brokers) but for the first time move the Exchange closer to going paperless.

The Exchange's positive results would not have been possible without the commitment of management and staff together with the support and encouragement of my fellow Board members. I would also like to thank the Finance Minister and his team, without whose continued support the Exchange's success would not have been achievable.



Joseph Portelli

Chairman

(L.S.)

ATT Nru. XXXIII ta' l-1990

ATT biex jistabbilixxi l-Borsa ta' Malta u sabiex jirregola l-funzjonijiet taghha, sabiex jipprovdi ghal kummerċ ordinat ta' titoli u sabiex jipprovdi dwar hwejjeg oħra ancillari jew incidental ghalhom jew li għandhom x'jaqsmu magħhom.

IL-PRESIDENT, bil-parir u l-kunsens tal-Kamra tad-Deputati, imlaqqgħa f'dan il-Parlament, jipprova jidher b'qiegħda ta' l-istess, b'reg b'ligi u li ġej:—

Chief Executive's Report

TAQSIMA I

Preliminari

1. Dan l-Att jista' jissejjaħ l-Att ta' l-1990 dwar il-Borsa ta' Malta, u għandu jibda jseħh f'dik id-data li l-Ministru tal-Finanzi jista' jistabbilixxi b'avviż fil-Gazzetta, u jistgħu jiġu stabbiliti dati differenti għal dispożizzjonijiet differenti u għanijiet differenti ta' dan l-Att.

2. F'dan l-Att, u fil-Iskeda li tinsab miegħu, sakemm ir-rabta tal-kliem ma tkunx tehtieg xort' oħra —

“Bank Ċentrali” tfisser il-Bank Ċentrali ta' Malta;

“il-bini tal-Borsa” tfisser il-post fejn il-Borsa titwaqqaf mill-Kunsill għall-fini li tiggessixxi l-attività tagħha hemmhekk;

“Borsa” tfisser il-Borsa ta' Malta stabbilita bl-artikolu 3 ta' dan l-Att;

“Gvernatur” tfisser il-Gvernatur tal-Bank Ċentrali;

“korp magħqud” tfisser korporazzjoni stabbilita bl-igi f'Malta.

Titolu fil-qosor u bidu fis-sehh.

Tifsir.

Chief Executive's Report



The resurgence of both equity and corporate bond trading on the secondary market was a dominant factor throughout the year, with both sectors registering very significant increases in not only turnover values but also with regard to the number of trades executed in both sectors. It is also pertinent to highlight the significant increase in the total market capitalisation value as well as an increase of over 33% in the end-year value of the Malta Stock Exchange Share Index when compared to that of the previous year.

While primary market issuance did not reach the levels of the previous year, this market remained buoyant and it was a very positive development to see the addition of a new equity, issued as a result of the restructuring of one of the largest listed companies, as well as the listing of further share capital of the only foreign owned company listed on the Exchange.

After more than eight years since the project was launched, a major development during the year was the successful migration of the Exchange's settlement processes to Target2-Securities (T2S) on 22 June 2015, when the Central Securities Depository (CSD) joined other Wave 1 Migration CSDs on the new pan-European Settlement Platform. Participation in T2S has put the CSD firmly among the CSDs of choice for users

looking for settlement services that are not only efficient but also cost-effective. The CSD has already registered increased interest in the services it provides as a direct result of participation in T2S and currently we are considering a number of business proposals relating to CSD services. Throughout 2015 significant growth was registered in the number of financial instruments being dematerialised within the CSD and we envisage further growth in this area of operations.

The EMIR reporting infrastructure implemented in 2014 also continued to show steady growth with new clients coming on board throughout the first full year of operation. New amendments to the relevant reporting requirements in relation to transactions in certain sectors have come on stream and the Exchange is assessing the need for any upgrades to the current reporting system and processes.

As mentioned in my report for the previous year, during 2015 the Exchange concentrated on the initiative to create a new market – Prospects, an SME and start-up-oriented MTF focused on the specific needs of these type of companies. We are pleased to note that this market has garnered a great deal of positive response and support not only from SMEs themselves both locally and internationally, but from the industry in general.

Furthermore, during the past year the Exchange also focused on educational activities, in particular activities geared towards investor education. For the first time, the Exchange organised an Investor Education Conference which attracted around 200 participants and which is intended to become an annual event. In this respect, the Exchange also set up a Financial Literacy Board with representatives from the Ministry of Education with a view to draw up initiatives and longer-term plans to enhance financial education within all levels of schooling. The Exchange firmly believes that it has an important role to play in supporting financial education, as we believe this is essential not only for individuals to take informed investment decisions but also to enhance the performance of the market.

Apart from the Financial Literacy Board, the Board also spearheaded the setting up of an External Advisory Committee composed entirely of experts in the financial industry as a forum for discussion and also to make recommendations regarding the development of the capital market in Malta over the next few years. The Exchange believes that it is important to listen to the

industry, what it needs and what it expects and together with the industry formulate an achievable capital markets plan for the future.

2016 is a very important year for the Exchange as we celebrate twenty five years since it was set up and the start of trading and CSD operations. The Exchange will hold a number of events over the course of the year in line with its corporate social responsibility policy which will support educational, cultural and philanthropic initiatives and which will duly celebrate the development of this organisation over the last quarter of a century.

Looking forward to 2016 and beyond, the strategic focus of the Exchange will be business development, looking in particular towards expanding our presence and services in a number of overseas markets including the active promotion of Prospects. We believe that while remaining committed to the continued development of the domestic market, it is important for the Exchange to sustain its growth, to expand into other markets, both within the EU and outside. In this respect the Exchange has already initiated a series of road-shows and other events that showcase its services. We believe that the Exchange, supported by a very robust legal and regulatory framework and by state-of-the-art technical infrastructure which connects us to the rest of the world, is ideally placed to promote itself as a market of choice for both issuers and investors.

While there will certainly be other occasions to thank all those concerned for their support over the last 25 years and who have helped the Exchange develop into the internationally recognised market that it is today, I would like to thank all our stakeholders for their commitment over the course of our years of operation and especially to the 25th Anniversary sponsors who have made it possible for us to plan our celebrations for the coming year.

My particular thanks and appreciation to the Board for their guidance and support as well as to all my colleagues without whom the Exchange's continued development would not have been possible.



Eileen V Muscat
Chief Executive

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RESIDENT bil-parir u l-kunsens ta' Kam-
ra Parlament, u bl-awtorità ta' l-Istess

Administration Report



Governance

The Board

A new Board was appointed for a period of one year with effect from 21 April 2015. The Board is composed of Mr Joseph Portelli, Chairman, Professor Joseph Falzon, Deputy Chairman, Dr Abdalla Kablan, Director, Professor Tanya Sammut-Bonnici, Director and Mr Steven Tedesco, Director.

Ms Marie Cordina, Senior Manager, was confirmed in the post of Secretary to the Board and Company Secretary.

The same individuals were also appointed as Chairman and Directors of the other two companies within the Group, namely, MSE (Holdings) Ltd and CSD (Malta) Plc.

General Meetings

The Exchange's Annual General Meeting was convened on 28 April 2015. During this meeting, the shareholders unanimously approved the appointment of the Directors, the appointment of the Exchange's Auditors for a three-year period starting in 2015 as well as the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended 31 December 2014.

An Extraordinary General Meeting was convened on 26 August 2015 during which the shareholders unanimously approved a net dividend of €1,000,000 for 2015 as well as ratified the nomination by the Board of Professor Joseph Falzon as Deputy Chairman.

Board Meetings

During the year, 12 regular meetings of the Board were convened together with a further two Ad Hoc Board Meetings. During its meetings the Board considered and agreed upon the strategy of the Exchange and its goals to be achieved over the short term which focuses on business development and in particular attracting international business to the market. The Board also agreed that the Exchange should take a leading role in creating a road map for the development of capital markets in Malta and to this end agreed to the setting up of various committees to achieve this aim. One important area where the Board agreed that the Exchange should be actively involved was that of enhancing financial education both among investors and the public in general. The Board also approved relevant rules and procedures in respect of the proposed SME market under the structure of an MTF as well as agreed to entering into a lease agreement in respect of a business continuity secondary site. The Board also discussed at length regulatory and operational matters and other matters related to human resources. In respect of the latter, the Board approved recruitment, promotions and redeployment in order to create a coherent and robust succession planning process.

Board Committees

The Board confirmed the appointment of the Audit Committee, Executive Committee, Technical Committee and Risk Management Committee with new members reflecting the new

composition of the Board members as well as promotions and redeployments made throughout the year. These committees all met on a regular basis and provided very valid support to the Board.

Audit Committee

The Audit Committee met ten times during the year. Apart from the regular review of the Exchange's monthly Management Accounts and Investment Portfolio, as well as the approval of the Budget Estimates for 2016, the Audit Committee also made recommendations to the Board regarding strategic investments, the Credit Control Policy as well as the evaluation and adjudication of the relevant ITT in respect of external audit services. The Audit Committee also assessed internal controls and made recommendations for the enhancement of such controls and the introduction of other internal controls spanning major areas of operations as well as assessed and reviewed project management procedures, the operations of the new accounting system implemented at the beginning of the year and its integration with core systems.

Executive Committee

The Executive Committee held eight meetings during the year. Discussions focused on operational matters including the implementation of T2S, business continuity, PMLFT requirements as well as oversight of the risk management project. Furthermore, the Executive Committee also discussed in depth and made recommendations regarding matters related to human resources and succession planning, regulatory matters, oversight of projects such as upgrade of the website, the new SME market, implementation of new trading, settlement and reporting methodology in respect of ECB's Quantitative Easing processes as well as consideration and evaluation of various business proposals.

Technical Committee

It was another very busy year for the Technical Committee as T2S reached its live date in June 2015. The Technical Committee was in fact convened 12 times during the year apart from involvement in workshops organised in respect of technical and operational changes related to T2S, meetings with the T2S National User Group and related meetings with Credit Institutions and Payment Banks. Discussions at the Technical Committee meetings focused primarily on T2S, implementation of SEPA, as well as business continuity including the development of the secondary site.

Risk Management Committee

The Risk Management Committee convened every quarter and dealt with mainly, oversight of the Risk Management Project including the Risk Identification Process, the segregation of the

Risk Management Function from the Internal Audit Function, Settlement Risk and the setting up of a Settlement Guarantee Fund as well as monitoring of the Exchange's Investment Portfolio.

External Advisory Board

In line with the Board's strategy to spearhead the development of capital markets, the Exchange set up an External Advisory Board chaired by the Chairman of the Exchange and composed of a number of experts in the financial sector, namely Dr Louis de Gabriele, Mr Chris Vassallo, Mr Karl Mercieca, Mr Andreas Woelfl, Dr Karl Strobl, Mr Nick Calamatta and Dr Nicholas Curmi. The role of the External Advisory Board is to make recommendations to the Board on potential new areas of business in the light of opportunities arising from changes in legislation and regulation, to review the Exchange's strategic plan and to make recommendations on potential new areas of business including target markets in the case of international business and furthermore, to support the Board to ensure best practice with regard to strategic initiatives and obtaining new business as well as to give independent views to the Board with regard to policies and operational procedures.

The first meeting of the External Advisory Board was held in January 2016 which was also attended by all the Senior Management of the Exchange.

Other Committees

Apart from the External Advisory Board, a number of other Committees were set up, composed of both external advisors and management of the Exchange to focus on specific initiatives in line with the Board's strategy to seek new areas of business and also to actively support financial education initiatives. To this end three committees were set up, one related to the possible development of a REITS market in Malta, another one related to the development of Malta as a centre for Islamic Finance and the third one, which also includes representatives from the Ministry of Education, which focuses on enhancing financial education in schools and possible initiatives which can achieve this goal.

All three committees met a number of times throughout the latter half of the year. A number of initiatives had been identified such as the launch of a Sharia Equity Index and the setting up of a trading game and related training in secondary schools which would commence in September 2016.

Human Resources

Staff Complement

The year under review was a very active year with regard to its human resource structure. In line with the Board's strategy to ensure succession planning, a number of promotions were effected towards the latter half of the year within the different grades of the Exchange. At the same time, a number of



redeployments were also effected and three new employees were engaged in the junior ranks. An employee in the grade of Manager I resigned from the Exchange with effect from November 2015.

At the end of the year, therefore, the staff complement of the Exchange had reached a total of 59, split on a gender basis between 39 females and 20 males. The complement includes 25 staff in the managerial grades split on a gender basis of 16 females and nine males which largely reflects the gender split throughout all the grades. All the staff within the Exchange, with the exception of one junior member of staff who is employed on a part-time basis, are employed on a full-time basis.

Apart from the permanent staff complement as described above, during the summer months, the Exchange engaged six students who were deployed in various offices of the Exchange.

Family-friendly Measures

Throughout the year under review, a number of staff continued to avail themselves of family-friendly concessions. 18 staff members benefitted from teleworking, ten worked on flexi-hours while a further three also enjoyed the benefits afforded by measures related to reduced hours.

Staff Policies

In order to continue to allow members of staff to benefit from teleworking, while at the same time not compromising on the operational efficiency of the Exchange, the Board approved changes to the Teleworking Policy in June 2015, which became effective on 1 October 2015. The principal amendments related to the minimum time to be worked from

the Exchange; new provisions related to the maximum number of staff who could be granted telework from each office, as well as the imposition of limits with regard to the length of time during which a staff member could avail of telework. These new provisions ensure that all staff are treated fairly and at the same time, the service provision offered by the Exchange does not diminish due to lack of staff, particularly during core hours.

Later on in the year, the Board also approved amendments to the Sexual Harassment Policy, which was expanded into an Anti-Bullying

and Anti-Harassment Policy to ensure that all types of potential harassment were covered including cyber bullying and also to ensure that there were clear delineations with regard to responsibility and clear review processes. The amendments also highlighted any disciplinary action that is applicable in regard to the various types of harassment.

Social Events Committee

The Social Events Committee again had a very busy year organising a number of events for staff and their families, including dress down days, picnics and trips to Catania and Manchester. For the first time, the Committee also organised a day by the pool for children from the Creche in Gwardamangia and later on in the year, these children were also invited to



join the Exchange's Children's Christmas Party. As part of these events, the Exchange raised a considerable amount of money which will be donated to a philanthropic organisation. Exchange

staff also participated in a Nation-wide initiative to donate a monthly contribution from their salaries to the Community Chest Fund. A highlight of the year was Pink October Day, when the Exchange, together with many other entities joined in the campaign to raise breast cancer awareness.

A number of events are planned for 2016 which will not only be team building and fun events for Exchange staff but will also continue to support the Exchange's Corporate Social Responsibility Policy.

Union Representation

Throughout the year the Exchange held a number of meetings with the General Workers Union, the only recognised Union within the Exchange, where matters related to staff were discussed including operational and disciplinary matters as well as proposed amendments to Exchange policies relating to teleworking and anti-harassment. Towards the end of the year negotiations commenced between the Exchange and the Union in relation to the current Collective Agreement.

The Exchange would like to take the opportunity to thank the Section Secretary, Mr Charles Galea and all the members of the Staff Representative Committee led by the Shop Steward, Ms Melissa Farrugia, for their support throughout the year.

Regulatory Matters

Bye-laws

A number of amendments were made to the Bye-laws of the Exchange throughout the year, mainly related to the Exchange's migration to T2S and the procedural and operational changes that this involved.

In May, amendments to Chapter 7 – Clearing and Settlement, were issued to become effective on 22 June 2015, when the Exchange migrated to T2S. The amendments reflected the Exchange's adoption of the "layered" model within T2S, compliance with criteria related to time-tables, directly and indirectly connected parties, dedicated cash accounts and other related provisions including the Exchange's continued use of proprietary applications and pre-matching of transactions at CSD level.

Furthermore, new Appendices to this Chapter, namely Appendices 7.3, 7.4 and 7.5, described in detail the account structure within T2S, the settlement schedule and settlement processes.

Towards the end of the year, further amendments to Chapter 7 were issued related to Corporate Action Processing and Transaction Management, also reflecting T2S standards and criteria. These amendments were included in a new Part 4 of the relevant Chapter and in a new Appendix 7.8 which explains

these processes in detail with specific reference to market claims, transformations and buyer-protection processes.

In October 2015 minor amendments were issued relating to Chapter 3 – Membership and Chapter 4 – Trading Procedures relating to processes in respect of approval of traders.

Exchange Notice 1 – Fees and Other Charges

In December 2015 an amended Exchange Notice 1 – Fees and Other Charges was issued which included :

- New fees in respect of issuance of ISINs
- EMIR Fees
- Clearstream Link Transfer Fees
- New policies regarding waiver of fees, and
- Trading Certificate Fees

At the same time, while relevant fees remained unchanged, further details were included in Exchange Notice 1, explaining the services which were covered by the Annual Admission Fees and Annual Register Fees.

Risk Management

The Risk Management Review being carried out by Ernst & Young and with the involvement of all offices of the Exchange, continued throughout the year. Following an extensive exercise to map all operations of the Exchange with strategic objectives, Ernst & Young conducted a workshop for Exchange staff, whereby a classification of all identified risks was drawn up and the high risks were then quantified in accordance with international standards. Based on the identified risks the reviewers suggested a split between the Internal Audit function and the Risk Office function, which was effected towards the end of the year as well as some amendments to the Risk Management Policy largely related to the risk reporting structure and different roles within the reporting structure.

The RMICAAP for 2015 as well as the amendments to the Risk Management Policy were submitted to the Competent Authority early in 2016.

The risk review project will continue in 2016 and will focus mainly on training and stress testing.

Compliance

In accordance with the Financial Market Rules applicable to Regulated Markets, the Exchange submitted the "Certificate of Compliance" to the Competent Authority at the end of January covering the period August 2014 to January 2015 and at the end of July covering the period from February to July 2015. In both instances the Board confirmed the Exchange's compliance with applicable legislation, rules and regulations.

The Exchange also submitted the Annual Compliance Report to the Financial Intelligence Analysis Unit at the end of March 2015

as required in terms of Regulations relating to prevention of Money Laundering and Funding of Terrorism.

Audit

During the Annual General Meeting the shareholders unanimously approved the Audited Financial Statements for the year ended 31 December 2014. The Audited Financial Statements and the Annual Report regarding the activities of the Exchange during 2014 were submitted to the Competent Authority and published in accordance with the Financial Market Rules Stipulating Financial Requirements and Financial Reporting Requirements applicable to Regulated Markets.

EU Code of Conduct on Clearing and Settlement

In compliance with the EU Code of Conduct on Clearing and Settlement, the Board approved the Self-Assessment Report on Services Unbundling and Account Separation for 2014 regarding which the Exchange's Auditors prepared an "Independent Assurance Report on the Self-Assessment Report" which were both submitted to the Competent Authority. In their report, the Auditors confirmed the Exchange's compliance with the Code and subsequently a Public Statement was published on the Exchange's website outlining the assessment methodology and how it complies with the requirements particularly with regard to service unbundling and account separation.

Risk Management and Internal Capital Adequacy Assessment (RMICAAP)

The Board confirmed to the Competent Authority that the Exchange had an RMICAAP in place and that its technical and operational infrastructure, human resources and financial and legal and regulatory framework were sufficiently robust to support continuity of business and that the Exchange had adequate risk mitigation processes in place that were sufficient for the scale and complexity of its operations.

Assessments

In May, the Exchange submitted to the European Central Bank (ECB) the "T2S Eligibility Report" outlining the Exchange's compliance with T2S criteria as required in the Framework Agreement for approval by the ECB. The ECB confirmed the Exchange's eligibility to participate in T2S prior to migration on 22 June 2015.

During the second quarter of the year, the Exchange submitted further responses in connection with the 3rd Assessment of Payment Systems issued by the ECB. Later on in the year, the ECB confirmed the Exchange's compliance with all relevant standards.

Target2- Securities (T2S)

On 22 June 2015 the Exchange, as operator of the Central Securities Depository (CSD), joined other European CSDs as the first participants in T2S, the pan-European Securities Settlement System, operated by the European Central Bank (ECB) intended to provide an efficient and cost-effective settlement platform that will continue to expand as over 30 CSDs will eventually join the platform in the next Migration Waves that will take place over the next two years.

The migration to T2S is a culmination of efforts and work done over the past few years particularly since 2013 when the technical implementation started in earnest. The move to T2S required significant changes to the CSD registration software, the development of a technical interface with T2S and an upgrade to SWIFT, as well as significant changes in operational processes which were reflected in relevant amendments to the Bye-laws. Throughout the implementation process, the Exchange was supported by the Central Bank of Malta and its Members and other market participants without whom it would not have been possible to have a seamless transition to the new system. The Exchange will remain involved in testing processes in relation to subsequent Migration Waves and also is currently discussing changes in operations related to the CSD's link with Clearstream AG, as the latter approaches migration to T2S.

Participation in T2S affords increased connectivity in a low risk, efficient and cost-effective manner between the CSD and other settlement infrastructures thereby supporting the Exchange's drive to expand its services internationally.

Investor Education Conference

In line with its strategic goal to enhance financial education of investors and the general public, the Exchange organised the first Investor Education Conference on 24 October 2015 which was held at the Grand Hotel Excelsior in Floriana. The event was attended by over 180 participants during which a number of speakers including the Minister for Finance, Members, Funds and Credit Institutions, gave interesting and detailed presentations regarding various aspects of financial matters in





guests enjoyed a short tour of the exhibits prior to the event. The Annual Dinner was attended by over a hundred guests representing all the Exchange's stakeholders as well as its business partners. In a brief speech, the Chairman said that the date was very significant as it was exactly 25 years since the Malta Stock Exchange Act became law, and was, therefore, a very opportune moment to start the Exchange's 25th Anniversary celebrations which will take place over the next year and which would include a number of cultural and educational events, including an Art Exhibition, showcasing not only local up-coming artists but also the Exchange's historic premises. In his response, the Hon Minister for Finance, Professor Edward Scicluna, referred to the development and growth of the Exchange over the past 25 years as well as its important role within the financial sector.

a simple and understandable manner. Feedback with regard to this conference was very positive and it is intended that this becomes an annual event.

Annual Dinner

The Exchange hosted its Annual Dinner on 13 November 2015 which was held at the historic Maritime Museum in Birgu, when



Visitors to the Exchange

Official Visit by the President of the Republic

A highlight of the year was an Official Visit by HE the President of Malta, Ms Marie Louise Coleiro Preca on the 10 December 2015, who was accompanied by the Hon Minister for Finance, Professor Edward Scicluna. During this visit, the President had the opportunity to meet with the Board, Management and staff of the Exchange. In his brief address, the Chairman spoke about the Exchange's corporate social responsibility and its support of cultural and philanthropic causes. In her response, the President spoke about the importance of institutions such as the Exchange, leading the way in such initiatives. The Chairman, on behalf of the Exchange, then presented a donation to the Community Chest Fund to the President.



Official Visit by the Minister for Education and Employment

On 3 September 2015 the Exchange welcomed the Hon Minister for Education, Mr Evarist Bartolo and senior officials from his Secretariat. The Hon Minister discussed with the Chairman and Senior Management the initiatives the Exchange was planning in respect of enhancing financial education in Malta and he expressed his support of such initiatives and for the Ministry's involvement in a committee to be set up to spear-head such initiatives.



Other Visitors

During October, the Exchange also had the pleasure to welcome Imam Mohamed El Sadi the leader of the Islamic Community in Malta, when he had the opportunity to meet with the Chairman and Senior Management of the Exchange and discuss matters of mutual interest in particular education and the Exchange's plans in relation to Islamic Finance.



Official Visit by the Minister for Finance

The Hon Minister for Finance, Professor Edward Scicluna, paid an official visit to the Exchange upon the appointment of the new Board during which the Chief Executive gave an overview of the operations of the Exchange. During his visit the Minister for Finance also had the opportunity to address the Board, Management and Staff about plans for the development of the financial sector in Malta, in particular related to developments within the capital markets over the next few years.

Corporate Social Responsibility

Throughout the years of its operations, the Exchange has endeavoured to support cultural, educational and philanthropic causes not only through direct financial support but also through the provision of speakers for educational and information events and the use of its premises for other events. The Social Events Committee supported by the staff, has been pivotal in organising events which are also opportunities for staff members to contribute towards philanthropic causes.

As the Exchange approaches its 25th anniversary, the Board agreed to formalise a Corporate Social Responsibility Policy whereby it determined that 1% of profits after tax would be put towards a CSR Fund to be used to support such events and initiatives.

Indeed, during 2015 the Exchange participated in a number of events and initiatives in line with this policy, among which were financial support for the restoration of the Victoria Church in Valletta, financing a Banking and Finance Chair at the University of Malta and organising a day by the pool and a Christmas Party for children at the Creche in Gwardamangia.

Many events during 2016, when the Exchange will be celebrating its 25th Anniversary, will also support the Exchange's corporate social responsibility including an Art Exhibition, education initiatives and support of heritage and cultural events.

In June 2016 the Exchange will have the honour to host the FESE's Annual General Meeting and Annual Conference.

European Wholesale Securities Market

Following the first admission to this market in 2014, which is a joint venture between the Irish Stock Exchange and the Malta Stock Exchange set up in 2012, during 2015 activity on the market continued to increase as further Listing Agents were approved by the MFSA and other issues were admitted to the market. At the end of year, a total of five Listing Agents had been approved as well as a number of securities had been granted admission. The market remains very buoyant as currently other applications in respect of Listing Agents and admission of securities are being considered.

International Affiliations

A number of Exchange Officials participated in the regular meetings and workshops of the international organisations indicated below, of which the Exchange is a Member, in particular the Management Committee Meetings and Economics and Statistics Meetings of FESE and Board Meetings of ECSDA.

ANNA	Association of National Numbering Agencies
ECSDA	European Central Securities Depositories Association
FESE	Federation of European Securities Exchanges
IOSCO	International Organisation of Securities Commissions
WFE	World Federation of Exchanges.

2015 was another very active year for these organisations, particularly FESE and ECSDA as they lead the way for Exchanges and CSDs in respect of discussions related to the implementation of MiFID II and MiFIR and the CSD Regulation respectively. The Capital Markets Union proposal was also widely discussed. T2S was a general topic of discussion in both organisations given the go-live date of 22 June 2015 for Wave 1 migration CSDs.

(L.S.)

ATT Nru. XXXIII ta' l-1990

Exchange Operations and Other Activities

Preliminari

1. Dan l-Att jista' jissejjah l-Att ta' l-1990 dwar il-Borsa ta' Malta, u għandu jibda jsehh f'dik id-data li l-Ministru tal-Finanzi jista' jistabbilixxi b'avviż fil-Gazzetta, u jistgħu jiġu stabbiliti dati differenti għal dispożizzjonijiet differenti u għanijiet differenti ta' dan l-Att.
2. F'dan l-Att, u fl-Iskeda li tinsab miegħu, sakemm ir-rabta tal-kliem ma tkunx tehtieg xort'ohra —

“Bank Ċentrali” tfisser il-Bank Ċentrali ta' Malta;
“il-bini tal-Borsa” tfisser il-post fejn il-Borsa titwaqqaf mill-Kunsill għall-fini li tiggstixxi l-attività tagħha hemmhekk;
“Borsa” tfisser il-Borsa ta' Malta stabbilita bl-artikolu 3 ta' dan l-Att;
“Gvernatur” tfisser il-Gvernatur tal-Bank Ċentrali;
“korp magħqud” tfisser korporazzjoni stabbilita bl-igi f'Mal

Exchange Operations and Other Activities

The Market

Overall market turnover value transacted during 2015 contracted by just over 2% when compared to the previous year's value, reaching a total of just over €918 million. This slight decrease in transacted value was due to a decrease in trading in the Malta Government Stock Sector which, however, was counterbalanced by significant increases in equity trading and high equity prices as well as considerable growth in the corporate bond sector. On the other hand, the number of trades transacted on the market rose sharply from 25,657 in 2014 to 35,040 during 2015, that is an increase of 9,383 year-on-year (36.6%). The number of trades transacted increased across all sectors of the market. The increase in equity prices was also reflected in the Malta Stock Exchange Share Index value, which rose over 33% throughout the year as well as the Market Capitalisation value, which at the end of the year stood at a record high of €11.6 billion, an increase of over 12% when compared to the closing value of the previous year.

A total of 11,062 trades were effected in equities during 2015 up from 8,140 the previous year and amounting to a market turnover value of €81.5 million, an increase of 61% when compared to the previous year. These trades represent a total of over 47.5 million shares changing hands, an increase of 36% in the number of shares transacted during 2015 compared to 2014. Trading in shares issued by credit institutions dominated activity in the equity sector as well as trading in an ITC company, trading in which more than doubled when compared to the previous year. There was also significant trading registered amounting to 2.5% of total equity turnover in a new equity which was listed towards the end of the year. The average value of a trade in the equity market amounted to €7,368, up from €6,235 the previous year.

The corporate bond market also registered significant activity with the admission of eight new bonds with a combined total issue value of €205 million bringing the total number of corporate bonds admitted to the market up to 49 at the end of the year. These new listings contributed to the significant

increase in market turnover value in this sector to almost €60 million, up from €43 million the previous year, that is an increase of almost 40%. The number of trades transacted also increased significantly from 4,056 in 2014 to 5,383 during 2015, with the average value of a trade also registering an increase in value from €10,657 to €11,114. Trading in the newly listed corporate bonds accounted for a turnover value of €11.7 million, that is almost 20% of total turnover value in this sector. As in the equity market, trading in the ICT bond was very active.

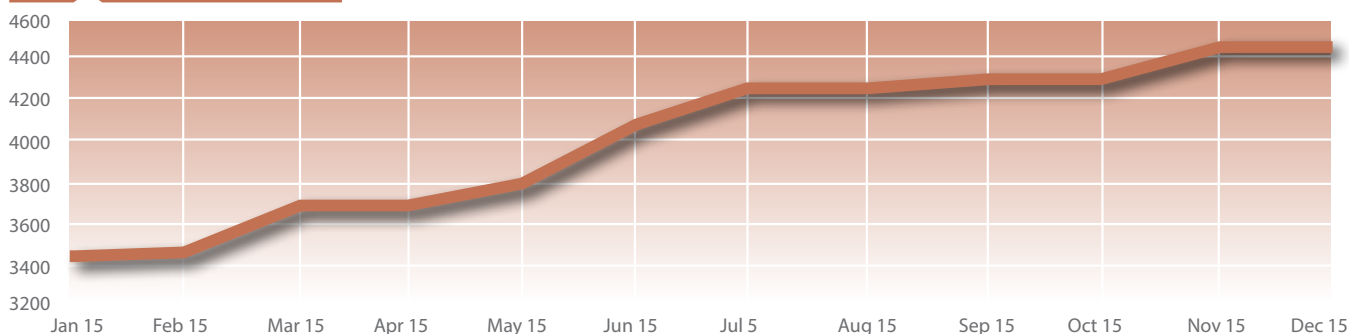
Ten new Government Stocks were issued during 2015, with a total value of €475 million, raising the market capitalisation value of this sector of the market to €6.1 billion at the end of the year, an increase of €332 million when compared to 2014. While the number of trades in Government Stocks increased significantly in 2015 to a total of 18,595 when compared to 13,456 the previous year, this increase was not reflected in market value turnover which decreased from €836 million in 2014 to just under €777 million in 2015, an average transaction value of €41,782 down from €62,155 the previous year. These figures indicate an increased interest by smaller, retail clients in this sector of market as also indicated by the significant activity in the higher coupon rate stocks.

During 2015 there were 81 issues of Treasury Bills totaling €786 million. No secondary market trading was registered in these financial instruments.

Malta Stock Exchange Share Index

The Malta Stock Exchange Share Index (the Index) ended the year at a value of 4430.985, up from the 3,331.081, the value at the end of 2014, that is an increase of 1100 points, or just over 33%. The highest value of the Index was registered on 9 December, when it reached a value of 4514.636 while the lowest value of the year was registered almost at the beginning of the year on 13 January, when the value of the Index stood at 3339.517, that is a change of 35% from the lowest to the highest value of the Index throughout the year.

MSE Index for 2015



Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2014	2015	2014	2015	2014	2015
Equities						
6pm Holdings p.l.c. Ord GBP0.20	81	87	839,498	412,480	753,165	409,024
Bank of Valletta p.l.c. Ord €1.00	3,239	3,146	7,802,184	8,939,127	17,513,864	20,246,011
Crimsonwing p.l.c. Ord €0.10	106	21	1,228,689	181,837	1,001,025	155,224
FIMBank p.l.c. Ord US\$0.50	112	230	708,831	2,397,219	390,949	1,170,116
GlobalCapital p.l.c. Ord €0.291172	32	5	42,202	2,000	30,551	1,496
Grand Harbour Marina p.l.c. Ord €0.12	15	40	33,520	110,791	61,806	171,402
GO p.l.c. Ord €0.582343	732	1,167	2,300,873	3,680,193	5,184,355	11,411,127
HSBC Bank Malta p.l.c. Ord €0.30	1,550	1,596	3,838,234	5,433,355	8,335,513	10,251,751
Island Hotels Group Holdings p.l.c. Ord €1.00	37	14	122,956	48,500	105,126	49,546
International Hotel Investments p.l.c. Ord €1.00	173	443	816,279	3,027,469	597,070	2,345,270
Lombard Bank Malta p.l.c. Ord €0.25	188	349	872,508	2,306,290	1,491,634	5,044,572
Logus Holdings p.l.c. Ord €0.232937	24	23	102,555	50,716	10,160	6,798
MIDI p.l.c. Ord €0.20	83	190	3,552,232	3,699,410	829,455	1,038,734
Medserv p.l.c. Ord €0.10	203	337	1,612,926	1,387,841	2,085,236	2,820,469
Malta International Airport p.l.c. Ord €0.25	458	960	1,327,306	2,623,555	3,037,178	9,023,063
Malita Investments p.l.c. Ord B €0.50	155	243	2,314,310	1,896,221	1,273,678	1,685,542
Mapfre Middlesea plc Ord €0.21	140	336	207,427	573,058	194,245	945,623
Malta Properties Company plc Ord €0.32	-	422	-	3,527,296	-	2,105,568
MaltaPost p.l.c. Ord €0.25	122	135	779,095	480,723	882,990	748,806
Pefaco International plc Ord €1.50	-	1	-	100	-	224
Plaza Centres p.l.c. Ord €0.20	97	122	1,826,168	1,947,878	1,101,870	1,763,618
RS2 Software p.l.c. Ord €0.10	405	912	1,581,034	3,192,708	4,011,563	8,065,792
Simonds Farsons Cisk p.l.c. Ord €0.30	96	136	195,315	159,077	571,898	836,358
*Santumas Shareholdings plc Ord €0.55	19	21	18,651	38,081	37,588	76,521
Tigne Mall p.l.c. Ord €0.50	71	126	2,414,600	1,387,291	1,254,105	1,099,801
Total Equity	8,138	11,062	34,537,393	47,503,216	50,755,022	81,472,457
Corporate Bonds						
5.1% 6PM Holdings p.l.c. Unsecured € 2025	-	125	-	4,125,100	-	4,489,992
6.7% AX Investments Plc 2014-2016	5	-	47,938	-	48,081	-
6% AX Investments p.l.c € 2024	376	187	3,550,300	1,245,800	3,708,770	1,388,346
4.8% Bank of Valletta p.l.c Notes 2018	91	95	1,568,300	1,076,400	1,653,189	1,154,950
5.35% Bank of Valletta p.l.c Sub € 2019	106	120	543,800	853,800	575,977	942,175
4.25% Bank of Valletta p.l.c € Notes 2019 Series 2 Tranche 1	106	91	1,783,000	889,500	1,840,267	942,221
4.8% Bank of Valletta p.l.c Sub € 2020	139	118	843,900	818,100	875,738	878,545
3.5% Bank of Valletta p.l.c € Notes 2030 S1 T1	-	3	-	104,000	-	108,940
3.5% Bank of Valletta p.l.c € Notes 2030 S2 T1	-	1	-	10,000	-	10,399
5.75% Central Business Centres p.l.c Unsecured € 2021 S1 T1	-	47	-	300,400	-	312,678
5.25% Central Business Centres p.l.c Unsecured € 2025 S2 T1	-	2	-	3,000	-	3,000
6.25% Corinthia Finance p.l.c € 2016-2019	113	84	2,022,600	649,500	2,075,176	669,891
6% Corinthia Finance p.l.c € 2019-2022	3	17	29,000	128,000	30,068	134,337
6.6% Eden Finance p.l.c 2017-2020	31	15	198,900	88,700	205,528	94,997
5.6% GlobalCapital p.l.c € 2014/16	259	102	2,615,000	683,900	2,491,561	667,776
6% Gasan Finance Company p.l.c € 2014-2016	4	-	5,800	-	5,782	-
4.9% Gasan Finance Company p.l.c € 2019-2021	109	57	891,600	314,400	911,605	335,021
7% Grand Harbour Marina p.l.c € 2017-2020	36	45	485,200	527,000	519,064	585,320
4.6% HSBC Bank Malta p.l.c € 2017	73	123	1,719,196	2,065,074	1,784,062	2,170,016
5.9% HSBC Bank Malta p.l.c € Sub 2018	50	89	448,000	1,028,700	486,288	1,126,782
5% Hal Mann Vella Group p.l.c Secured Bonds € 2024	163	308	1,307,300	2,668,900	1,354,807	2,831,239
4.5% Hili Properties p.l.c Unsecured € 2025	-	505	-	2,366,100	-	2,546,729
5.35% Izola Bank p.l.c Secured Notes 2015	14	1	1,847,000	726,000	1,860,938	726,000
4.5% Izola Bank p.l.c € Unsecured 2025	-	82	-	1,732,500	-	1,810,735
6.5% Island Hotels Group Holdings p.l.c € 2017-2019	30	52	119,300	234,300	123,563	243,099
6% Island Hotels Group Holdings p.l.c € 2024	237	237	2,388,900	1,374,900	2,518,320	1,476,816
6.5% International Hotel Investments p.l.c € 2012/14	-	-	-	-	-	-
6.25% International Hotel Investments p.l.c € 2015-2019	91	45	676,400	311,800	690,100	315,977
6.25% International Hotel Investments p.l.c € 2017 - 2020	73	50	985,000	237,900	1,012,598	247,421
5.8% International Hotel Investments p.l.c 2021	83	66	972,400	434,200	998,939	455,958
5.8% International Hotel Investments p.l.c 2023	91	51	1,469,200	651,700	1,506,039	702,280
5.75% International Hotel Investments p.l.c Unsecured € 2025	-	500	-	2,304,000	-	2,551,102
6.25% Mediterranean Bank p.l.c EUR 2015	50	49	340,100	332,300	347,570	337,324
7.5% Mediterranean Bank p.l.c Subordinated Bonds EUR 2019	41	29	1,081,000	785,000	1,128,466	852,091
7.5% Mediterranean Bank p.l.c Subordinated Bonds GBP 2019	1	5	20,000	210,000	25,832	298,773
7.5% Mediterranean Bank p.l.c Subordinated Bonds EUR 2019 FI	-	-	-	-	-	-
7.5% Mediterranean Bank p.l.c Subordinated Bonds GBP 2019 FI	-	-	-	-	-	-
6% Mediterranean Bank p.l.c Subordinated Unsecured € 2019-2024	1	68	25,000	1,850,100	25,503	1,978,477
6% Mediterranean Bank p.l.c Subordinated Unsecured £ 2019-2024	-	2	-	70,000	-	98,111
7.15% Melita Capital p.l.c € 2014-2016	32	-	159,800	-	162,496	-
7% MIDI p.l.c EUR 2016-2018	42	68	312,900	1,194,300	328,880	1,283,115
7% MIDI p.l.c GBP 2016-2018	10	14	156,000	65,000	202,732	94,365
5.3% Mariner Finance p.l.c Unsecured € 2024	191	126	2,354,600	1,855,700	2,458,735	2,024,316
7.5% Mediterranean Investments Holding p.l.c EUR 2012-2014	10	-	84,669	-	84,015	-
7.5% Mediterranean Investments Holding p.l.c € 2015	169	137	1,059,600	2,027,600	1,025,119	1,975,106
7.15% Mediterranean Investments Holding p.l.c Euro 2015-2017	206	240	1,157,600	1,262,600	1,121,617	1,229,660
7.15% Mediterranean Investments Holding p.l.c GBP 2015-2017	21	16	112,600	100,500	139,562	138,156
7.15% Mediterranean Investments Holding p.l.c USD 2015-2017	32	48	254,400	463,800	190,387	394,515
5.5% Mediterranean Investments Holding p.l.c Unsecured € 2020	-	76	-	1,282,000	-	1,355,896
6% Mediterranean Investments Holding p.l.c Euro 2021	53	194	787,100	1,887,400	778,262	1,889,400
6.2% Mizzi Org. Fin. p.l.c € 2016-2019	59	86	448,300	768,400	475,274	818,215
6% Medserv p.l.c Sec. & Grntd € Notes 2020-2023 S1 T1	203	146	786,800	724,200	825,553	798,154
6% Medserv p.l.c Sec. & Grntd € Notes 2020-2023 S1 T2	8	-	52,000	-	53,905	-
6.8% Premier Capital p.l.c € Bond 2017-2020	48	71	253,300	610,100	269,406	667,213
5.5% Pendergardens Developments p.l.c Secured € 2020 Series I	109	116	1,438,000	2,159,300	1,509,308	2,361,507
6% Pendergardens Developments p.l.c Secured € 2022 Series II	190	111	2,016,200	1,344,900	2,113,909	1,482,482
7% PAVI Shopping Complex p.l.c Sec 2014-2017	12	-	263,158	-	269,818	-
5.1% PTL Holdings p.l.c Unsecured € 2024	94	337	890,200	6,941,200	926,094	7,554,040
6% Simonds Farsons Cisk p.l.c 2017 - 2020	52	68	135,200	237,100	142,225	255,746
6.25% Tumas Investments p.l.c € 2014-2016	20	-	118,100	-	120,441	-
6.2% Tumas Investments p.l.c € 2017 - 2020	60	67	509,500	1,038,700	539,841	1,125,708
5% Tumas Investments p.l.c Unsecured € 2024	36	63	375,800	374,800	390,122	410,384
6.75% United Finance p.l.c € 2014-2016	11	-	88,800	-	90,351	-
5.3% United Finance p.l.c Unsecured € Bonds 2023	12	28	198,200	454,900	202,257	480,363
Total Corporate Bonds	4,056	5,383	41,996,961	55,993,574	43,224,138	59,825,859
Close Ended Collective Investment Scheme						
*Santumas Shareholdings p.l.c.	2	-	32	-	64	-
Total Close Ended Collective Investment Scheme	2	-	32	-	64	-
Malta Government Stocks	-	-	-	-	-	-
Total MGSS	13,456	18,595	751,868,419	637,511,583	836,358,833	776,950,229
Treasury Bills	-	-	-	-	-	-
Total Treasury Bills	5	-	10,120,000	-	10,118,137	-
Total all Securities	25,657	35,040	-	-	940,456,193	918,248,545

*Company changed status from CIS to property holding company with effect from 9th October 2014

MGS Movements 2015

Security Name	Date of Issue	Amount Issued	Coupon	Dates of Interest	Traded Value (EURO)	Deals	Last Closing Price
2% MGS 2020 (V)	29-Sep-14	85,955,500	2.00%	26-Mar - 26-Sep	3,268,703	61	106.910
2% MGS 2020 (V) FI MAR 2015 R	4-Mar-15	6,011,300	2.00%	26-Mar - 26-Sep	-	-	-
2% MGS 2020 (V) FI Oct 2015 I	15-Oct-15	51,200,000	2.00%	26-Mar - 26-Sep	-	-	-
2% MGS 2020 (V) FI June 15	17-Jun-15	73,899,900	2.00%	26-Mar - 26-Sep	5,785,628	4	106.350
2% MGS 2020 (V) FI Oct 15 r	19-Oct-15	1,328,900	2.00%	26-Mar - 26-Sep	140,363	9	107.630
2.3% MGS 2029 (II)	17-Jun-15	16,100,000	2.30%	24-Jan - 24-Jul	3,931,540	77	105.510
2.3% MGS 2029 (II) FI Oct 2015 I	15-Oct-15	39,200,000	2.30%	24-Jan - 24-Jul	-	-	-
2.3% MGS 2029 (II) FI Oct 15 r	19-Oct-15	88,218,400	2.30%	24-Jan - 24-Jul	20,240,186	557	104.900
3% MGS 2019 (III)	23-Sep-13	122,495,900	3.00%	22-Mar - 22-Sep	2,979,805	100	110.060
3% MGS 2040 (I)	23-Mar-15	162,276,100	3.00%	11-Jun - 11-Dec	18,127,412	1,227	108.100
3% MGS 2040 (I) r	23-Mar-15	162,276,100	3.00%	11-Jun - 11-Dec	50,477,036	3,141	109.250
3.2% MGS 2019 (V)	10-Dec-13	121,450,700	3.20%	31-Jan - 31-Jul	8,629,925	14	110.780
3.3% MGS 2024 (I)	13-May-14	24,051,100	3.30%	12-May - 12-Nov	5,401,451	100	116.750
3.35% MGS 2020 (IV)	10-Dec-13	64,040,000	3.35%	31-Jan - 31-Jul	-	-	-
3.75% MGS 2015 (VI)	3-Mar-10	131,545,100	3.75%	03-Jun - 03-Dec	58,173,258	111	100.300
3.75% MGS 2017 (IV)	20-Aug-12	71,963,700	3.75%	20-Feb - 20-Aug	448,456	28	106.680
3.85% MGS 2020 (V)	18-Dec-12	121,431,000	3.85%	18-Apr - 18-Oct	-	-	-
4.1% MGS 2034 (I)	19-Aug-14	200,075,700	4.10%	18-Apr - 18-Oct	71,906,157	1,811	125.700
4.1% MGS 2034 (I) FI OCT 14	30-Oct-14	27,150,000	4.10%	18-Apr - 18-Oct	-	-	-
4.25% MGS 2017 (III)	3-Mar-11	263,853,300	4.25%	06-May - 06-Nov	9,431,883	465	107.780
4.3% MGS 2016 (IV)	7-Dec-11	158,145,275	4.30%	16-Feb - 16-Aug	13,823,884	5	102.690
4.3% MGS 2022 (II)	15-May-12	240,169,400	4.30%	15-May - 15-Nov	33,159,093	506	123.000
4.3% MGS 2033 (I)	4-Aug-14	150,699,900	4.30%	01-Feb - 01-Aug	46,977,626	1,314	129.480
4.45% MGS 2032 (II)	4-Sep-14	153,111,700	4.45%	03-Mar - 03-Sep	53,505,134	1,090	134.450
4.5% MGS 2028 (II)	26-Apr-13	286,651,500	4.50%	25-Apr - 25-Oct	108,084,044	1,275	131.240
4.6% MGS 2020 (II)	19-Nov-09	158,327,200	4.60%	25-Apr - 25-Oct	3,136,991	169	117.870
4.65% MGS 2032 (I)	23-Jan-14	140,454,200	4.65%	01-Jan - 01-Jul	38,876,603	1,122	135.890
4.8% MGS 2016 (II)	1-Dec-03	186,351,758	4.80%	26-May - 26-Nov	12,671,011	260	104.410
4.8% MGS 2028 (I)	12-Mar-13	107,029,500	4.80%	11-Mar - 11-Sep	35,958,723	520	133.900
5% MGS 2021	3-Jun-04	458,844,653	5.00%	08-Feb - 08-Aug	24,429,173	768	123.890
5.1% MGS 2022	24-Aug-04	71,047,725	5.10%	16-Feb - 16-Aug	12,518,991	276	127.390
5.1% MGS 2029 (I)	2-Oct-12	79,144,900	5.10%	01-Apr - 01-Oct	12,937,132	418	139.810
5.2% MGS 2020	4-Jul-07	52,407,462	5.20%	10-Jun - 10-Dec	1,387,255	113	120.900
5.2% MGS 2031 (I)	20-Mar-12	201,343,600	5.20%	16-Mar - 16-Sep	30,471,313	885	141.330
5.25% MGS 2030	4-Jun-10	440,165,700	5.25%	23-Jun - 23-Dec	61,926,658	1,236	140.720
5.5% MGS 2023	21-Jul-03	78,811,283	5.50%	06-Jan - 06-Jul	7,365,111	160	132.620
5.9% MGS 2015 (II)	19-Apr-02	116,518,196	5.90%	09-Apr - 09-Oct	6,564,348	238	100.380
6.1% MGS 2015 (I)	6-Jul-00	69,882,174	6.10%	10-Jun - 10-Dec	4,920,059	81	100.340
6.6% MGS 2019	20-Sep-99	102,493,253	6.60%	01-Mar - 01-Sep	2,407,354	133	122.990
6.65% MGS 2016	16-Apr-01	69,883,069	6.65%	28-Mar - 28-Sep	4,757,178	215	101.550
7% MGS 2015 (III)	8-Jul-05	678,780	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2015 (IV)	30-Nov-05	804,571	7.00%	03-May - 03-Nov	-	-	-
7% MGS 2016 (III)	30-Jun-06	3,390,636	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2017	19-Feb-07	668,998	7.00%	18-Feb - 18-Aug	-	-	-
7% MGS 2017 (II)	28-Jun-07	10,338,691	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2018 (II)	17-Apr-08	326,700	7.00%	18-Apr - 18-Oct	-	-	-
7% MGS 2018 (III)	30-Jun-08	6,542,600	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2019 (II)	26-Jun-09	13,670,000	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2020 (III)	1-Jul-10	430,700	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2021 (II)	20-Jun-11	466,000	7.00%	18-Jun - 18-Dec	-	-	-
7% MGS 2021 (III)	1-Jul-11	2,858,800	7.00%	30-Jun - 30-Dec	-	-	-
7% MGS 2022 (III)	3-Sep-12	1,318,800	7.00%	01-Mar - 01-Sep	-	-	-
7% MGS 2023 (II)	18-Nov-13	2,404,400	7.00%	18-May - 18-Nov	-	-	-
7% MGS 2024 (II)	18-Aug-14	1,135,000	7.00%	18-Feb - 18-Aug	-	-	-
7% MGS 2025 (I)	14-Aug-15	2,007,900	7.00%	14-Feb - 14-Aug	-	-	-
7.8% MGS 2018	3-Aug-98	163,057,021	7.80%	15-Jan - 15-Jul	2,130,745	106	119.510
FLOATING RATE 6 MTH EUR MGS 2015 (V)	19-Nov-09	29,800,000	1.700%	25-Apr - 25-Oct	-	-	-
FLOATING RATE 6 MTH EUR MGS 2017 (V)	7-Sep-12	25,000,000	0.938%	05-Mar - 05-Sep	-	-	-
FLOATING RATE 6 MTH EUR MGS 2018 (IV)	7-Sep-12	31,400,000	1.138%	05-Mar - 05-Sep	-	-	-
FLOATING RATE 6 MTH EUR MGS 2018 (VI)	25-Sep-13	38,950,000	0.933%	25-Mar - 25-Sep	-	-	-
FLOATING RATE 6 MTH EUR MGS 2018 (VII)	13-Jun-14	29,300,000	0.864%	12-Jun - 12-Dec	-	-	-
FLOATING RATE 6 MTH EUR MGS 2019 (IV)	25-Sep-13	40,750,000	1.033%	25-Mar - 25-Sep	-	-	-
FLOATING RATE 6 MTH EUR MGS 2019 (VI)	30-Nov-15	35,000,000	0.319%	27-May - 27-Nov	-	-	-
FLOATING RATE 6 MTH EUR MGS 2020 (VI)	30-Oct-14	47,850,000	0.758%	29-Apr - 29-Oct	-	-	-

Market Capitalisation

The market capitalisation of the financial instruments admitted to the Exchange's recognised lists stood €11.6 billion, an increase of 12.6% when compared to the previous end year value of €10.3 billion. The largest increase in market capitalisation value year-on-year was registered in the equity sector, which rose from just over €3 billion at the end of 2014, to €4 billion at the end of 2015, a reflection of the substantial increase in equity prices over the year as well as the listing of a new equity with a market capitalisation of over €51 million. At the same time, increases in market capitalisation values were also registered in the Malta Government Stock sector and the Treasury Bill sector which

showed a year-on-year increase of €332 million up to €6.1 billion and €82 million up to €222.1 million respectively. At the same time, the corporate bond market sector value decreased slightly from €1.4 billion at the end of 2014 to €1.3 billion at the end of 2015.

At the end of 2015, financial instruments admitted to the Exchange's recognised lists (excluding Collective Investment Schemes) were held by different classes of investors, which remain largely unchanged from the previous year.

Market Capitalisation as at 31 December 2015

Security	Nominal/No of Shares	Close Price	Capitalisation in Euro
Equities			
BOV ORD SHARES	360,000,000	2.350	846,000,000.00
HSBC ORD SHARES	360,306,099	1.762	634,859,346.44
LOM BANK ORD SHARES	43,771,573	2.485	108,772,358.91
MMS SHARES	92,000,000	2.300	211,600,000.00
SFC ORD SHARES	30,000,000	6.000	180,000,000.00
GO ORD SHARES	101,310,488	3.020	305,957,673.76
IHI ORD SHARES	573,636,129	0.750	430,227,096.75
PZC ORD SHARES	28,242,000	1.000	28,242,000.00
LQS ORD SHARES	31,899,000	0.120	3,827,880.00
GC PLC ORD SHARES	13,207,548	0.750	9,905,661.00
FIMB PLC ORD SHARES	298,536,643	0.660	180,335,149.53
MIA PLC ORD A SHARES	81,179,990	4.030	327,155,359.70
STUMAS SHOLDINGS PLC	1,831,716	2.000	3,663,432.00
MDS ORD SHARES	45,000,006	1.750	78,750,010.50
GHM ORD SHARES	20,000,000	1.000	20,000,000.00
6PM HOLDINGS PLC ORD SHARES	20,982,938	0.700	19,902,785.40
MALTAPOST PLC ORD SHARES	36,306,728	1.812	65,787,791.14
RS2 SOFTWARE PLC ORD SHARES	89,999,912	3.160	284,399,721.92
MIDI PLC ORDINARY SHARES	214,159,922	0.365	78,168,371.53
MALITA INV PLC ORD B SHARES	30,000,000	0.950	28,500,000.00
TIGNE MALL PLC ORD SHARES	56,400,000	0.940	53,016,000.00
PEFACO INT PLC ORD SHARES	22,350,054	2.240	50,064,120.96
MPC PLC ORD SHARES	101,310,488	0.505	51,161,796.44
Total			4,000,296,555.98
Corporate Bonds			
5.35% BOV PLC SUB BDS 2019	50,000,000	107.000	53,500,000.00
4.8% BOV SUB BDS 2020	70,000,000	107.050	74,935,000.00
4.8% BOV PLC NOTES 2018	55,400,000	104.550	57,920,700.00
4.25% BOV EUR NTS 2019 S 2 TR 1	40,000,000	103.850	41,540,000.00
3.5% BOV SUB NTS 2030 SRS1 TR1	52,705,800	104.500	55,077,561.00
3.5% BOV SUB NTS 2030 SRS2 TR1	22,294,200	103.990	23,183,738.58
4.6% HSBC EUR 2017	58,234,390	103.000	59,981,421.70
5.9% HSBC BNK SUB BDS 2018	30,000,000	105.500	31,650,000.00
4.9% GF PLC BONDS 2019-2021	25,000,000	107.990	26,997,500.00
6% SFC PLC BONDS 2017-2020	15,000,000	104.760	15,714,000.00
5.6% G.C. EUR BONDS 2014/16	13,823,200	96.000	13,270,272.00
6% AX INV PLC BNDS 2024	40,000,000	115.000	46,000,000.00
6.25% CFC PLC BDS 2016-2019	39,927,600	103.990	41,520,711.24
6% CFC PLC BONDS 2019-2022	7,500,000	106.500	7,987,500.00
6.25% IHI PLC BDS 2017-2020	24,831,700	105.500	26,197,443.50
5.8% IHI PLC BDS 2021	20,000,000	108.500	21,700,000.00
5.8% IHI PLC BONDS 2023	10,000,000	108.500	10,850,000.00
5.75% IHI PLC UNSEC BDS 2025	45,000,000	106.500	47,925,000.00
5.3% UFC PLC UNSEC BDS 2023	8,500,000	108.510	9,223,350.00
6.6% EDF PLC BDS 2017-2020	13,984,000	106.520	14,895,756.80
6.2% MOF PLC BDS 2016-2019	30,000,000	103.500	31,050,000.00
6.2% TIP PLC BDS 2017-2020	25,000,000	106.000	26,500,000.00
5% TUM INV PLC UNS BDS 2024	25,000,000	109.010	27,252,500.00
5.3% MRN FIN UNS BNDS 2024	35,000,000	110.620	38,717,000.00
6% MDS SEC NTS 2020/23 S1 T1	20,000,000	111.010	22,202,000.00
7% GHM PLC BONDS 2017-2020	10,969,400	107.500	11,792,105.00
5.1% 6PM HLDS PLC UNSEC BDS 2025	13,000,000	109.560	14,242,800.00
7.15% MIH EUR BDS 2015/17	28,519,400	100.000	28,519,400.00
7.15% MIH GBP BDS 2015/17	4,351,100	100.000	5,895,879.35
7.15% MIH USD BDS 2015/17	7,120,300	100.500	6,549,424.77
6% MIH PLC UNS BNDS 2021	12,000,000	99.450	11,934,000.00
5.5% MIH PLC UNSEC BDS 2020	20,000,000	102.250	20,450,000.00
7% MIDI PLC EUR BDS 2016/18	31,702,900	104.000	32,971,016.00
7% MIDI PLC GBP BDS 2016/18	7,214,300	102.000	9,971,118.85
6.5% IHGH PLC BDS 2017/19	14,000,000	103.500	14,490,000.00
6% IHG PLC BNDS 2024	35,000,000	108.500	37,975,000.00
6.8% PRC PLC BDS 2017-2020	24,641,000	105.000	25,873,050.00
4.5% IZL BNK PLC UNSEC BDS 2025	12,000,000	105.550	12,666,000.00
7.5% MED BANK EUR SUB BDS 2019	18,829,000	112.990	21,274,887.10
7.5% MEDBNK GBP SUB BD 2019	3,044,000	103.000	4,248,458.65
6% MEDBK E SB UN BD 2019/24	23,286,000	107.500	25,032,450.00
6% MEDBK G SB UN BD 2019/24	1,373,000	103.000	1,916,272.58
5.5% PENDRG S I SEC BD 2020	15,000,000	110.000	16,500,000.00
6% PENDRG S II SEC BD 2022	27,000,000	112.000	30,240,000.00
5% HVM GRP PLC SEC BDS 2024	30,000,000	107.000	32,100,000.00
5.1% PTL HLDNGS UNS BD 2024	36,000,000	106.900	38,484,000.00
5.75% CBC UNS BD 2021 S1 T1	3,000,000	106.000	3,180,000.00
5.25% CBC UNS BD 2025 S2 T1	3,000,000	100.000	3,000,000.00
4.5% HIL UNSEC BDS 2025	37,000,000	107.500	39,775,000.00
Total			1,274,872,317.11

Market Capitalisation as at 31 December 2015 (continued)

Security	Nominal/No of Shares	Close Price	Capitalisation in Euro
Malta Government Stocks			
7.8% MGS 2018	163,057,021	119.510	194,869,445.80
6.6% MGS 2019	102,493,253	122.990	126,056,451.86
6.65% MGS 2016	69,883,069	101.550	70,966,256.57
5.5% MGS 2023	78,811,283	132.620	104,519,523.51
4.8% MGS 2016 (II)	186,351,758	104.410	194,569,870.53
5% MGS 2021	458,844,653	123.890	568,462,640.60
5.1% MGS 2022	71,047,725	127.390	90,507,696.88
7% MGS 2016 (III)	3,390,636	100.000	3,390,636.00
7% MGS 2017	668,998	100.000	668,998.00
5.2% MGS 2020	52,407,462	120.900	63,360,621.56
7% MGS 2017 (II)	10,338,691	100.000	10,338,691.00*
7% MGS 2018 (II)	326,700	100.000	326,700.00
7% MGS 2018 (III)	6,542,600	100.000	6,542,600.00
7% MGS 2019 (II)	13,670,000	100.000	13,670,000.00
4.6% MGS 2020 (II)	158,327,200	117.870	186,620,270.64
5.25% MGS 2030	440,165,700	140.720	619,401,173.04
7% MGS 2020 (III)	430,700	100.000	430,700.00*
4.25% MGS 2017 (III)	263,853,300	107.780	284,381,086.74
7% MGS 2021 (II)	466,000	100.000	466,000.00
7% MGS 2021 (III)	2,858,800	100.000	2,858,800.00
4.3% MGS 2016 (IV)	158,145,275	102.690	162,399,382.90
5.2% MGS 2031 (I)	201,343,600	141.330	284,558,909.88
4.3% MGS 2022 (II)	240,169,400	123.000	295,408,362.00*
3.75% MGS 2017 (IV)	71,963,700	106.680	76,770,875.16
5.1% MGS 2029 (I)	79,144,900	139.810	110,652,484.69
7% MGS 2022 (III)	1,318,800	100.000	1,318,800.00
4.8% MGS 2028 (I)	107,029,500	133.900	143,312,500.50
3.85% MGS 2018 (V)	121,431,000	105.265	127,824,342.15
3% MGS 2019 (III)	122,495,900	110.060	134,818,987.54
4.5% MGS 2028 (II)	286,651,500	131.240	376,201,428.60
4.65% MGS 2032 (I)	140,454,200	135.890	190,863,212.38
7% MGS 2023 (II)	2,404,400	100.000	2,404,400.00
3.2% MGS 2019 (V)	121,450,700	110.780	134,543,085.46
3.35% MGS 2020 (IV)	64,040,000	105.056	67,278,118.56
3.3% MGS 2024 (I)	24,051,100	116.750	28,079,659.25
4.45% MGS 2032 (II)	153,111,700	134.450	205,858,680.65
4.3% MGS 2033 (I)	150,699,900	129.480	195,126,230.52
7% MGS 2024 (II)	1,135,000	100.000	1,135,000.00
2% MGS 2020 (V)	85,955,500	106.910	91,895,025.05
4.1% MGS 2034 (I)	200,075,700	125.700	251,495,154.90
3% MGS 2040 (I)	162,276,100	108.100	175,420,464.10
2.3% MGS 2029 (II)	16,100,000	105.510	16,987,110.00
7% MGS 2025 (I)	2,007,900	100.000	2,007,900.00
2% MGS 2020 (V) FI 2015 R	1,328,900	107.630	1,430,295.07
2% MGS 2020 (V) FI 2015 I	51,200,000	106.250	54,400,000.00
2.3% MGS 2029 (II) FI 2015 R	88,218,400	104.900	92,541,101.60
2.3% MGS 2029 (II) FI 2015 I	39,200,000	102.500	40,180,000.00
FLTNG RT 6MTH EUR MGS 2017(V)	25,000,000	100.202	25,050,500.00
FLTNG RT 6MTH EUR MGS 2018(IV)	31,400,000	99.327	31,188,678.00
FLTNG RT 6MTH EUR MGS 2018(VI)	38,950,000	100.090	38,985,055.00
FLTNG RT 6MTH EUR MGS 2019(IV)	40,750,000	100.310	40,876,325.00
FLTNG RT 6MTH EUR MGS 2018(VII)	29,300,000	100.470	29,437,710.00
FLTNG RT 6MTH EUR MGS 2020(VI)	47,850,000	101.436	48,536,934.60
FLTNG RT 6MTH EUR MGS 2019(VI)	35,000,000	100.000	35,000,000.00
Total			6,056,394,876.29
Treasury Bills			
91 DTB 12.11.15 - 11.02.16	22,000,000	100.010	22,002,222.00
91 DTB 19.11.15 - 18.02.16	21,000,000	100.011	21,002,226.00
91 DTB 03.12.15 - 03.03.16	15,000,000	100.033	15,004,935.00
91 DTB 10.12.15 - 10.03.16	15,000,000	100.022	15,003,255.00
91 DTB 17.12.15 - 17.03.16	22,000,000	100.024	22,005,170.00
92 DTB 31.12.15 - 01.04.16	13,000,000	100.000	13,000,000.00
181 DTB 28.08.15 - 25.02.16	7,000,000	100.000	7,000,000.00
182 DTB 22.10.15 - 21.04.16	13,000,000	100.000	13,000,000.00
182 DTB 26.11.15 - 26.05.16	8,000,000	100.026	8,002,064.00
182 DTB 10.12.15 - 09.06.16	15,000,000	100.051	15,007,590.00
182 DTB 24.12.15 - 23.06.16	20,000,000	100.050	20,009,920.00
272 DTB 17.07.15 - 14.04.16	5,000,000	100.000	5,000,000.00
272 DTB 18.09.15 - 16.06.16	50,000	100.000	50,000.00
273 DTB 05.11.15 - 04.08.16	21,000,000	100.007	21,001,428.00
273 DTB 17.12.15 - 15.09.16	8,000,000	100.084	8,006,680.00
273 DTB 31.12.15 - 29.09.16	9,000,000	100.000	9,000,000.00
364 DTB 24.12.15 - 22.12.16	8,000,000	100.123	8,009,800.00
Total			222,105,290.00
Grand Total			11,553,669,039.38

Holders of MSE Listed Securities by Market Capitalisation as at 31 December 2015

	Financial Entities		Non-Financial Entities		Government		Individuals	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
Equities	10.21%	21.60%	24.91%	4.00%	8.18%	0.01%	27.49%	3.60%
Corp. Bonds	13.73%	0.00%	2.81%	0.04%	0.21%	0.00%	81.21%	2.00%
MGS	60.30%	0.00%	2.86%	0.00%	1.39%	0.00%	29.21%	6.24%
T.Bills	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Collective Investment Funds Investing in MSE Listed Securities

Fund	Net Asset Value in EURO 31 Dec 14	Net Asset Value in EURO 31 Dec 15
Vilhena Funds SICAV plc – Malta Fund	22,591,193	34,743,584
Vilhena Funds SICAV plc – Malta Government Bond Fund	162,909,823	213,396,053
Global Funds SICAV plc – Malta Privatisation & Equity Fund	2,320,379	2,527,105*
Amalgamated Funds SICAV plc – Growth & Income Fund	50,152,539**	-
APS Funds SICAV plc – APS Income Fund	52,805,373	70,343,577
HSBC Malta Funds SICAV plc – Malta Bond Fund	149,046,978	157,582,445
HSBC No Load Funds SICAV plc – Malta Government Bond Fund	142,855,240	146,206,197
HSBC No Load Funds SICAV plc – Maltese Assets Funds	39,763,087	50,220,844
TOTAL	622,444,612	675,019,805

*May 2015 **October 2014

Collective Investment Schemes – Net Asset Value

At the end of 2015, eight primary listed Collective Investment Schemes which invest solely in financial instruments listed on the Exchange registered a total Net Asset Value of €675 million, an increase of €53 million when compared to the previous year-end value.

Admission

The positive trend with regard to admission registered during the previous years, continued during 2015 when one equity, eight corporate bonds and ten Government Stock Issues were admitted to the Exchange's Official List together with 81 issues

of Treasury Bills totalling an issue value of just under €1.5 billion, together with a significant number of Collective Investment Schemes.

Two new issuers approached the market for the first time during 2015, one with an equity issue which was a spin-off company from an already listed larger company and one other company issuing a corporate bond. Another company, already with its equity listed, also issued a corporate bond during the year. Furthermore, listed companies also effected a number of corporate actions resulting in increases in their share capital.

Admissions during 2015

Equities – Official List

30,000,000	Bank of Valletta plc Ordinary Shares subsequent to a Bonus Issue
1,026,318	MaltaPost plc Ordinary Shares subsequent to a Scrip Dividend Issue
36,034,719	HSBC Bank Malta plc Ordinary Shares subsequent to a Bonus Issue
27,140,052	Fimbank plc Ordinary Shares subsequent to a Bonus Issue
2,084,399	Lombard Bank plc Ordinary Shares subsequent to a Bonus Issue
2,000,000	Island Hotels Group Holdings plc Ordinary Shares – Addition
44,999,956	RS2 Software plc Ordinary Shares subsequent to a Share Split
411,430	6pm Holdings plc Ordinary Shares subsequent to a Bonus Issue
10,000,000	Grand Harbour Marina plc Ordinary Shares subsequent to a Share Split
2,687,960	International Hotel Investments Ordinary Shares – Addition
16,709,596	International Hotel Investments Ordinary Shares subsequent to a Bonus Issue
101,310,488	Malta Properties Company plc Ordinary Shares
2,013,335	Pefaco International plc Ordinary Shares – Addition
20,000,002	Medserv plc Ordinary Shares subsequent to a Bonus Issue

Corporate Bonds (€)

45,000,000	5.75% International Hotel Investments plc Unsecured € Bond 2025
12,000,000	4.5% Izola Bank plc Unsecured € Bond 2025
20,000,000	5.5% Mediterranean Investments Holding plc Unsecured € Bond 2020
13,000,000	5.1% 6pm Holdings plc Unsecured € Bond 2025
37,000,000	4.5% Hili Properties plc Unsecured € Bond 2025
52,705,800	3.5% Bank of Valletta plc Subordinated Notes 2030 Series 1 Tranche 1
22,294,200	3.5% Bank of Valletta plc Subordinated Notes 2030 Series 2 Tranche 1
3,000,000	5.25% Central Business Centres plc Unsecured €2025 S2T1

Malta Government Stocks (€)

6,011,300	2% Malta Government Stock 2020 (V) FI March 2015 r
162,276,100	3% Malta Government Stock 2040 (I) r
73,899,900	2% Malta Government Stock 2020 (V) FI June 2015
16,100,000	2.3% Malta Government Stock 2029 (II)
2,007,900	7% Malta Government Stock 2025 (I)
51,200,000	2% Malta Government Stock 2020 (V) FI October 2015 I
39,200,000	2.3% Malta Government Stock 2029 (II) FI October 2015 I
1,328,900	2% Malta Government Stock 2020 (V) FI October 2015 r
88,218,400	2.3% Malta Government Stock 2029 (II) FI October 2015 r
35,000,000	Floating Rate 6 Month Euribor Malta Government Stock 2019 (VI)

Treasury Bills (€)

786,000,000	81 issues
-------------	-----------

Collective Investment Schemes

6 sub-funds	Vilhena Funds SICAV plc
1 sub-fund	Strategica Funds SICAV plc
2 share classes	MCM Opportunities Fund SICAV plc
72 share classes	Castle Trust Growth Housa PC
4 sub-funds	Falcon Investment SICAV plc
1 sub-fund	Eagle Investment SICAV plc

Redemptions, Deductions and Mergers

The outstanding nominal value of four corporate bonds, six Government Stock issues and 80 issues of Treasury Bills totalling over €704 million were redeemed during 2015. A number of deductions of outstanding balances in an equity and corporate bond issues were also effected during the year through a series of buy-backs transacted on the market.

Redemptions

Corporate Bonds

€6,314,000	6.25% International Hotel Investments plc Bonds 2015-2019
€669,000	5.35% Izola Bank Plc Secured Notes 2015
€3,365,700	7.5% Mediterranean Investments Holdings Plc Bonds 2015
€9,188,300	6.25% Mediterranean Bank plc € Bond 2015

Malta Government Stocks

€69,882,174	6.1% Malta Government Stock 2015 (I)
€678,780	7% Malta Government Stock 2015 (III)
€804,571	7% Malta Government Stock 2015 (IV)
€116,518,196	5.9% Malta Government Stock 2015 (II)
€29,800,000	FRN Malta Government Stock 2015 (V)
€131,545,100	3.75% Malta Government Stock 2015 (VI)

Treasury Bills

€704,390,000	80 Issues
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Deductions

Equities

10	6pm Holdings plc Ordinary Shares
----	----------------------------------

Corporate Bonds

€494,500	5.6% Global Capital plc Euro Bonds 2014-2016
€681,800	7% Grand Harbour Marina plc Bonds 2017-2020
€215,900	6.25% Mediterranean Bank plc Bonds 2015

Mergers

Four (4) Government Stock issues merged and were re-issued as integrated issues during the year.

€6,011,300	2% Malta Government Stock 2020 (V) FI March 2015 r (Merge)
€27,150,000	4.1% Malta Government Stock 2034 (I) FI October 2014 (Merge)
€162,276,100	3% Malta Government Stock 2040 (I) r (Merge)
€73,899,900	2% Malta Government Stock 2020 (V) FI June 2015 (Merge)
€12,055,600*	2% Malta Government Stock 2020 (V) (Re-issue integrated)
€200,075,700	4.1% Malta Government Stock 2034 (I) (Re-issue integrated)
€162,276,100	3% Malta Government Stock 2040 (I) (Re-issue integrated)
€85,955,500*	2% Malta Government Stock 2020 (V) (Re-issue integrated)

*These are the same security

Delisting

The following financial instruments were delisted from the Exchange's recognised lists during 2015 :

30,199,982	Crimsonwing plc Ordinary Shares
38,583,660	Island Hotels Group Holdings plc
2 sub-funds	La Valette SICAV plc
4 share classes	Lloyds Money Fund Ltd
40 share classes	Castle Trust Growth Housa PC

Financial Instruments granted admission as at 31 December 2015

A total of 263 financial instruments appeared on the Exchange's recognised lists at the end of 2015, an increase of 74 when compared to the previous year, largely due to the significant number of new listings of Collective Investment Schemes.

Equities	23
Corporate Bonds	49
Malta Government Stocks	54
Treasury Bills	17
Collective Investment Schemes :	
Primary Listed	104
Secondary Listed	16

Central Securities Depository

The Central Securities Depository (CSD) had an extremely busy year as preparations for migration to T2S got closer as well as a result of a significant increase in the number of companies seeking to dematerialise their securities and also due to the significant increase in secondary market trades, which impacted the clearing and settlement system as well as amendments to the various security registers held within the CSD.

During the year CSD staff were involved in testing processes related to T2S as well as formulating new operating rules as a result of the impending migration to the new settlement platform, in particular those related to the move to cash gross settlement for T2S settled transactions.

Following migration to T2S, CSD was also involved in drawing up technical requirements and operational processes in relation to anti money laundering requirements, which would be implemented in 2016.

A sharp increase was registered in the number of companies seeking dematerialisation during the year. Throughout the year, over 30 companies benefitted from this service, bringing the total number of companies dematerialised within the CSD, excluding those listed on the Exchange, to 42. At the end of the year, the CSD was also processing a number of other dematerialisation applications which would be concluded in early 2016, indicating the continued attractiveness and growth

of this service. The CSD was now looking at ways to simplify related processes to continue to grow this service while at the same time retaining the highest standards of due diligence. As a result of the sharp increase in dematerialised securities held within the CSD, the number of transactions effected over the MSE CSD – Clearstream AG Link also increased, the majority of which were related to transactions in dematerialised securities.

The number of positions held within the CSD at the end of the year, totalled 285,721 a significant rise when compared to the end of 2014 figure. Overall, the number of individual holders has remained static at just under 73,000, indicating that investors

are spreading their investments over a number of financial instruments and different market sectors.

The number of amendments to registers effected during 2015 totalled 69,867, an increase of almost 17,000 when compared to the previous year. The increase in amendments was largely the result of the sharp increase of transactions effected on the secondary market and the new securities which were registered within the CSD.

During the year the CSD processed over 400 corporate actions including a number of bonus issues, additions in share capital

CSD amendments during 2015

Amendment Type	January	February	March	April	May	June	July	August	September	October	November	December	Total
Causa Mortis	99	56	55	147	292	147	175	140	124	183	67	56	1,541
Garnishee Insert	4	2	2	2	4	10	4	3	8	2	2	6	49
Garnishee Release	2	4	1	0	0	13	5	3	2	0	2	0	32
Holder Amendment	129	261	186	108	42	306	310	89	209	71	141	207	2,059
Mandate/Power of Attorney	170	281	305	224	309	333	593	270	279	231	177	282	3,454
Bought Movements	1810	4311	983	3941	4291	3257	2306	760	683	641	973	1967	25,923
Sold Movements	2634	4314	2654	4143	4345	3300	2417	760	683	683	991	1976	28,900
Release of Estates	157	324	134	365	423	473	668	82	169	58	37	364	3,254
Off Market Transfers/Donations	181	302	65	285	262	239	407	17	92	98	78	922	2,948
Pledge Insert	49	33	44	79	74	42	56	49	50	34	37	52	599
Pledge Release	78	98	78	190	135	115	98	72	70	62	70	42	1,108
Total	5,313	9,986	4,507	9,484	10,177	8,235	7,039	2,245	2,369	2,063	2,575	5,874	69,867

Dividends and Interest Payments 2015

Payment Date	Gross (Euro)	Gross (US\$)	Gross (GBP)	No of Payments
January	18,390,589	-	-	19,685
February	24,413,614	-	-	25,241
March	26,463,786	-	-	34,229
April	35,659,376	-	-	37,823
May	48,823,452	-	-	81,518
June	44,556,533	-	-	50,198
July	23,967,347	509,101	722,534	28,923
August	25,911,451	-	-	25,284
September	48,297,317	-	-	48,547
October	24,994,321	-	-	23,685
November	22,691,776	-	82,380	23,687
December	60,665,337	-	733,301	51,656
Total	404,834,899	509,101	1,538,215	450,476

of the listed companies and scrip dividend issues. Over 50% of all corporate action processes related to dividend and interest payments which totalled a gross amount of over €404 million spread over 450,476 payments.

Announcements issued by CMO through the Exchange's dissemination system, amounted to 552, up from 501 the previous year, which reflects the increased activity of listed companies.

Compliance and Markets Operations Office

During the year Compliance & Market Operations Office (CMO) processed 11 new traders' applications from eight different Member Firms. All these traders underwent a period of training with their respective firms before being granted access to the Xetra Trading System. The number of active traders having access to the Xetra Trading System at the end of the year stood at 53.

XETRA Release 16 went live on 30 November 2015. The highlight of this release for the Maltese market was the introduction of the Volume Discovery Order. It is envisaged that the Volume Discovery Order will increase the execution probability of the larger orders without affecting the market.

CMO also performs the function of the National Numbering Agency (NNA) for Malta domiciled entities. In its role as the NNA, CMO issued a total of 463 ISINs throughout the year. 174 ISINs were issued with respect to financial instruments listed on the MSE, whilst another 289 were issued with respect to unlisted financial instruments.

112 Notices to Members were issued by CMO during the year mostly in relation to trading operations. Company

The service of Trade Reporting with respect to European Markets Infrastructure Regulation (EMIR) is also a function of CMO. During the year, seven new counterparties signed agreements appointing the MSE as their reporting agency whilst another 18 delegating counter parties signed agreements with existing reporting counterparties to report their trades using the MSE's service. In total, throughout the year well over 330,000 trades were reported through the MSE's reporting facility.

Other Exchange Operations and Activities

The year was dominated by two major projects - migration to T2S in June and the launch of a new market targeted at SMEs and start-up companies. Implementation of T2S continued to involve many resources particularly as the testing programme intensified as "live" date approached. The new market is due to be launched early in 2016 and throughout the year, the Exchange submitted draft rules for approval by the Competent Authority as well as designed internal processes for admission of companies to this market and also held a number of meetings and events with interested parties to explain the operations of the new market.

Other technology projects related to an overhaul of the Exchange's website, not only with regard to its design and content but also with regard to the operating system, as well as creating a new website relating to the Exchange's new market and the start of the ground work related to the E-portfolio Project, intended to reduce paper-based notifications to investors and benefit from web and mobile technology to enhance the service given to investors.

The risk review project also continued during the year which involved all the offices of the Exchange and involved the identification and mapping of the Exchange's mega processes, identification of key business risks, qualitative and quantitative analysis resulting in changes to the Exchange's Risk Management Policy as well as the submission of a more detailed RMICAAP Report for 2015. In line with one recommendation arising from such a review, towards the end of the year, the Internal Audit function was separated from the Risk function into two separate offices with different responsibilities and reporting structures.

Business & Product Development

Business development, in particular, expanding the Exchange's international business, was at the forefront of the Exchange's activities during the year coupled with the development of new products, in particular the development of a new market aimed at providing SMEs and start-up companies with an alternative route to finance in order for them to continue to grow and develop.

In line with this strategy, apart from preparing all the necessary rules and operations for the new market, the Exchange also proposed a number of road-shows in various jurisdictions, supported by other stakeholders, with the aim of introducing Malta as a burgeoning financial centre and in particular to promote the Exchange and its services as well as the new market.

The first of these events was held in London on the 4 November 2015 at the High Commission in London and which was attended by over 40 corporate advisors, financial intermediaries and legal practitioners. The event was also attended by the





The Exchange continued to maintain its presence in the media through a number of articles, interviews and Press Releases aimed not only on keeping the general public aware of developments but also aimed at enhancing the brand of the Exchange and its services. In this respect an update to the Exchange's corporate brochure was issued and more information about the Exchange's activities and events was added to the newly designed website. During 2015, a number of Exchange Officials participated in a number of high profile events both locally and internationally including :

Minister for Finance, Professor Edward Scicluna, who in a brief speech made reference to the positive development of Malta's economy and the significant levels of growth in spite of on-going economic turmoil. FinanceMalta, International Hotel Investments plc, and Ganado & Associates all supported the event and were represented by speakers who gave their own views of Malta's economic development and the development of the financial sector.

- CEE Clearstream Summit in Bratislava, Slovakia
- World Exchange Congress, London, UK
- FinanceMalta Annual Conference
- FinanceMalta Education Clinic on MiFIR and MAR
- Annual Conference on Financial Crime in Cambridge, UK
- Shareholders' Meeting organised by Fimbank plc
- FinanceMalta Education Clinic on CSDR
- Commonwealth Heads of Government Meeting

Promotion and Education

As reported elsewhere in this Report, as part of its strategy to support the spread and enhancement of financial education, the Exchange launched a number of initiatives in this regard, including the setting up of a Financial Literacy Board in conjunction with the Ministry of Education, to enhance financial education within the national educational system. On a broader scale, the Exchange also organised the first Investor Education Conference which is intended to become an annual event. Early on in the year, the Exchange sponsored a conference organised by the University of Malta on recent developments in Banking and Finance and also agreed to support the establishment of a Chair for the MSc in Banking and Finance within the Department of Banking and Finance at the University of Malta. As in previous years, the Exchange awarded prizes to two students from the University of Malta who attained a Grade A in their dissertation. This year the prizes were awarded to Ms Chantelle Barun for her dissertation "The implementation of KYC elements within the Banking Sector – A comparative analysis of Maltese Banks" and to Ms Christabel Borg for her dissertation "Exploring the Effect of EU Regulation on the development of alternative payments channels: A local perspective".

Furthermore, the Exchange also supported other educational activities by welcoming a number of secondary school students who visited the Exchange as part of their orientation visits, gave presentations to University students and participated in other specific training courses for financial sector practitioners as well as assisted several students in their dissertations, through interviews, questionnaires as well as by providing data and statistics.

Members

Membership

No new Member Firms were authorised during 2015. At the end of the year, therefore, 13 member firms together with the Central Bank of Malta as stockbroker to the Treasury appeared on the Exchange's list of approved Member Firms.

11 new traders were approved during the year, representing eight Member Firms. As reported elsewhere in this Report, amendments were made to the Bye-laws of the Exchange relating to the processes in respect of the approval of traders, intended to facilitate and streamline procedures.

College of Member Firms

Senior officials of the Exchange held a number of meetings with the College of Member Firms wherein Exchange developments and initiatives were discussed. The commitment and support of the College was very important in ensuring that the migration to T2S was seamless and without any interruption of services.

Throughout the year, Member Firms also supported events and initiatives organised by the Exchange such as the Investor Education Conference held in October, not only financially but also by providing speakers at events. Member Firms are also committed to support many of the events related to the Exchange's 25th Anniversary celebrations as well as a number of educational and business development initiatives scheduled for 2016.

The Exchange is very appreciative of the support shown by Member Firms throughout the past year and indeed throughout the 25 years of operations and looks forward to further collaboration and co-operation.

List of Member Firms

Bank of Valletta plc

Cannon Road
Sta Venera
Tel: +356 2275 1732
Fax: +356 2275 1733
E-mail: stockbroking@bov.com
Web: www.bov.com

Joh Berenberg, Gossler & Co. KG

Neuer Jungfernstieg 20
Hamburg 20354
Germany
Tel: +49 40 350 600
Fax: +49 40 350 60900
E-mail: info@berenberg.de
Web: www.berenberg.de

Calamatta Cuschieri Investments Services Ltd

5th Floor
Valletta Buildings
South Street
Valletta
Tel: +356 2568 8688
Fax: +356 2568 8256
Email: info@cc.com.mt
Web: www.cc.com.mt

Charts Investment Management Services Ltd

Valletta Waterfront
Vault 17
Pinto Wharf
Floriana
Tel: +356 2122 4106 (+356 2124 1121)
Fax: +356 2124 1101
Email: info@charts.com.mt
Web: www.charts.com.mt

Curmi & Partners Ltd

Finance House
Princess Elizabeth Street
Ta' Xbiex
Tel: +356 2342 6000
Fax: +356 2134 7333
Email: info@curmiandpartners.com
Web: www.curmiandpartners.com

Financial Planning Investments Services Ltd

4 Marina Court
G Cali' Street
Ta' Xbiex
Tel: +356 2134 4243 (2134 4244/2134 4255)
Fax: +356 2134 1202
E-mail: info@bonellofinancial.com
Web: www.bonellofinancial.com

Finco Treasury Management Ltd

Level 5
The Mall Complex
Floriana
Tel: +356 2122 0002
Fax: +356 2124 3280
E-mail: investments@fincotrust.com
Web: www.fincotrust.com

Global Capital plc

Testaferrata Street
Ta' Xbiex
Tel: +356 2134 2342 (+356 2279 6400)
Fax: +356 2279 6405
E-mail: info@globalcapital.com.mt
Web: www.globalcapital.com.mt

Hogg Capital Investments Ltd

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1, St. Luke's Road
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Pieta
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Fax: +356 2134 2760
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Web: www.hoggcapital.com

HSBC Bank Malta plc

Global Markets
Banking Centre 1st Floor
Mill Street
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Tel: +356 2380 2211
Fax: +356 2380 2495
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Web: www.hsbc.com.mt

Jesmond Mizzi Financial Advisors Ltd

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South Street
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Web: www.jesmondmizzi.com

Lombard Bank Malta plc

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Fax: +356 2558 1815
Email: wealthmanagement@lombardmalta.com
Web: www.lombardmalta.com

Rizzo Farrugia & Co (Stockbrokers) Ltd

Airways House
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Tel: +356 2258 3000
Fax: +356 2258 3001
E-mail: info@rizzofarrugia.com
Web: www.rizzofarrugia.com

Government Gazette of Malta, Nru. 15,355, 13 ta' Novembru, 1990
Taqsima A

MALTA

Audited Financial Statements for the year ended 31 December 2015

ATT Nru. XXXIII ta' l-1990
ACT No. XXXIII of 1990
AN ACT enacted by the Parliament
of Malta
to establish the Malta Stock Exchange and to regulate its functions, to provide for orderly trading in securities and to provide for matters ancillary or incidental thereto or connected therewith.

ATT biex jistabbillixxi l-Borsa ta' Malta u sabiex jirregola l-funzjonijiet taghha, sabiex jipprovdi ghal kummerc ordinat ta' titoli u sabiex jipprovdi dwar li jegh oħra ancillari jew incidental għalihom jew li għandhom x'jaqsmu magħhom.

Nagħti l-kunsens tiegħi.

CARMELO CARU
Agent Pres

(L.S.)

ATT Nru. XXXIII ta' l-1990
ACT No. XXXIII of 1990
AN ACT enacted by the Parliament of Malta to establish the Malta Stock Exchange and to regulate its functions, to provide for orderly trading in securities and to provide for matters ancillary or incidental thereto or connected therewith.

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AGENT PRESIDENT
Parlament, u bl-awtorità ta' l-Istess

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Independent Auditors' Report

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Director's Report

For the Year Ended 31 December 2015

The directors present their report, together with the financial statements of Malta Stock Exchange plc (the "Company"), for the year ended 31 December 2015.

Directors

Mr. Joseph Portelli (Chairman)
Prof. Joseph Falzon (Deputy Chairman) (appointed 21 April 2015)
Dr. Abdalla Kablan (appointed 21 April 2015)
Prof. Tanya Sammut-Bonnici (appointed 21 April 2015)
Mr. Steven Tedesco (appointed 21 April 2015)
Mr. Paul J. Spiteri (Chairman resigned 21 April 2015)
Prof. Daniel Darmanin (resigned 21 April 2015)
Mr. Carmel Galea (resigned 21 April 2015)
Mr Joseph Azzopardi (resigned 21 April 2015)

Principal activity

Malta Stock Exchange plc maintains facilities to ensure an orderly and efficient market place for securities' trading. The Company also provides clearing, settlement, depository and other security related services.

Review of business development and financial position

During the year 2015, the Company generated a profit before tax of EUR2,523,533 (2014: EUR 2,341,041). The statement of comprehensive income is set out on page 47 and the movements in the reserves are disclosed in the statement of changes in equity on page 48.

Dividends

The Company paid a net distribution of EUR 1,000,000. The Directors do not propose further dividend distributions for the year.

Reserves

The Directors propose that retained earnings amounting to EUR 4,407,997 be carried forward to the next financial year.

Regulatory sanctions

The Directors confirm that no regulatory breaches were reported during 2015 and no regulatory sanctions were imposed on the Malta Stock Exchange plc by the Competent Authority during the year.

Future Developments

The Company is continuing to promote the new SME-oriented market, Prospects, both locally and overseas, following its launch on 17 February 2016.

The focus during the coming year will be on Business Development with particular emphasis on seeking international business targeting a number of different markets. The Exchange is undertaking a number of initiatives and events also supported by other stakeholders with a view to expanding its business and its value within the Maltese economy.

In line with its strategic plans, the Company is working on a number of initiatives in order to enhance and expand its role in the economy.

Approved by the Board of Directors on 18 April 2016 and signed on its behalf by:



Joseph Portelli
Chairman



Joseph Falzon
Deputy Chairman

Registered office

Garrison Chapel
Castille Place
Valletta VLT 1063
Malta

Directors' Responsibility for the Financial Statements

The Companies Act, 1995 (Chapter 386, Laws of Malta) requires the directors to prepare financial statements of Malta Stock Exchange plc (the "Company") for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the requirements of International Accounting Standards as adopted by the EU.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible to ensure that the Company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Management is responsible, with oversight from the directors, to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's business. This responsibility includes establishing and maintaining controls pertaining to the Company's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, management consider the risks that the financial statements may be materially misstated as a result of fraud.

Signed on behalf of the Board of Directors by:



Joseph Portelli
Chairman



Joseph Falzon
Deputy Chairman

Statement of Financial Position

As at 31 December 2015

	Notes	2015 EUR	2014 EUR
Assets			
Non-current assets			
Plant and equipment	5	268,975	301,674
Intangible assets	6	328,862	342,910
Investment in equity accounted investee	7	12,760	3,938
Available-for-sale financial assets	8	4,480,569	5,541,269
Deferred tax asset	9	13,109	17,804
		5,104,275	6,207,595
Current assets			
Trade and other receivables	10	2,043,678	2,033,167
Cash at bank and in hand	11	2,655,369	394,684
		4,699,047	2,427,851
Total Assets		9,803,322	8,635,446
Equity and Liabilities			
Capital and reserves			
Issued capital	12	2,500,000	2,500,000
Fair value reserve	12.3	903,410	767,983
Social responsibility fund		16,883	-
Retained earnings		4,407,997	3,736,581
Total equity		7,828,290	7,004,564
Current liabilities			
Loans and borrowings	13	11,363	13,545
Trade and other payables	14	1,911,206	1,502,083
Current tax		52,463	115,254
		1,975,032	1,630,882
Total liabilities		1,975,032	1,630,882
Total Equity and Liabilities		9,803,322	8,635,446

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements on pages 46 to 65 have been authorised for issue by the Board of Directors on 18 April 2016 and were signed on its behalf by:



Joseph Portelli
Chairman



Joseph Falzon
Deputy Chairman

Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	2015 EUR	2014 EUR
Revenue	15	5,993,539	5,601,350
Administrative expenses	16	(3,705,047)	(3,524,556)
Operating profit		2,288,492	2,076,794
Share of loss of equity accounted investee	7	(1,178)	(6,441)
Income from financial assets	17	225,504	270,480
Finance income	18	11,123	595
Finance costs	18	(408)	(387)
Profit before tax		2,523,533	2,341,041
Income tax expense	19	(835,234)	(767,347)
Profit for the year		1,688,299	1,573,694
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
- Net gain on available-for-sale financial assets		135,427	476,728
Total comprehensive income for the year		1,823,726	2,050,422

The accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the year ended 31 December 2015

	Notes	Issued capital EUR	Fair value reserve EUR	Social responsibility fund EUR	Retained earnings EUR	Total EUR
At 1 January 2014		2,500,000	291,255	-	3,162,887	5,954,142
Total comprehensive income						
Profit for the year		-	-	-	1,573,694	1,573,694
Other comprehensive income		-	476,728	-	-	476,728
Total comprehensive income		-	476,728	-	1,573,694	2,050,422
Transactions with owners of the Company						
Dividends paid	12.2	-	-	-	(1,000,000)	(1,000,000)
At 31 December 2014		2,500,000	767,983	-	3,736,581	7,004,564
At 1 January 2015		2,500,000	767,983	-	3,736,581	7,004,564
Total comprehensive income						
Profit for the year		-	-	-	1,688,299	1,688,299
Other comprehensive income		-	135,427	-	-	135,427
Total comprehensive income		-	135,427	-	1,688,299	1,823,726
Transfer from retained earnings	12.4	-	-	16,883	(16,883)	-
Transactions with owners of the Company						
Dividends paid	12.2	-	-	-	(1,000,000)	(1,000,000)
At 31 December 2015		2,500,000	903,410	16,883	4,407,997	7,828,290

The accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 EUR	2014 EUR
Operating activities			
Profit for the year		1,688,299	1,573,694
Adjustment for:			
Depreciation of plant and equipment	5	129,976	125,623
Amortisation of intangible assets	6	169,556	138,487
Write-off of intangible assets	6	-	62,265
Interest receivable from available-for-sale financial assets	17	(169,065)	(186,081)
Interest on Bank overdraft	18	408	387
Gain on disposal of available-for-sale financial assets	17	(56,439)	(84,399)
Share of loss of equity accounted investee	7	1,178	6,441
Tax expense		835,234	767,347
		2,599,147	2,403,764
Changes in:			
Trade and other receivables		(21,634)	(412,073)
Trade and other payables		409,124	146,082
Cash generated from operating activities		2,986,637	2,137,773
Income tax paid		(893,330)	(685,698)
Net cash flows from operating activities		2,093,307	1,452,075
Investing activities			
Acquisition of plant and equipment	5	(97,277)	(61,466)
Acquisition of intangible assets	6	(155,508)	(120,264)
Acquisition of available-for-sale financial assets		-	(1,514,243)
Proceeds from available-for-sale financial assets		1,239,289	1,119,608
Investment in EWSM		(10,000)	-
Interest received from available-for-sale financial assets		193,056	211,320
Acquisition of term deposits		(1,100,000)	-
Net cash flows used in investing activities		69,560	(365,045)
Financing activities			
Dividends paid		(1,000,000)	(1,000,000)
Net cash flows used in financing activities		(1,000,000)	(1,000,000)
Net increase in cash and cash equivalents		1,162,867	87,030
Cash and cash equivalents at 1 January		381,139	294,109
Cash and cash equivalents at 31 December	11	1,544,006	381,139

The accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2015

1 Reporting entity

Malta Stock Exchange plc ("the Company") is domiciled and incorporated in Malta as a public limited company under the Companies Act, 1995 (Chapter 386, Laws of Malta), (the "Act").

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. These financial statements have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

2.2 Basis of measurement

These financial statements are prepared under the historical cost convention, except for available-for-sale financial assets that have been measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Euro (EUR) which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their descriptions as significant and critical in terms of the requirements of IAS1 (revised).

3 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

General electrical equipment	10 to 15 years
Computer hardware	5 years
Office furniture, fittings and other equipment	6 to 10 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

For the year ended 31 December 2015

3 Significant accounting policies *(continued)*

3.2 Intangible assets

Intangible assets represent software licences acquired by the Company and have finite useful lives. Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

3.2.1 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3.2.2 Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on the straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful life for the current and comparative periods for software licenses is of 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.3 Interests in equity-accounted investees

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

3.4 Financial instruments

3.4.1 Financial assets

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. All financial assets are initially recognised at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Available-for-sale

Available-for-sale financial assets are debt securities. Debt securities are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market contributions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the fair value reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or, determined to be impaired, at which time the cumulative loss is recognised in the statement of comprehensive income in finance costs and removed from the fair value reserve.

Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or maturity. The reclassification to held to maturity is permitted only when the entity has the ability and intent to hold until the financial asset accordingly.

For the year ended 31 December 2015

3 Significant accounting policies *(continued)*

3.4 Financial instruments *(continued)*

3.4.1 Financial assets *(continued)*

Available-for-sale (continued)

For financial assets actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis based on the expected cash flows of the underlying net asset base of the investment and option pricing models.

All "regular way" purchases and sales of financial assets are recognised on the "trade date", that is, the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for impairment is made when there is objective evidence (such as financial difficulties of a receivable) that the Company will not be able to collect the full amount due. Impaired debts are derecognised when they are assessed as uncollectible.

Cash at bank and in hand

Cash in hand and at banks and term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Term deposits with contractual maturities exceeding three months are not considered cash and cash equivalents. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash in hand and short-term deposits at banks, net of other outstanding bank overdrafts and cash collateral.

3.4.1.1 Derecognition of financial assets

A financial asset is derecognised (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the right to receive cash flows from the asset have expired;
- the right to receive cash flows from the asset is retained, but the Company has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the rights to receive cash flows from the asset have been transferred and either the Company (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.4.2 Financial liabilities

Financial liabilities are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability, in the case of financial liabilities not at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

3.4.2.1 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

For the year ended 31 December 2015

3 Significant accounting policies *(continued)*

3.4 Financial instruments *(continued)*

3.4.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Company, has a legally enforceable right to set off the recognised amounts and there is an intention either to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

3.5 Share capital

3.5.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.6 Impairment

3.6.1 Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor will enter bankruptcy.

Financial assets at amortised cost

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the 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 receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale debt securities

If an available-for-sale financial asset is impaired, an amount comprising the difference between the cost and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income. The recoverable amount is determined by discounting the estimated future cash flows to present values at the financial assets' original effective interest rate.

3.6.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax expense are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

For the year ended 31 December 2015

3 Significant accounting policies *(continued)*

3.7 Income tax *(continued)*

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates and sales taxes or duty. Revenue is recognised on an accrual basis. The following specific recognition criteria must also be met before revenue is recognised:

3.8.1 Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in income from financial assets in the statement of comprehensive income.

3.9 Foreign currency translation

The financial statements are presented in Euro (EUR), which is also the Company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

3.10 Employee benefits

The entity pays fixed contributions towards the State pension in accordance with local legislation and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where it is expected that some or all of a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Notes to the Financial Statements

For the year ended 31 December 2015

3 Significant accounting policies *(continued)*

3.12 Leases *(continued)*

Company as a lessee

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

3.13 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1 January 2015. Earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these financial statements.

IFRS 9 Financial Instruments: IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 15 Revenue from Contracts with customers: IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 9 and IFRS 15 are effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Both standards are still subject to EU endorsement. The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9 and IFRS 15.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for both measurement and disclosure purposes only based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Debt securities

The fair value of debt securities is determined by reference to their quoted closing bid price at the reporting date.

4.2 Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.3 Loan and trade and other receivables

The fair values of the loan and trade and other receivables are not different from their carrying amount, since these have no stated applicable interest rate and the effect of applying discounting is immaterial in view of their short term nature.

Notes to the Financial Statements

For the year ended 31 December 2015

5 Plant and equipment

	General electrical equipment EUR	Computer hardware EUR	Office furniture, fittings and other equipment EUR	Total EUR
Cost				
At 1 January 2014	695,504	155,230	404,897	1,255,631
Additions	15,659	33,807	12,000	61,466
At 31 December 2014	711,163	189,037	416,897	1,317,097
At 1 January 2015	711,163	189,037	416,897	1,317,097
Additions	37,555	33,934	25,788	97,277
At 31 December 2015	748,718	222,971	442,685	1,414,374
Depreciation				
At 1 January 2014	481,388	121,227	287,185	889,800
Depreciation charge for the year	84,011	20,548	21,064	125,623
At 31 December 2014	565,399	141,775	308,249	1,015,423
At 1 January 2015	565,399	141,775	308,249	1,015,423
Depreciation charge for the year	87,155	22,892	19,929	129,976
At 31 December 2015	652,554	164,667	328,178	1,145,399
Carrying amount				
At 1 January 2014	214,116	34,003	117,712	365,831
At 31 December 2014	145,764	47,262	108,648	301,674
At 1 January 2015	145,764	47,262	108,648	301,674
At 31 December 2015	96,164	58,304	114,507	268,975

Notes to the Financial Statements

For the year ended 31 December 2015

6 Intangible assets

	Computer software EUR
Cost	
At 1 January 2014	917,305
Additions	120,264
Write-off	(96,985)
At 31 December 2014	940,584
At 1 January 2015	940,584
Additions	155,508
At 31 December 2015	1,096,092
Amortisation	
At 1 January 2014	493,907
Amortisation	138,487
Release on write-off	(34,720)
At 31 December 2014	597,674
At 1 January 2015	597,674
Amortisation	169,556
At 31 December 2015	767,230
Carrying amount	
At 1 January 2014	423,398
At 31 December 2014	342,910
At 1 January 2015	342,910
At 31 December 2015	328,862

7 Investment in equity accounted investee

In January 2012, the Company was allotted shares on the incorporation of European Wholesale Securities Market Limited ("the equity accounted investee"), a company set-up under the laws of Malta with the aim to provide a European Wholesale Securities Market (EWSM), a specialist new market for wholesale fixed-income debt securities. EWSM is an EU regulated market, established in Malta and authorised by the Malta Financial Services Authority.

The Company has a 20% holding in European Wholesale Securities Market Limited, with the other shareholder being Irish Stock Exchange Limited holding 80%. During the year, the Company invested a further EUR 10,000 in the issued share capital of this equity accounted investee, which resulted in an overall investment of EUR 40,000 (2014: EUR 30,000).

As of 31 December 2015, the equity accounted investee sustained a net loss of EUR 5,887 (2014: EUR 32,206), with shareholders' equity closing the year at positive equity of EUR 63,801 (2014: EUR 19,688). The share of loss for the Company of EUR 1,178 has been recognised as a share of loss of equity accounted investee in the Statement of Comprehensive Income (2014: share of loss of EUR 6,441). Investment in the equity accounted investee stood at EUR12,760 (2014: EUR3,938).

Notes to the Financial Statements

For the year ended 31 December 2015

8 Available-for-sale financial assets

Available-for-sale financial assets (at fair value)

a. The fair value of the financial assets is as follows:

	2015 EUR	2014 EUR
<i>Non-current</i>		
Malta Government Stocks	4,480,569	5,541,269

b. The amortised cost of the financial assets is as follows:

	Effective interest rate %	2015 EUR	2014 EUR
<i>Non-current</i>			
Malta Government Stocks	4.3 / 4.1	3,577,159	4,773,286

c. The revaluation difference of the financial assets (recognised in equity) is as follows:

	2015 EUR	2014 EUR
<i>Non-current</i>		
Malta Government Stocks	903,410	767,983

9 Deferred tax

9.1 Recognised deferred tax assets / liabilities

Deferred tax assets / liabilities are attributable to the following:

	2015 EUR	2014 EUR
Plant and equipment	20,666	25,304
Accrued investment income	(7,557)	(7,500)
	13,109	17,804

9.2 Movement in temporary differences during the year

	Balance 01/01/2014 EUR	Recognised in profit or loss EUR	Balance 31/12/2014 EUR	Recognised in profit or loss EUR	Balance 31/12/2015 EUR
Plant and equipment	24,298	1,006	25,304	(4,638)	20,666
Accrued investment income	(6,732)	(768)	(7,500)	(57)	(7,557)
	17,566	238	17,804	(4,695)	13,109

Notes to the Financial Statements

For the year ended 31 December 2015

10 Trade and other receivables

	2015 EUR	2014 EUR
Fees receivable (note 10.1)	1,863,209	1,872,260
Amounts due from related parties (note 10.2)	23,481	23,297
Prepayments and accrued income	156,988	137,610
	2,043,678	2,033,167

10.1 As at the reporting date, the ageing analysis of fees receivable is as follows:

	Total EUR	Neither past due nor impaired EUR	>30 days EUR	60-90 days EUR	Past due but not impaired 90 days and older EUR
2015	1,863,209	1,566,424	104,537	141,313	50,935
2014	1,872,260	1,539,525	111,130	117,966	103,639

Fees receivable, which are neither past due nor impaired, include trade receivables due from the Government of Malta, a related party, of EUR 391,523 (2014: EUR 430,582).

11 Cash at bank and in hand

Cash and cash equivalents consist of cash at bank and in hand, net of a bank overdraft as follows:

	2015 EUR	2014 EUR
Cash at bank	2,655,184	394,485
Cash in hand	185	199
Cash at bank and in hand	2,655,369	394,684
Bank overdraft (note 13)	(11,363)	(13,545)
Cash and cash equivalents	2,644,006	381,139
Term deposits with contractual maturities exceeding three months	(1,100,000)	-
Cash and cash equivalents as shown in the statement of cash flows	1,544,006	381,139

Term deposits earn interest at an average rate of 1.235% per annum.

Notes to the Financial Statements

For the year ended 31 December 2015

12 Issued capital

12.1	2015 EUR	2014 EUR
Authorised		
5,000,000 ordinary shares of EUR1 each	5,000,000	5,000,000
Issued and fully paid up		
2,500,000 ordinary shares of EUR1 each	2,500,000	2,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12.2 Dividends

	2015 EUR	2014 EUR
Declared and paid during the year:		
Dividend on ordinary shares for 2015: 40 cents (2014: 40 cents)	1,000,000	1,000,000

12.3 Fair value reserve

This reserve records the fair value changes on available-for-sale financial assets, representing net fair value gains not available for distribution.

12.4 Social responsibility fund

The Company has setup a Social Responsibility Fund for the purpose of supporting educational, philanthropic and cultural causes as well as to support the maintenance and refurbishment of Malta's historical heritage. An annual contribution of 1% of profit after tax, which amounted to EUR 16,883 during the year, is transferred from retained earnings into the Social Responsibility Fund. The amount shall be capped at EUR 50,000 subject to review should the limit be reached. The budget for such fund shall be agreed for the calendar year subject to recommendations on the causes or events to be supported by the Executive Committee. Any payments from such Social Responsibility Fund are subject to approval by the Board of Directors upon recommendation of the Chief Executive Officer. As payments are effected, the expense is recognised in profit or loss with an equivalent transfer from the Social Responsibility Fund to retained earnings.

13 Loans and borrowings

13.1	2015 EUR	2014 EUR
Current borrowings		
Bank overdraft (note 11)	11,363	13,545
	11,363	13,545

The Company has an unsecured overdraft facility of EUR 250,000 to cover any temporary shortfall in the Securities Settlement account.

The facilities bear interest at 2% over the Bank's Base Rate which stood at 4.15% at the last renewal of the facility dated 12 December 2015.

Notes to the Financial Statements

For the year ended 31 December 2015

14 Trade and other payables

	2015 EUR	2014 EUR
Trade payables (note 14.1)	103,057	104,558
Amounts due to related party (note 14.2)	382,362	329,991
Prepaid listing and other fees	1,011,515	742,350
Accruals	135,019	114,946
Other taxes	279,253	210,238
	1,911,206	1,502,083

14.1 Trade payables are non-interest bearing and are normally settled on 60 day term.

14.2 Amounts due to related party are unsecured, non-interest bearing and with no fixed date of repayment. These amounts include EUR 136,417 (2014: EUR 84,046) due to immediate parent and EUR 245,945 (2014: EUR 245,945) due to the Government of Malta.

15 Revenue

Revenue comprises membership and other fees receivable from stockbrokers, together with fees receivable in respect of the listing, clearing, registration and trading of quoted securities and related services. The income from the main activities was as follows:

	2015 EUR	2014 EUR
Stockbrokers' fees	487,852	360,010
Listing fees	3,755,509	3,465,282
Register and amendment fees	1,366,659	1,418,165
Transaction fees and other income	383,519	357,893
	5,993,539	5,601,350

15.2 Amounts due from related parties are unsecured, non-interest bearing and have no fixed date of repayment. These balance as at 31 December 2015 comprise EUR 14,006 (2014: EUR 11,806) due from CSD (Malta) plc and EUR 9,475 (2014: EUR 11,491) due from EWSM (refer to Note 13).

16 Administrative expenses

	2015 EUR	2014 EUR
Emoluments of the chairman and other board members	22,600	22,600
Salaries, social security and other staff costs (note 16.1)	1,645,130	1,553,232
Rent	120,967	103,140
Auditors' remuneration	8,500	8,500
Depreciation of plant and equipment	129,976	125,623
Amortisation of intangible assets	169,556	138,487
Write-off of intangible assets	-	62,265
Other expenses	1,608,318	1,510,709
	3,705,047	3,524,556

Consultancy and professional fees included remuneration payable to the company's auditors as follows:

	EUR
Other assurance services	2,500

Notes to the Financial Statements

For the year ended 31 December 2015

16 Administrative expenses

16.1 Employee information

16.1.1 Staff costs

The total employment costs were as follows:

	2015 EUR	2014 EUR
Wages and salaries	1,509,774	1,425,842
Social security costs	103,781	99,467
Other staff costs	31,575	27,923
	1,645,130	1,553,232

16.1.2 Staff numbers

The average number of persons employed by the Company during the year was 59 (2014: 57).

17 Income from financial assets

	2015 EUR	2014 EUR
Interest on available-for-sale financial assets	169,065	186,081
Gain on disposal of available-for-sale financial assets	56,439	84,399
	225,504	270,480

18 Net finance income

	2015 EUR	2014 EUR
Finance income		
Interest on bank balances	11,123	595
	11,123	595
Finance cost		
Interest on bank borrowings	(368)	(387)
Foreign exchange losses	(40)	-
	(408)	(387)
Net finance income	10,715	208

Notes to the Financial Statements

For the year ended 31 December 2015

19 Income tax expense

19.1

	2015 EUR	2014 EUR
Current tax expenses	830,539	767,585
Deferred tax (note 9.2)	4,695	(238)
Income tax expense	835,234	767,347

19.2 Reconciliation of effective tax rate

	2015 EUR	2014 EUR
Profit before tax	2,523,533	2,341,041
Tax at 35%	883,237	819,364
Tax effect of		
- share of loss of equity accounted investee	412	2,254
- amortisation of available-for-sale investments	4,642	10,762
- lease payments not deductible for tax purposes	3,951	6,641
- other expenses not deductible for tax purposes	296	1,047
- income subject to lower rates of tax	(38,693)	(43,181)
- income not subject to tax	(18,611)	(29,540)
Income tax expense	835,234	767,347

20 Immediate parent and ultimate controlling party

The immediate parent company of Malta Stock Exchange plc is MSE (Holdings) Limited, a company registered in Malta having its registered address at Garrison Chapel, Castille Place, Valletta.

The ultimate controlling party of Malta Stock Exchange plc is the Government of Malta.

21 Related party transactions and balances

The related parties of the Company with which the Company had balances outstanding as of 31 December 2015 or transactions during the year then ended were as follows:

- MSE (Holdings) Limited (shareholder of the Company)
- CSD (Malta) plc (subsidiary of MSE (Holdings) Ltd)
- Government of Malta (ultimate controlling party)
- European Wholesale Securities Market Limited (associate of the Company)

Notes to the Financial Statements

For the year ended 31 December 2015

21 Related party transactions and balances *(continued)*

21.1 Related party transactions

During the year, the Company entered into various transactions with related parties, as follows:

		2015 EUR	2014 EUR
<i>Revenue</i>	<i>Related Party</i>		
Listing fees	Government of Malta	2,095,300	1,970,350
Register fees	Government of Malta	395,515	434,644
<i>Administrative expenses</i>			
Rent	MSE (Holdings) Limited	90,000	90,000
Dividend paid	MSE (Holdings) Ltd	1,000,000	1,000,000

Included in administrative expenses are salaries paid to the chairman and board members amounting to EUR 22,600, (2014: EUR 22,600).

21.2 Related party balances

The outstanding amounts at year end together with the related terms have been separately disclosed in notes 10 and 14.

22 Financial risk management objectives and policies

At the year end, the Company's main financial assets on the statement of financial position comprise available-for-sale financial assets, trade and other receivables and cash at bank and in hand. At the year end, there were no off-balance sheet financial assets.

At the year end, the Company's main financial liabilities comprise of bank overdraft and trade and other payables. Except for the Company's commitment to the European Wholesale Securities Market Limited amounting to EUR 146,000, being the 20% share of the total commitment of EUR 750,000, there were no off-balance sheet financial liabilities at the reporting date.

The main risks arising from the Company's financial assets and liabilities are credit risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

22.1 Credit risk

Financial assets which potentially subject the Company to credit risk consist principally of available-for-sale investments, trade receivables, loans and amounts due from related parties and cash at bank. The maximum exposure is the carrying amounts disclosed as follows:

	2015 EUR	2014 EUR
Available-for-sale investments (note 8a)	4,480,569	5,541,269
Fees receivable (note 10)	1,863,209	1,872,260
Amounts due from related parties (note 10)	23,481	23,297
Cash at bank (note 11)	2,655,184	394,485
	9,022,443	7,831,311

The credit risk relating to available-for-sale investments is considered to be low in view of management's policy of investing only in high quality sovereign securities which are listed on recognised stock exchanges. The Company's cash at bank is placed with quality financial institutions. Carrying amounts for trade receivables are stated net of the necessary provisions which have been made against bad and doubtful debts in respect of which management reasonably believes that recoverability is doubtful.

The Company's exposure to credit risk arises from activity exceeding 25% of its revenues. At year end the Company had EUR 391,523 (2014: EUR 430,582) owed by the Government of Malta representing 21% (2014: 23%) of the Company's total fee receivables. The Government of Malta generated EUR 2,490,815 (2014: EUR 2,404,994) of the Company's total revenue, representing 42% (2014: 43%) of the Company's total revenue.

Notes to the Financial Statements

For the year ended 31 December 2015

22 Financial risk management objectives and policies *(continued)*

22.2 Market risk

22.2.1 Interest rate risk

The interest rates on the available-for sale investments, term deposits and bank overdraft are disclosed in notes 8b, 11 and 13. Under the present interest rate scenario, a reasonably expected change in benchmarks is not expected to have any significant effect on the Company's assets and liabilities.

22.2.2 Price risk table

The Company holds non-current financial assets which are exposed to changes in market prices. The following table demonstrates the sensitivity to a reasonably possible change in market prices, with all other variables held constant, of the Company's non-current financial assets, based on the balances as at year end.

	Increase/ decrease in basis points	Effect on Equity EUR 000
2015	+100/-100	(45)/45
2014	+100/-100	(55)/55

22.3 Liquidity risk

The Company actively manages its risk of a shortage of funds by closely monitoring the maturity of both its financial investments and other receivables and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and proceeds from sale of available-for-sale financial assets. The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

22.4 Fair values

The Company's available-for-sale financial assets comprise listed debt securities. These financial instruments are measured at fair value and classify within the Level 1 category on the fair value hierarchy. Level 1 is defined as valuation techniques using quoted prices (unadjusted) in active markets for identical assets and liabilities.

The fair value of financial assets and liabilities which are carried at amortised cost, namely cash at bank, trade and other receivables, loans and borrowings, and trade and other payables, approximates the carrying amount as stated in the statement of financial position. These financial instruments, which are not measured at fair value through profit and loss, classify within the Level 2 category on the fair value hierarchy. Level 2 is defined as valuation techniques using 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).

22.5 Capital Management

Capital includes equity less the fair value reserve comprising net gains on available-for-sale investments. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year.

Externally imposed financial resources requirements

The Company is required to comply with the financial resources requirements as set by the Malta Financial Services Authority. Regulated markets and central securities depositories are required to maintain own funds equal or in excess of its capital resources requirements. The Capital Resource requirement is calculated at the higher of (i) initial capital and (ii) the sum of various risk components in accordance with Article 2 of Part II of the Financial Market Rules for Regulated Markets.

During the year under review, the Company complied with all of the financial resources requirements as stipulated in the financial market rules for regulated markets.

Independent Auditors' Report

To the Members of Malta Stock Exchange plc

Report on the Financial Statements

We have audited the financial statements of Malta Stock Exchange plc (the "Company") as set out on pages 44 to 65, which comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement set out on Page 45, the directors are responsible for the preparation of financial statements that (a) give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and (b) are properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act"). They are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 179 of the Act and may not be appropriate for any purpose.

In addition, we read the other information contained in the Annual Report 2015 and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent material misstatements of fact or material inconsistencies with the financial statements.

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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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.

Opinion on Financial Statements

In our opinion, the financial statements :

- give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been properly prepared in accordance with the Companies Act, 1995 (Chapter 386, Laws of Malta).

Independent Auditors' Report

To the Members of Malta Stock Exchange plc

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception by the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act")

We have nothing to report in respect of the following matters where the Act requires us to report to you if, in our opinion :

- the information given in the Annual Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- proper accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit; or
- certain disclosures of directors' remuneration specified by the Act are not made.



Noel Mizzi (Partner) for and on behalf of

KPMG
Registered Auditors

18 April 2016

Portico Building
Marina Street,
Pieta' PTA 9044

