



JSE

**INTEGRATED
ANNUAL
REPORT**
2023

Business overview

The JSE is a multi-asset class stock exchange that offers listings, trading, clearing and settlement (post-trade), information services, and issuer services. The JSE is based in South Africa and is the largest stock exchange by market capitalisation in Africa and the 19th largest stock exchange in the world. It has been operating as a marketplace for the trading of financial products for 137 years.

Public Markets: JSE provides public marketplaces for raising capital and trading in equities, bonds, derivatives, currencies and commodities, while JSE Clear provides clearing services for listed derivatives.

- o Listing services
- o Trading services
- o Post-Trade Services
- o JSE Clear
- o Information Services
- o JSE Investor Services (JIS)
- o Issuer Services

Private Markets: JSE Private Placements (JPP) supports private markets by providing a forum to raise equity and debt through Globacap's automated and digitised platform.

R19 trillion

Market capitalisation of the Exchange
(2022: R21.34 trillion)

284

Companies listed on the Exchange
(2022: 304), including 123 dual-listed companies (2022: 120)

R8 billion

Market capitalisation of JSE Limited
(2022: R9.4 billion)

45%

Average liquidity¹ of JSE Limited
(2022: 46%)

The JSE has a strong and ethical foundation.

Our purpose

People with passion, powering a trusted marketplace for an inclusive and prosperous future.

Our values

We deliver on our purpose through our core values of servant leadership, connecting for co-creation and growing together.

Our vision

Growing shared prosperity.

Our ethical culture

We remain focussed on adhering to the applicable legislation and being an ethical and environmentally responsible business.

Our mission

To be the best globally connected platform for inclusive and sustainable value creation that enriches lives and enables a positive future.

Positioned as a diversified and sustainable exchange Group

The JSE focusses on protecting its core business, transforming the business and partnering for a sustainable marketplace. This aims to ensure sustainable, high-quality earnings.

Read more on page 59.

12.2% Headline earnings per share (HEPS) growth

11.0% Net profit after tax (NPAT) margin

19.4% Return on equity (ROE)

99.89% Overall annual operational/systems stability

¹ Liquidity is the ratio between total value traded and market capitalisation annualised.

Explaining this report

Report structure

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Report objectives

This report is intended for our stakeholders and provides information that enables them to make an informed assessment of our ability to create sustainable value over time. It includes information the Board and management believe is relevant to stakeholders, including a comprehensive view of the Group's performance for the financial year ended 31 December 2023. The Board approved the material matters that guided the report's preparation (page 14).

We welcome feedback on this report and invite you to contact ir@jse.co.za should you have any questions or recommendations.

Scope and boundary

This report describes the JSE and the public and private markets and new ventures it operates (see the business model on page 6), and the investor protection funds¹ associated with its markets. The report excludes our equity-accounted for associate, Strate, in which the JSE holds 44.55%, as it has an independent board and management team. The Group's corporate structure is set out on page 122.

This report is compiled following the guiding principles and content elements prescribed by the International Integrated Reporting Framework. It is further informed by a range of local and international requirements, standards and guidance, primarily the:

- o Companies Act, 71 of 2008 (as amended) (the Companies Act).
- o King Report on Corporate Governance™ for South Africa, 2016² (King IV).
- o JSE's Sustainability and Climate Change Disclosure Guidance.
- o Financial Markets Act, 19 of 2012.



Cover image: Fred Schimmel

¹ These funds consist of the JSE Guarantee Fund Trust, the JSE Derivatives Default Fund Trust and the JSE Debt Guarantee Fund Trust.

² Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

We also considered the:

- o Task Force for Climate-related Financial Disclosures (TCFD).
- o Relevant indicators of FTSE Russell's ESG ratings methodology as applied for purposes of the FTSE/JSE Responsible Investment Index Series, of which the JSE is a constituent.
- o United Nations Global Compact (UNGC).
- o UN Principles for Responsible Investment.
- o Sustainable Stock Exchanges Initiative.
- o CDP (formerly known as the Carbon Disclosure Project).

How the JSE art was used throughout this report

Our integrated annual report 2023 showcases selected works from the JSE's corporate art collection, with the focus on artists involved with the Polly Street Art Centre, a significant feature in the evolution of South African art.

The first art classes were offered at Nr 1 Polly Street in 1949. Artists would get off the train or tram in Diagonal Street, very close to where the Johannesburg Stock Exchange was located, and would walk to the neighbourhood known as the Bantu Sports Club for the evening lesson that had to end before curfew.

The artists and idealists who taught at the centre included Eduardo Villa, Merle Huntley, Walter Battiss, Cecily Sash, Lary Scully, Fred Schimmel and Cecil Skotnes. They left an unmeasurable legacy for the South African art world.

Elza Miles beautifully summed up the value and importance of the Polly Street Art centre: "[it] was a crucible from which two distinct South African styles of expression emerged. Although both styles are modernistic, they show different points of view. The one finds inspiration in everyday life and is mimetic, the other draws on classical African and modernistic styles to shape and interpret observations from life. Whereas the one is direct, the other is interpretative, yet both open avenues for unlimited exploration. Herein lies the legacy of No. 1 Polly Street."

The many artists moulded by this unique art initiative, teachers and students alike, established a unique South African visual paradigm that have filtered through to some of our most influential artists today.



Internal assurance over the report

Our reporting suite contains a range of information governed by a diverse set of regulations and frameworks. Management decides and applies significant judgement in deciding what to report, based on principles of materiality and stakeholder inclusiveness. The Board's responsibilities include oversight of financial and non-financial value drivers against agreed performance measures and the annual corporate scorecard (page 67-69).

The Board, supported by its committees, is ultimately accountable for the JSE's systems of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement. Executive management and the Group internal audit function provide the Board with formal confirmation of the effectiveness of the internal control environment.

Financial information in this report is drawn from the annual financial statements prepared in accordance with the relevant standards. These are audited by the Group's external auditors, Ernst & Young Inc., in accordance with international auditing standards.

Non-financial information in this report is reviewed and approved by the relevant Board committee. AQRate verification service, an accredited BBEE verification agency, has verified our BBEE performance. It has confirmed a Level 1 rating and the verification certificate is available at <https://group.jse.co.za/sustainability/bbbee>

The Board is satisfied that internal oversight sufficiently ensures the reliability of the information presented in this report and did not obtain additional external assurance over this report.

Over time, we plan to strengthen internal assurance over all reported information through our combined assurance model with the ultimate goal of adding external assurance in the future.

Reporting suite

Our full reporting suite is available at <https://group.jse.co.za/investor-relations/reporting-suite> and comprises the following reports:



Integrated annual report

Sets out how the JSE creates value in the context of our business model, strategy, operating context, governance and operational performance.



Annual financial statements

Set out our financial results, with the Group Audit Committee (GAC) report, directors' report and annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).



Annual results booklet

Contains the annual results presentation, summarised consolidated annual financial results and ordinary cash dividend declaration.



Sustainability report

Sets out our approach to sustainability and our commitments to support and drive sustainable value creation.



Sustainability disclosure matrix

Sets out the JSE's sustainability disclosures for 2023 and is designed as an online tool and as a PDF, available on the JSE's website.



Notice of AGM and proxy form

Sets out the notice of the JSE's AGM of shareholders to be held on Tuesday 7 May 2024, together with the summarised report containing the required financial disclosures.



Group SRO¹ Oversight Committee report

The annual report to stakeholders on the committee's activities for 2023 as required in terms of the Financial Sector Conduct Authority (FSCA) Board Notice.



Governance and remuneration report

Presents the JSE's governance philosophy and priorities, and includes our remuneration policy and implementation report.



King IV summary overview

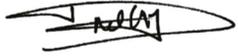
Sets out a brief description of the King IV principles and their application within the JSE during 2023.

¹ Self-regulatory organisation (SRO).

Board approval of this report

The directors of the JSE acknowledge responsibility for the integrity of this integrated annual report (report). The Board, supported by the Group Audit Committee, endorsed the reporting frameworks used in this report and approved the material matters determined by management.

The directors have applied their minds to the report and believe that it covers all material matters, that the information contained in this report is reliable and that it fairly presents the integrated performance of the Group.



Phuthuma Nhleko

Independent non-executive chairman



Dr Suresh Kana

Lead independent director



Zarina Bassa

Independent non-executive director



Siobhan Cleary

Independent non-executive director



Faith Khanyile

Independent non-executive director



Ian Kirk

Independent non-executive director



Ben Kruger

Independent non-executive director



Dr Leila Fourie

*Executive director
(Group chief executive officer)*



Fawzia Suliman

*Executive director
(Group chief financial officer)*

Disclaimer

Many of the statements in this report constitute forward-looking statements. These are not guarantees or predictions of future performance. The information on which forward-looking statements were based was not audited. Like all businesses, the JSE faces risks and other factors outside of its control. This may lead to outcomes unforeseen by the Group. These are not reflected in the report.

Readers are cautioned not to place undue reliance on forward-looking statements.



Fred Schimmel



Executing the JSE's role

Business model

The JSE is licensed as an exchange, and JSE Clear is licensed as an independent clearing house.

Financial market infrastructures are key components of any financial system and are responsible for delivering services critical to the functioning of financial markets. The JSE is both a listings authority of the markets it operates and a commercial entity.

The need for financial markets

Exchanges and clearing houses are critical role players in a market economy, fostering economic growth and strengthening market integrity. As market infrastructures, they enable the efficient allocation of capital by providing platforms for raising capital and connecting buyers and sellers.

South Africa is a developing country with several socio-economic challenges:

- o Low growth, high unemployment and dire inequality.
- o High and increasing dependence on social welfare payments for income.
- o Increasing government debt and a growing account deficit.
- o Low domestic savings levels.

The solution to these challenges lies directly or indirectly in financing.

The JSE's role within financial markets

The JSE's statutory responsibility as a licensed financial market infrastructure is to ensure it:

- o Provides facilities for the listing of securities, including equities and debt instruments issued by domestic or foreign companies.
- o Provides the JSE's users with an orderly and secure marketplace for trading, clearing and settling transactions in its listed securities.
- o Regulates the listing of securities and the trading, clearing and settling of transactions in a fair, transparent and consistent manner.

The JSE provides a cost-effective, efficient, well-regulated and trusted platform for financial transactions to take place. This contributes to economic growth, enables value creation and alleviates South Africa's socio-economic challenges. The JSE actively promotes sustainable and transparent business practices and responsible investment, including:

- o Being a global thought leader in the field of governance and sustainability and providing guidance on related standards and disclosure.
- o Evolving and expanding our responsible investment product offering through indices, bonds and other initiatives.
- o Continually enhancing our regulatory regimes and disclosure requirements to ensure investors have sufficient information to make informed investment decisions.

The six capitals that allow us to fulfil our role



Financial capital

Financial resources are required to operate the business and support growth, expansion and innovation. Capital is obtained from sources such as JSE share capital and retained and reinvested profits.

Related performance is discussed on page 71.



Manufactured capital

As a technology-driven entity, our manufactured capital consists of IT systems and infrastructure used for securely processing transactions between buyers and sellers and processing analytical data to support our Information Services and regulating our Primary and Secondary Markets.

Related performance is discussed on page 114.



Intellectual capital

The JSE's brand includes the technologies and systems we developed, and the intellectual know-how needed to facilitate efficient and world-class markets. The JSE brand relies on technology delivery and positive relations with our stakeholders.

Related performance is discussed on page 114.



Human capital

The JSE requires competent, motivated and diverse employees with specialist skills in financial markets, technology, governance, risk and financial products trading.

Refer to page 98 and to our sustainability report.



Social and relationship capital

The JSE influences, regulates and interacts with a broad range of stakeholder groups to ensure we remain a trusted financial market infrastructure, and to enable value creation for South Africans.

Refer to our sustainability report.



Natural capital

We seek to influence issuers' sustainability practices and create products and markets which support wider sustainability initiatives. Therefore, we have a far greater impact than just our own environmental footprint.

Refer to our sustainability report.

JSE structures supporting our role as a financial market infrastructure

The Issuer Regulation division is the custodian of the Listings Requirements and responsible for their interpretation, application and enforcement.

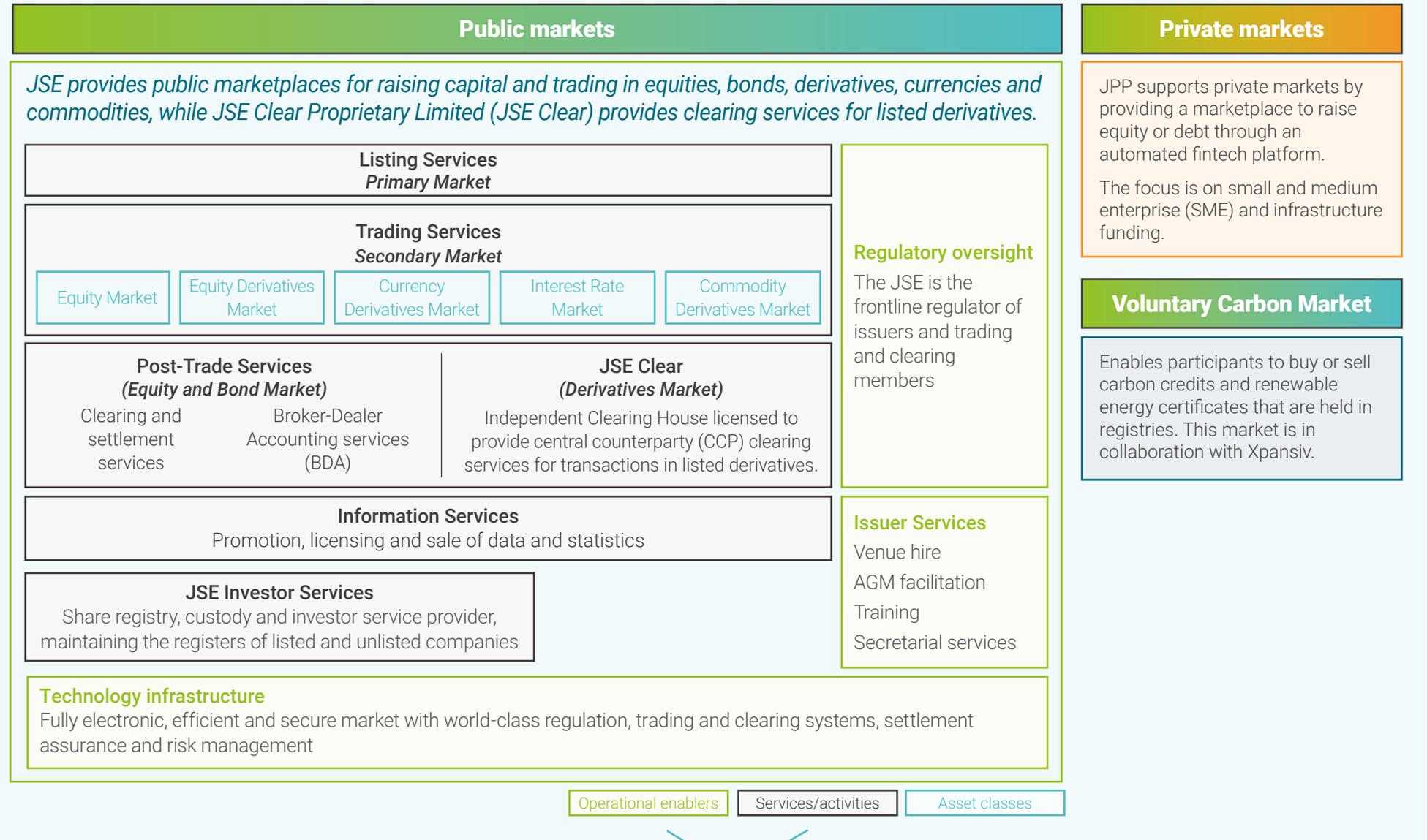
The Listings Requirements aim to ensure market participants have an orderly marketplace for trading in JSE-listed securities and to regulate the market accordingly.

Protecting investors (retail and institutional) is prioritised when setting regulatory standards, together with promoting investor confidence in the standards of disclosure and corporate governance.

The Market Regulation division is responsible for overseeing trading in the JSE's markets, with the primary aim of identifying potential market abuse, including insider trading and market manipulation.

The JSE does not have the power to investigate market abuse. The statutory powers to conduct market abuse investigations and initiate enforcement action are vested in the FSCA.

JSE markets and structures to deliver our products and services



Products and services we deliver

CAPITAL MARKETS (page 86)

Capital Markets operates the markets under the JSE's exchange licence.

38% contribution to Group revenue

How money is made

Fees are charged for the issuance of shares (listing of new shares) and for annual maintenance (annual listing fees). Listing fees for Specialist Securities include:

- o Once-off listing fee for warrants and structured products based on preselected "listing packages".
- o A fixed annual maintenance fee for exchange-traded notes (ETNs) and actively managed certificates (AMCs).
- o Asset backed securities (ABSs), exchange-traded funds (ETFs) and actively managed exchange-traded funds (AMETFs) are charged an annual listing fee based on a basis point, with a cap.

Sponsored depository receipts are charged on the same basis as an issuer of equity securities and do not incur additional listing fees. Unsponsored depository receipts' annual fees were waived until further notice.

Primary Market

Seeks new equity and debt listings on the JSE's Equity and Interest Rate Markets.

CAPITAL MARKETS *continued***Secondary Market**

Provides trading, colocation and market development services in the Equity, Bonds, Financial Derivatives and Commodity Derivatives Markets.

The Equity Market provides trading in equities. Products include primary and secondary-listed ordinary shares, preference shares, depository receipts, property entities like real estate investment trusts, special-purpose acquisition companies, warrants, structured products, ETFs and ETNs.

The Equity Derivatives Market includes index and single-stock futures and options, exotic futures and options, exchange-traded contracts for difference and other international derivative instruments.

The Currency Derivatives Market offers derivative instruments on a range of rand-linked currency pairs. These are broadly futures, options, and exotic options.

The Interest Rate Market provides cash bonds, floating rate notes, commercial paper and hybrid instruments, interest rate derivatives and a green bond segment. An electronic trading platform is available to primary dealers for execution and meeting primary dealer (National Treasury) obligations.

The Commodity Derivatives Market offers derivatives instruments on a range of physically settled soft commodities and cash-settled rand-denominated derivatives on various international benchmark commodities, including grains, energy, and metals.

How money is made

Trading fees are charged on a tiered and value traded basis.

The rental fee for colocation racks is charged across all markets, not just the Equity Market.

How money is made

A range of fee models based on the number of contracts traded, the market value of transactions or the value of the applicable index.

Currency Derivatives Market charges are based on the number of contracts traded.

The fee for on-screen trading is generally lower than for reported trades to promote on-screen trading. Some derivatives markets offer market-making incentives on specific contracts.

How money is made

In the Bond Market, a transactional charge is based on the nominal traded. There are two fee bands for lower-volume and higher-volume participants.

Transactions on exchange traded products (ETP) are charged at a flat fee per million with no tiering. There is an additional pass-through fee for Strate (settlement).

The Interest Rate Derivatives Market charges are based on the number of contracts traded (with the exception of bond index futures and options, which are charged based on value traded).

How money is made

Transactional fees, based on a flat fee per contract traded, flat fee per contract physically delivered and a sliding scale fee model based on the number of contracts traded.

The fee for on-screen trading is normally lower than that of reported trades to promote on-screen trading. Some derivatives markets offer market-making incentive on specific contracts.

POST-TRADE SERVICES (page 91) **34%** contribution to Group revenue (this includes clearing and settlement fees, BDA fees and funds under management revenue)

Responsible for the risk management, clearing and settlement assurance of markets operated by the JSE. The JSE acts as the settlement authority for the exchange-traded Equity Market.

The BDA for the Equity Market provides the JSE with surveillance capabilities, allowing it to see certain transactions at the client level in real-time. Equity members use the system, which keeps the securities records and books of individual broking firms and their clients. The system enables the JSE to provide settlement assurance for central order book equity transactions.

How money is made

A clearing and settlement fee (a value-based charge) is levied on equity trades with a maximum fee per transaction leg.

BDA revenues are somewhat linked to the number of equity transactions that take place on the Equity Market. BDA transaction fees are mostly charged on a per BDA transaction basis, while connectivity, subscription and dissemination fees are charged separately.

A management fee for funds under management for JSE Trustees, which includes margin payments and default fund contributions, is charged.

JSE CLEAR¹ (page 91) **4%** contribution to Group revenue

JSE Clear is the clearing house for the exchange-traded Derivatives Market (via the CCP). It takes the necessary and appropriate steps to clear and risk manage transactions in securities listed on the JSE's Derivatives markets (including Equity, Interest Rate, Commodity and Currency Derivatives).

JSE Clear executes the daily operations of these markets and ensures all activities required to facilitate the daily clearing and settlement of derivatives trades and positions are performed. Settlement of derivatives transactions are done between JSE Clear and clearing members and include margins, fees, dividend payments and other components.

JSE Clear implemented a new service to accept government bonds as margin collateral, in addition to cash. This provides benefit to investors who can use their cash for other, more profitable purposes rather than having it tied up as CCP collateral.

How money is made

In addition to the collection of a standard membership fee, JSE Clear charges a fee for clearing services in the Derivatives Markets. A risk management fee is derived based on the initial margin held in cash for derivatives transactions (a percentage of the interest earned on the investment of the margin) and for the securities collateral as a percentage of the value of securities pledged as initial margin.

INFORMATION SERVICES (page 94) **17%** contribution to Group revenue

Governs, manages and provides market data, reference data, corporate actions, client data, indices, valuations, business intelligence, statistics and analytics. Information Services is responsible for the promotion, licensing and sale of all JSE information products and services across all JSE markets.

How money is made

Selling data products and licensing the distribution and use of these data products. Licensing fees include end-user terminal fees, display and non-display usage fees and fees for other use cases based on the value derived passively tracking products on indices. Data products and licences are billed in either rands or US dollars.

¹ Started operating as an Independent Clearing House in January 2023. It is the unbundling of derivative fees which was previously accounted for in the Capital Markets division.

JIS (page 96)

7% contribution to Group revenue

Provides transfer secretarial services to issuers, including share register maintenance, issuer communication, the handling of corporate actions, share scheme management, administration and financial management, shareholder analytics, and a central securities depository participant offering.

How money is made

Charges fees for:

- o Registry services and share plan administration.
- o Corporate actions.
- o Shareholder analytics, financial management for trusts, asset reunification and directors' board apps.

JIS also generates revenue from margin income. JIS holds funds for dividend distribution on behalf of issuers and earns margin on the funds held.

JPP (page 86)

Revenue contribution in the start-up phase

Supports private markets by providing a marketplace to raise equity or debt through an automated fintech platform.

How money is made

Raising capital has a sliding scale pricing per deal placed on the JPP platform. Investors have a zero cost joining fee.

**VOLUNTARY CARBON
MARKET** (page 86)

Revenue contribution in the start-up phase

Enables participants to buy or sell carbon credits and renewable energy certificates that are held in registries.

How money is made

The JSE charges a fee based on trading volumes and earns revenue by introducing new projects to the platform. JSE earns revenue based on a revenue share agreement with Xpansiv.

ISSUER SERVICES

Revenue contribution is less than 1% of Group revenue

Provides the following services for our listed companies:

- o Venue hire for corporate events.
- o The JSE Training Academy provides training, including Listings Requirements and corporate governance training.
- o AGM facilitation, which includes proxy solicitation, electronic voting, and minute-taking services.
- o ShareHub, a centralised communication platform, assists issuers in communicating with their shareholders.

How money is made

Charges a fee for these services.

Factors impacting our ability to deliver on our role

The JSE seeks to maintain an appropriate balance between the regulation of its markets and the pursuit of shareholder returns in discharging our responsibilities as a financial market infrastructure and pursuing our strategic objectives as a commercial entity. The JSE aims to balance the interests of stakeholders, particularly in relation to:

- o Achieving efficiencies for clients.
- o Optimising shareholder value.
- o Reinvesting internally in people and technology.

This means balancing prices to clients, dividends to shareholders and rewards to employees. We must use our inputs responsibly and manage certain key dependencies and resource constraints while delivering our products and services.

We have practices, norms and procedures that contribute to the responsible management of our business. This includes providing reliable and scalable technology platforms for our users, maintaining rigorous operating protocols, ensuring the integrity and security of Group and customer information, remaining compliant with financial market legislation and regulations, and adhering to rulings issued by our regulators.

Our material inputs and requirements for delivering products and services are:

- o Financial resources to operate the business and support growth, expansion and innovation.
- o Technology that enables the delivery of products and services in a secure and stable environment.
- o Clients who view the JSE and South Africa as an investment destination of choice.
- o Skilled employees who can deliver on the JSE's strategy.

There is a close correlation between the JSE's material matters and what we require to deliver our products and services and related dependencies and constraints.

Key dependencies and resource constraints

Economic environment and healthy markets

We need an economic environment that is conducive to Capital Market activity, a licence to operate a market infrastructure and the participation of a range of clients (issuers and the broader investor community). Our viability depends on a healthy Primary Market where the JSE is an attractive venue for raising capital. The liquidity and quality of our Secondary Market trading directly impact our financial performance.

In South Africa, idiosyncratic factors have continued to weigh on financial markets' resilience and overall economic growth prospects. These include insufficient and unreliable energy supply, deteriorating public infrastructure, Financial Action Task Force (FATF) greylisting, foreign policy risk, etc.

These risk events (and near-events) have impacted sentiment and resulted in increased foreign outflows and shifts in liquidity. Refer to the operating context section on page 42 for more detail.

Regulatory environment

There has been a push to enhance governance around assets following the collapse of several banks. An evolving regulatory environment is contributing to the high cost of compliance and uncertainty. Refer to the operating context section on page 42 for more detail.

Technology delivery

Technology is considered a primary lever to achieve several business objectives and drive innovation and efficiencies. In addition, the JSE maintains a robust technology infrastructure that serves as the backbone for various business functions. The successful implementation of technology projects requires extensive collaboration from external stakeholders. Our complex operating ecosystem and dependency on third parties, such as technology vendors and clients, can impact strategic project execution and delay the time to market for technology solutions. Refer to the technology section on page 114 for more detail.

Specialised skills

The need to attract, retain and motivate critical skills will always be a key dependency for the JSE. Each division has its unique critical skills requirement, this includes scarce and specialised skills in regulation, operations, technology and futuristic thinking, among others. The JSE evaluates what skills are best to have embedded in-house and where it is preferable to work with specialised business partners to secure scarce outsourced skills. The JSE also needs to consider capacity constraints while leveraging the existing teams to run both core projects within the existing business, and new initiatives. Refer to the human capital section on page 98 for more detail.

Material matters

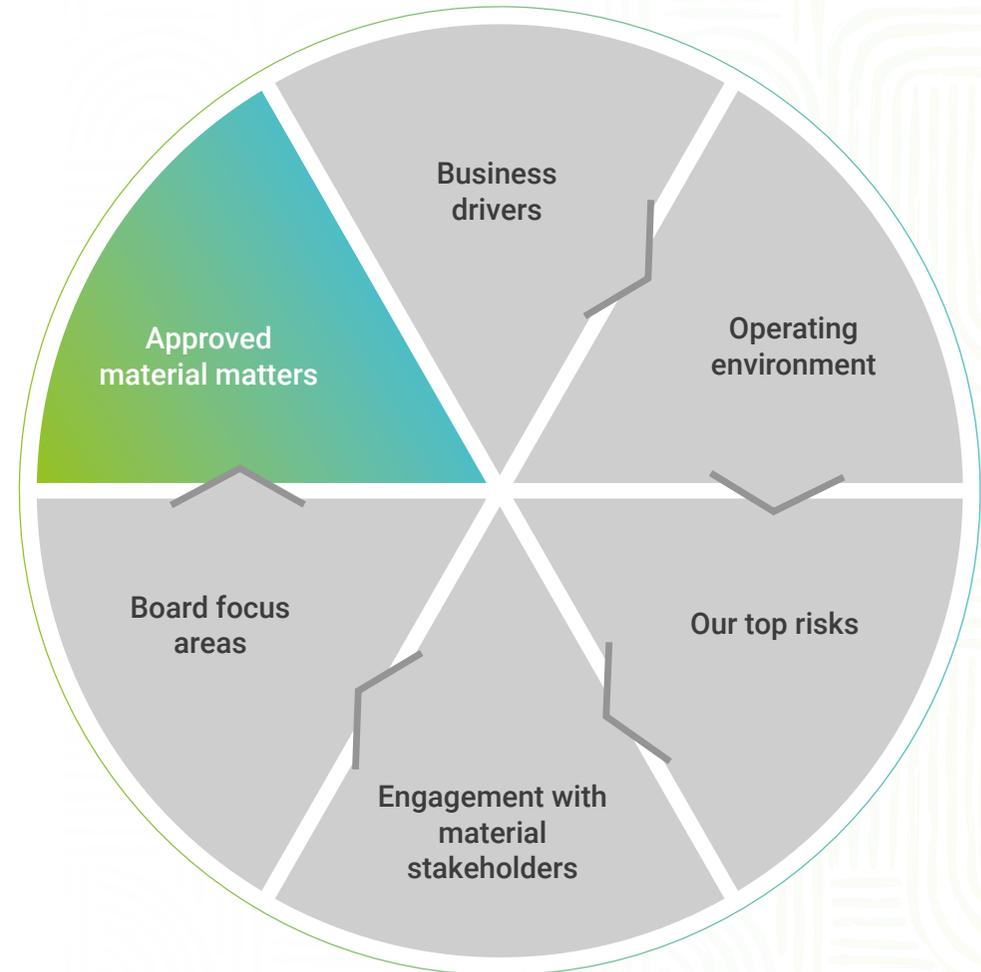
Our material matters shape our Group strategy and serve as a filter for determining the material information included in this report.

The JSE revisits material matters annually in the fourth quarter of the year. The material matters are workshopped by senior management and approved by the Board. This process considers various inputs as illustrated in the accompanying graphic.

Our material matters are similar to last year, with some enhancements to the definitions to reflect changes in our context and provide clarity. We have also shown how they relate to our top risks, capitals (page 7) and strategic pillars (page 59).

Sustainability is a broad domain with various environmental, social and governance (ESG) elements. The JSE considered these elements when evaluating its material matters, both from our role as an Exchange and how we address these as a business. Accordingly, there is no separate material matter related to sustainability as the ESG issues are addressed where relevant throughout our material matters.

Transformation and socio-economic advancement is not a material matter as it is part of the JSE's approach to business and is enshrined in its mission, purpose and strategy to create a diverse Group over time to support value creation. Refer to the JSE's strategy and the transformation chapter (page 110).



Level of our control over the matter

H high **M** medium **L** low

Change in level of impact since 2022

Increased impact **▲** Unchanged impact **▶**

1. Attractiveness of the JSE as a capital-raising and investment platform

The JSE's sustainability depends on a healthy Primary Market where the Exchange is seen as an attractive destination for raising capital in both public and private markets. Perceptions about the Exchange's attractiveness are impacted by:

- o The global context within which the Exchange operates.
- o The South African macro-economic environment and the prolonged economic stagnation.
- o The South African political environment. Additionally, markets with high listings activity typically have supportive policies.
- o The demand for non-traditional asset classes and the need to raise capital while remaining a private entity.
- o The Exchange's ability as an SRO to provide and oversee an effective regulatory environment, ensuring regulatory requirements add value and create an enabling environment for new and existing listings.
- o The JSE's compliance to laws and regulations.
- o The JSE's approach to ESG matters through its:
 - » Guidance to local markets, including the JSE's voluntary Sustainability and Climate Change Disclosure Guidance.
 - » Product offering by providing the tools and services that facilitate responsible investing.
 - » Advocacy role, including using our central role as connector to facilitate engagement and advocacy in relation to sustainability.
- o South Africa's high local market concentration in terms of its liquidity in its top listed stocks and its high reliance on its institutional investor base.

Related risks

- o Business sustainability risk.
- o Business agility risk.

Related capitals

- o Financial capital.
- o Intellectual capital.
- o Social and relationship capital.
- o Natural capital.

Related strategic pillars

- o Protect our core business.
- o Transform our business.
- o Partner for a sustainable marketplace.
- o Generate sustainable, high-quality earnings.

2. Level of trading activity

The value and number of transactions directly impact financial performance. The level of trading activity and market quality are assessed through measuring liquidity, transparency, price discovery and transaction costs, among others. Trading activity is impacted by:

- o The local and global macro-economic environment and the geopolitical challenges. The South African market is also highly event driven, impacting volatility.
- o The influence of the South African political environment and fiscal stability.
- o Changes in regulation that allow institutional investors to invest more offshore.
- o Emerging markets sentiment and our relevance in financial markets.
- o Most trading activities take place in a limited number of shares, and there is a limited number of buy- and sell-side participants. In addition, the JSE has a high concentration in equities revenue.

Related risks

- o Business sustainability risk.

Related capitals

- o Financial capital.

Related strategic pillars

- o Transform our business.
- o Partner for a sustainable marketplace.
- o Generate sustainable, high-quality earnings.

3. Operational availability and stability

The JSE's ability to operate trusted markets depends on its ability to provide a reliable, stable and secure trading and clearing environment that is competitive and meets its clients' requirements. The reliability, effectiveness and efficiency of systems, processes, controls and employees have a direct impact (positive or negative) on the JSE's reputation and earnings.

The JSE's complex operating ecosystem and dependency on third parties can impact strategic project execution, or the speed thereof. These include the escalating power disruptions within South Africa.

Related risks

- o Technology risk.
- o Cybersecurity risk.
- o Talent risk
- o Operational vulnerability risk.

Related capitals

- o Financial capital.
- o Manufactured capital.
- o Intellectual capital.
- o Human capital.

Related strategic pillars

- o Protect our core business.
- o Partner for a sustainable marketplace.
- o Generate sustainable, high-quality earnings.

4. Ability to use technology to provide innovative solutions

Future value creation is impacted by the extent to which the JSE can be nimble and agile in adopting or deploying new technology that is cost-effective and aligns with clients' requirements and market technological trends. The interdependency with key stakeholders, including suppliers and clients, impacts the JSE's ability to deliver these solutions and their time to market.

Related risks

- o Business agility risk.
- o Technology risk.

Related capitals

- o Financial capital.
- o Manufactured capital.
- o Social licence and relationships.

Related strategic pillars

- o Protect and grow our core business.
- o Transform our business.
- o Generate sustainable, high-quality earnings.



6. Robust trade execution, clearing and settlement for all transactions

The trust and integrity of our markets rely partly on the JSE's ability to ensure efficient, timeous and accurate execution, clearing and settlement for all transactions. This also requires alignment with international best practice.

The JSE's systems and processes must ensure that all markets have robust technology for the execution of transactions. The JSE must provide settlement assurance for trades executed on the central order book, as governed through its rule book. JSE Clear must ensure all transactions in listed derivatives and listed cash bond securities are settled. JSE Clear needs to clear and risk manage transactions in securities listed on the JSE's Derivatives, Interest Rate, and Currency markets.

Related risks

- o Technology risk.
- o Cybersecurity risk.
- o Operational vulnerability risk.

Related capitals

- o Financial capital.
- o Manufactured capital.

Related strategic pillars

- o Protect and grow our core business.
- o Generate sustainable, high-quality earnings.



5. Attractiveness of the JSE as an employer

The JSE needs to attract, retain and develop a motivated, skilled and diverse workforce that is suited to its current and future needs. This includes scarce and specialised skills in regulation, operations, technology and futuristic thinking. Being an attractive employer requires progressive policies and a dynamic employee value proposition considering the evolving work landscape.

Related risks

- o Talent risk.
- o Operational vulnerability.

Related capitals

- o Financial capital.
- o Intellectual capital.
- o Human capital.
- o Social and relationship capital.

Related strategic pillars

- o Partner for a sustainable marketplace.
- o Generate sustainable, high-quality earnings.



7. Competition and disruptors

The JSE faces local and global competition as an investment destination and competes against organisations that provide alternative capital-raising, trading, clearing or settlement platforms and data functions.

The traditional stock exchange business lines are impacted by technological and behavioural disruption and changes in regulation, including changes in the ESG landscape.

Related risks

- o Business sustainability risk.

Related capitals

- o Financial capital.
- o Social and relationship capital.
- o Natural capital.

Related strategic pillars

- o Protect our core business.
- o Transform our business.
- o Generate sustainable, high-quality earnings.



Level of our control over the matter Change in level of impact since 2022

H high
 M medium
 L low
 Increased impact ▲
 Unchanged impact ▶

Governance oversight

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Chairman's review

Board of directors



Edoardo Villa





“ Tomorrow’s exchanges will be characterised by new revenue streams and smarter, leaner operations. Technology, both back-end and client-facing, is central to realising this future, as are new types of services, products and platforms. ”

Phuthuma Nhleko

Chairman’s review

The global exchange industry is undergoing a difficult and transformational period and the JSE is no exception. Exchanges operate in an environment that is currently not conducive to initial public offerings, and the market is highly competitive in the area of investment flows and trading activities. Yet, there are still opportunities to prosper. Exchanges tend to attract highly experienced and skilled executive capacity in the financial services sector, representing a depth of experience in a plethora of areas, including issuing, investing and regulation.

There are new ways to think about our role as a platform for raising capital. We see many exciting avenues for growth, whether in packaging our market data in new ways, securing funding for SMEs through private placements, assisting issuers to identify and locate missing shareholders, or developing a local carbon market.

While the JSE faces the challenges typical of an exchange, our prospects and performance is symbiotic with and is impacted by South Africa's overall economic prospects. South Africa experienced a difficult 2023 with continued low economic growth and a strained economic macroeconomic environment. The country

continues to be weighed down by persistent high unemployment, inequality and extreme levels of poverty, a weak and volatile currency, and deteriorating infrastructure and a lack of full accountability by some vital institutions. Our SOEs require substantial investment to maintain existing infrastructure and construct new infrastructure, including new energy generation and transmission. This funding is increasingly difficult to access.

We hope to make a contribution in resolving these national challenges by facilitating and convening forums for increased dialogue between the public and private sectors and by working with the government, state-owned entities and government agencies to develop financing instruments to assist with tapping long-term capital.

We consider entrepreneurship as a important contributor to economic growth. To this end, we have undertaken several initiatives to support entrepreneurs. With JPP we are helping to channel much needed financing and capital into the SME sector.

In addition, we remain a leader in sustainability, helping to guide our issuers on how to address sustainability risks and opportunities in their strategies and disclosures. This includes the risk of climate change, which is one of the existential crises of our time and is already apparent in South Africa's changing weather conditions.

We continue to promote the JSE and South Africa as an investment destination through our international roadshows, such as the SA Tomorrow events held in Hong Kong, Shanghai and New York during 2023. There is still strong international investor interest in South Africa. These investors are concerned about South Africa's policies and the pace of regulatory reform, including regulation around the ease of exiting South Africa. Here, we are providing input to our regulators on how to create an enabling environment for foreign investment.

This year we commemorate 30 years of democracy. We call on South Africans to participate in the upcoming elections. Our political representatives are responsible for key decisions and policies that have far-reaching consequences for the country. We need to be active citizens and play a role in shaping the future of our country.

Solid delivery against our strategy

Vision 2026 sets out our ambition to position the JSE as a well-diversified exchange group with sustainable high-quality earnings by end 2026, while ensuring our continued relevance as a marketplace for capital formation.

In plotting this course, we are focussing on enhancing our core businesses while pursuing specific opportunities that offer a clear growth story and that lever our strong capabilities.

The Group has made good progress in 2023 against these long-term goals. Our core businesses remain resilient despite the challenging environment, and our information services and investor services businesses have delivered solid growth on the back of management focus and investment. Despite this progress, there is a longer than anticipated lag time to realising the top line growth in our private placements business, although we recognise the start-up nature of this private markets' initiative. We anticipate a similar trajectory for our new carbon markets business. These are building blocks in our longer-term revenue diversification strategy and the Board, working through the Group Investments Committee, will

exercise careful oversight on progress. The Board and executive management are taking a disciplined approach to pursuing new initiatives, acknowledging the opportunity cost of undertaking too many activities.

A key test of our strategy is the continued growth of our non-trading income (including margin income) which now contributes 36.8% of total operating income. This is certainly indicative of our strategic intent, having increased from 29% of total income in 2019.

The Group is well positioned for future growth despite an uncertain macro-economic environment. We will continue to invest in our diversification drive and operational excellence and resiliency.

The JSE's solid performance reflects the quality of our earnings and the resilience of our operating platforms within a challenging trading environment. I am pleased to report that despite lower trading activity in the equity market, the JSE has reported growth of 6.9% in operating income to R2.9 billion. This performance was supported by diversification across asset classes and by our focus on expanding non-trading revenues lines. Higher interest rates have supported growth in net finance income.

This translates into an 11% increase in net profit after tax (NPAT) to R831 million (2022: R749 million), with headline earnings per share (HEPS) increasing by 12.2% over the prior year. Our return on equity continues to trend positively to 19.4% from 17.8% in 2022.

The Group remains cash generative and continues to maintain a robust balance sheet. To meet regulatory capital requirements, the Group holds R987.7 million in cash / near cash which is classified as non-distributable. A further R480.8 million is held in investor protection and other funds. Net available cash amounts to R1.09 billion, which is earmarked for capital expenditure, distributions to shareholders by way of dividends, working capital and investments.

The strong level of earnings has enabled the Board to declare an ordinary dividend of 784 cents per share for 2023, which equates to an ordinary dividend pay-out ratio of 82% (2022: 89%) and a distribution to shareholders of R681 million (2022: R668 million). These results demonstrate the value of our investment strategy and provide momentum for future growth.

Board strategic priorities for 2024

As strategy evolves in 2024, the Board will focus on overseeing the following:

1. Delivering on our strategic ambitions through organic revenue diversification, especially within Information Services, and via our inorganic growth strategy.
2. Progressing our technology strategy.
3. Pursuing partnerships and strategic alliances.
4. Focussing on Board renewal and executive talent management and succession.

Growth, innovation and efficiency through technology

Global exchanges continue to invest in technologies to support high-frequency trading, colocation venues and direct market access. In addition, exchanges are increasingly automating non-trading operations as part of a larger digital transformation drive to increase efficiency and improve the client experience.

Primary responsibility for overseeing our technology governance rests with the Board's GRMC. In addition to the standing agenda items of reviewing operational IT performance, technology project implementation and information security readiness, GRMC has also been deeply engaged throughout 2023 in examining a refreshed technology strategy for the JSE. This includes evaluating whether we have suitable technology skills, are investing in the right areas and are progressing at the appropriate rate. We know that cloud, digitisation and data analytics will be critical components of our digital migration journey, and these elements feature prominently in the refreshed technology strategy.

The Board has been an active participant in these discussions on technology, convening in May and December 2023 to interrogate management's technology proposals. We are taking a cautious and gradualist approach to the investment in technology, given that these investments are our largest items of capital expenditure. At the December 2023 session, the Board approved a proof-of-concept for the modernisation of the BDA platform and is looking forward to evaluating the outcome of this exercise in Q3 2024 before making a further capital commitment to the BDA modernisation project.

The Board is involved in approving technology decisions, challenging management and ensuring we invest prudently in the right technologies and projects.

Appreciation

The past year has been an eventful and busy year for the Board. I am grateful to my fellow directors for maintaining a collegiate and collaborative atmosphere, and for the insights and wise counsel shared as we navigated the challenges of 2023.

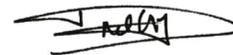
At the AGM held in May 2023, Mantsika Matooane retired from the Board after serving diligently for a ten-year term. The Board and I are grateful for her contribution to the JSE during the past decade.

In January 2024, we bid farewell to Nolitha Fakude, who retired from the Board and stepped down as the Chairman of the Group Remuneration Committee. On behalf of the Board, I would like to express our sincere appreciation for her contributions as a seasoned director over the past six years, and especially her deft leadership of Group Remco.

I also extend our thanks to our Group CEO, Leila Fourie, and her executive team for the excellent progress made in delivering on our strategic initiatives in 2023. We look forward to building on this foundation in 2024.

On behalf of the Board, I thank our employees for their dedication and professionalism during what has been another demanding year.

We have a privileged position at the heart of South Africa's capital markets which positions us well to continue delivering on our vision of growing shared prosperity.



Phuthuma Nhleko
Chairman

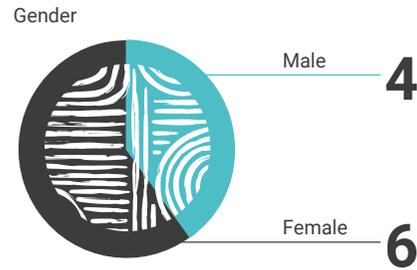
Board of Directors

Driving sustained value creation through ethical and effective leadership.

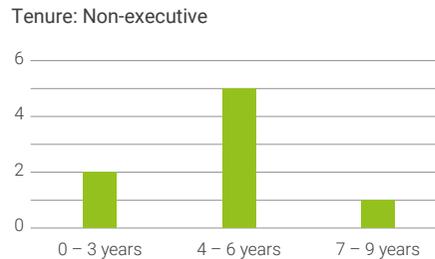
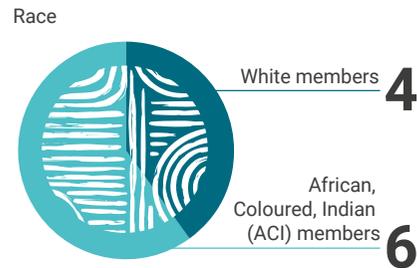
Board ethos: The business of the Group is subject to the independent oversight of the Board of directors of JSE Limited. The Board is structured on a unitary basis and comprises a majority of independent non-executive directors, with a clear differentiation of roles between the Chairman (an independent non-executive director) and the Group chief executive officer (an executive director), who leads the day-to-day business of the Group.

This separation of responsibilities is designed to ensure no single person has unfettered decision-making powers and that an appropriate balance of power and authority exists on the Board.

Board composition



Nationality: All South African



JSE policy:

Independence: the Board assesses the independence of directors annually on a holistic basis according to the criteria in the Companies Act and King Code, and for 2023 considers all the non-executive directors to be independent.

Retirement: no fixed retirement age applies to non-executive directors.

Tenure: non-executive directors may serve for a maximum term of nine years and must retire at the AGM that follows their nine-year term.

Rotation: all directors (including executive directors) are subject to retirement by rotation at least once every three years, and if eligible, may stand for re-election to the Board.

Diversity: the Board strives to ensure that over time at least 50% of its members are female and 67% are ACI, and that culture, age, field of knowledge, skills and experience are all formally taken into account when considering appointments to the Board.

Age
Youngest director: 50 years **Average age: 59** **Oldest director: 68**





Back row: Siobhan Cleary, Zarina Bassa, Ian Kirk, Faith Khanyile, Ben Kruger, Nolitha Fakude

Front row: Suresh Kana, Phuthuma Nhleko, Leila Fourie, Fawzia Suliman

Integrity, competence, responsibility, accountability, fairness and transparency are the key pillars of ethical and effective leadership.

Independent non-executive directors (INED)



Mr Phuthuma Nhleko (63)

Independent non-executive chairman



BSc Civil Engineering; MBA

Key strengths

Proven executive leadership at multinational level
Strategic planning and execution
Telecoms and technology | Finance | Risk | Business Transformation | M&A |
Capital markets

Key contribution to the Board: Phuthuma has helped to shape a fresh strategic direction for the JSE, encouraging the pursuit of an inorganic growth strategy with a renewed focus on opportunities in the rest of the African continent. As Board Chairman, he has sought to elevate the strategic debates and has encouraged executive management to consider new business models that will position the JSE for future success. Phuthuma has also championed the need to re-examine the JSE's technology and digital strategies which are at early stage of being refreshed. He continues to lead the on-going Board renewal programme as Chairman of the Group Nominations & Governance Committee.

Appointed to the Board in July 2021

Appointed Chairman 3 May 2022

Tenure as director: 2 years

Board attendance: 7/8¹

Board Committee attendance: 11/11²

Invitee to all other Board Committee meetings



Dr Suresh Kana (69)

Lead independent director



BCom; BCompt (Hons); MCom; CA(SA); CD(SA); PhD (Hon)

Key strengths

Proven executive / CEO leadership of one of the big 4 accounting firms.
Extensive experience as a non-executive director and lead independent director.
Accounting & auditing | Finance & financial reporting | Corporate governance | Risk
management | Regulatory compliance | Sustainability & transformation | Strategy

Key contribution to the Board: Suresh leads both the Group Audit and Group Sustainability Committees. In these roles he provides the Board with expert advice and leadership on financial reporting, accounting, auditing, regulation as well as global sustainability trends and disclosures. He has been instrumental in encouraging executive management to implement key controls to enhance the Group's overall control environment, with enhanced oversight and improvements in the automation of internal financial controls. Suresh has championed a convergence of the JSE's voluntary Sustainability Disclosure Guidance with emerging international standards. He offers critical insights on the JSE's investment funds, in his role at the Group Investment Committee, and as Lead independent director and member of the Group Nominations & Governance Committee, helps to shape the Board's on-going renewal programme.

Appointed to the Board in July 2015

Tenure as director: 8 years

Board attendance: 8/8¹

Board Committee attendance: 18/18^{2,3}

¹ Includes scheduled board meetings, director development sessions, bilateral meetings with the Prudential Authority and annual board strategy session.

² Includes all Board Committee meetings where director is a member of the Committee.

³ Includes all Board Committee meetings where director is a standing invitee.

Detailed biography in governance & remuneration report 2023.

Biographical details are correct as at 31 December 2023.

Committees

● GAC – Group Audit Committee ● GRMC – Group Risk Management Committee ● GIC – Group Investment Committee ● C – Chairman of Committee ● I – Invitee
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Ms Zarina Bassa (59)

Independent non-executive director

BAcc; DipAcc; CA(SA)

Key strengths

Proven executive/Executive director – banking/Partner one of the Big 4 accounting firms.
 Extensive experience as non-executive director
 Accounting and auditing | Banking and financial services | Corporate governance | Financial reporting | Risk management | Regulatory compliance

Key contribution to the Board: Zarina has extensive strategic and operational experience in banking and financial services, as well as within audit and advisory services. This background affords Zarina the opportunity to bring important audit, risk and regulatory insights to Board discussions. Zarina leads the Group's SRO Oversight Committee responsible for the independent oversight of the JSE's regulatory functions and of JSE Clear's compliance function. In this role she ensures that any conflicts of interest between the JSE's commercial and regulatory functions are identified, declared, and managed appropriately. Zarina has challenged management to think creatively about the JSE's business model and the Group's cost structure, and to continue enhancing the internal financial control environment.

Appointed to the Board in November 2018

Tenure as director: 5 years

Board attendance: 7/8¹

Board Committee attendance: 8/8²



Ms Siobhan Cleary (50)

Independent non-executive director

BA LLB; MA; MBA; MSC; Fellowship (Yale World Fellows Programme)

Key strengths

Strategy development and execution
 Sustainability | Regulation & compliance | Corporate governance | Capital markets

Key contribution to the Board: Siobhan offers the Board specialist knowledge and wide experience in ESG matters and sustainability reporting. She has been instrumental in providing guidance and recommendations on the way forward for the JSE's voluntary Sustainability Disclosure Guidance. As a former exchange executive, Siobhan brings to the Board a deep understanding of global developments impacting exchange strategy. In her role on the Group SRO Oversight Committee, Siobhan draws on her experience as a former executive at the World Federation of Exchanges, sharing insights on regulatory developments impacting exchanges and capital markets.

Appointed to the Board in February 2020

Tenure as director: 4 years

Board attendance: 8/8¹

Board Committee attendance: 5/5²



¹ Includes scheduled board meetings, director development sessions, bilateral meetings with the Prudential Authority and annual board strategy session.

² Includes all Board Committee meetings where director is a member of the Committee.

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Ms Nolitha Fakude (59)

Independent non-executive director



BA (Hons); EDP

Key strengths

Proven executive / Mining, Chemicals & Energy
 Extensive experience as non-executive director
 Corporate governance | Human resources | Transformation | Leadership |
 Strategy | Sustainability | Regulatory compliance

Key contribution to the Board: Nolitha joined the Board in 2017 and has brought her wide experience and insights in strategy, transformation and sustainability to Board discussions. She has served as Chairman of the Group Remuneration Committee since 2018 and has overseen an overhaul of the Group's remuneration philosophy, policies and approach over that time. Nolitha has been instrumental in introducing a balanced scorecard to drive annual corporate performance and incentives as well as a new discretionary bonus model. She has also shifted the emphasis to long-term equity rewards rather than increasing short-term pay. In her role as Group Remco Chairman, she has formalised the annual discussions on executive and management talent development and succession. Nolitha retired from the Board in January 2024, handing over the chairmanship of Group Remco to Faith Khanyile as part of a planned succession process.

Appointed to the Board in November 2017

Tenure as director: 6 years

Board attendance: 7/8¹

Board Committee attendance: 4/4²



Ms Faith Khanyile (56)

Independent non-executive director



BA (Hons); MBA; HDip Tax; PhD (Hon)

Key strengths

Proven executive / CEO leadership
 Strategic planning and execution
 Finance | Transformation | M&A | ESG | Human Resources | Capital markets

Key contribution to the Board: Faith has been an active contributor to the JSE's transformation and ESG initiatives, encouraging management to prioritise gender equality and to think holistically about talent development and the retention of emerging talent from disadvantaged sectors. She has championed both the SME initiative and the need to increase the JSE's procurement from woman-owned and micro enterprises. Faith assumed the chairmanship of the Group Remuneration Committee, effective from 5 January 2024, having joined the committee in March 2023 as part of a planned succession process. One of her first contributions has been to place greater emphasis on financial performance by management by increasing the weightings of the financial metrics in the annual corporate scorecard and long-term incentive scheme.

Appointed to the Board in November 2018

Tenure as director: 5 years

Board attendance: 8/8¹

Board Committee attendance: 12/12²

¹ Includes scheduled board meetings, director development sessions, bilateral meetings with the Prudential Authority and annual board strategy session.

² Includes all Board Committee meetings where director is a member of the Committee.

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**Mr Ian Kirk (65)****Independent non-executive director**

H.Dip BDP; FCA; CA(SA)

Key strengths

Proven executive / CEO leadership of complex insurance group
Strategic planning and execution
Insurance & risk management | Corporate Finance | Capital markets | M&A |
Human Resources

Key contribution to the Board: Ian leads the Group's Risk Management Committee, and during 2023 has been instrumental in elevating the Board discussions on the JSE's future technology strategy, with the proof-of-concept phase of the BDA Modernisation project being approved by the Board in November 2023. Ian also brings a rigorous, analytical approach to the Board discussions on M&A growth opportunities in his role on the Group Investment Committee. As a member of the Group Remuneration Committee, he applies a similar emphasis on the delivery of robust financial performance when evaluating compensation outcomes.

Appointed to the Board in October 2020**Tenure as director:** 3 years**Board attendance:** 8/8¹**Board Committee attendance:** 11/11²

¹ Includes scheduled board meetings, director development sessions, bilateral meetings with the Prudential Authority and annual board strategy session.

² Includes all Board Committee meetings where director is a member of the Committee.

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**Mr Ben Kruger (64)****Independent non-executive director**

BCom Accounting (Hons); CA(SA); AMP

Key strengths

Proven executive / CEO leadership of complex multi-jurisdictional banking group
Strategic planning and execution
Banking & Corporate Finance | M&A | Risk management | Capital markets |
Human Resources

Key contribution to the Board: Ben serves on four Board Committee, with a wide-ranging contribution that draws on his extensive career in banking. He leads the Group's Investment Committee and has provided the Board with critical insights on capital allocation and the evaluation of potential M&A opportunities. Ben contributes extensively on risk matters, and in his role on the Group Risk Management Committee, has challenged management to think critically about the Group's future technology strategy as well as to continually enhance IT security. On remuneration matters he continues to champion a more robust pay for performance model that accounts for risk while seeking to retain top talent. As a member of the Group's Nominations & Governance Committee, Ben has actively shaped the on-going renewal programme for the Board to ensure continuity of experience and skills.

Appointed to the Board in June 2018**Tenure as director:** 5 years**Board attendance:** 8/8¹**Board Committee attendance:** 14/14²**Changes to the Board in 2023****Dr Mantsika Matookane (48)****Independent non-executive**

Retired effective 9 May 2023

Executive directors



Dr Leila Fourie (55)

Group chief executive officer



BA (Hons); MCom; PhD

Key strengths

Finance | Sustainability | Human Resources | Securities Trading | Regulatory Compliance | Risk and Insurance | Capital Markets and Banking
Present/Past CEO/COO

Key contribution to the Board: Leila has been very instrumental in shaping and evolving the JSE's Group strategy ensuring that, while it protects our core business, it also transforms the business to enable a diversified and sustainable exchange. As the Group CEO she has overseen the delivery of strong operation performance where investments in system resilience and improvements in internal processes, has resulted in a significant reduction in down-time and system failures. Under her leadership the JSE has achieved an all-time high client engagement score influenced by her deliberate and active engagement with clients at executive level. She has been key in driving the JSE's ESG initiatives while promoting sustainability interventions for local capital markets and wider society. Leila has ensured that executive management sets the tone from the top by building a corporate culture that promotes diversity, equity and inclusion as well as individual accountability for delivery.

Appointed to the Board in October 2019

Appointed Group CEO in October 2019

Tenure as director: 4 years

Board Attendance: 8/8¹

Board committee attendance: 20/20^{2,3}

Attends Group SRO Oversight Committee meetings at the invitation of the committee chairman when required.



Ms Fawzia Suliman (52)

Group chief financial officer



BComm; BAcc ; CA(SA)

Key strengths

Accounting and Auditing | Finance | Human Resources | Securities Trading | Regulatory Compliance | Risk and Insurance | Capital Markets and Banking
Present/Past CEO/COO

Key contribution to the Board: In her first year as Group CFO, Fawzia has driven diversified revenue growth and delivered record revenue. She has been instrumental in ensuring that key Board concerns around effective cost management are at the forefront of the executive management and has driven our Finance enhancement plan, implemented to underpin quality internal financial controls for financial reporting as well as efficiencies in financial reporting. She has led the automation initiatives of Finance processes as well as reorganising and building capacity within the Finance function to improve service levels to business. As an executive manager responsible for Group strategy, Fawzia has led successful Board strategy engagements setting out a clear path to Vision 2026. During the year Fawzia has built strong relationships with shareholders and analysts and strengthened culture within the Finance team through visible leadership.

Appointed to the Board in January 2023

Appointed Group CFO in January 2023

Tenure as director: 1 year

Board Attendance: 8/8¹

Board committee attendance: 11/11^{2,3}

¹ Includes scheduled board meetings, director development sessions, bilateral meetings with the Prudential Authority and annual board strategy session.

² Includes all Board Committee meetings where director is a member of the Committee.

³ Includes all Board Committee meetings where director is a standing invitee.

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Louis Maqhubela



Delivering on our strategy

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“ Our focus remained on diversifying our business to offer investors and issuers a competitive environment to raise capital and invest, both in public and private markets. ”

Leila Fourie

Group CEO's review

Overview

The Group's performance during 2023 is set against a complex local and international backdrop. In South Africa, there was considerable progress in overcoming hurdles that have constrained our nation's economic prospects and investment appeal, particularly the electricity crisis. Global geopolitical and inflation risks dominated investor strategies with consequences for South African flows.

As an exchange, we strive to innovate in a fast-paced industry, bringing new asset classes and technology to clients. In our role as a licensed financial market infrastructure, we seek to be part of the solution for South Africa's challenges and support foreign investor confidence with an excellent trading environment. The JSE's principal role is to enable investment through public capital markets and our private placements platform.

Our 2023 performance demonstrates the Group's ability to deliver value through the cycle. Innovations during the period ensured improved market stability and regulation and innovative new products and services. For example, there has been considerable activity in the sustainability segment with the listing of new green bonds and sustainability-linked bonds, showing the Exchange's role in supporting key national investment priorities. The JSE is continually innovating to support sustainable finance. During the year, we launched the Voluntary Carbon Market to trade carbon credits and renewable energy certificates. We will continue to explore other opportunities in 2024.

Our focus remained on offering investors and issuers a competitive environment to raise capital and invest in public and private markets. We received regulatory approval for several amendments to the JSE Listings Requirements as part of our "cutting red tape" initiative, ensuring we remain competitive with peer exchanges. We continue to strive to be a relevant regulator, ensuring a stable and trustworthy marketplace for both investors and issuers.

Context to our performance

Most economies, including our own, faced a continued upcycle in interest rates in response to stubborn inflation. The prospect of declining rates supported global markets, particularly in the last quarter, contributing to a 21% growth in the MSCI World index in 2023, reversing prior year losses.

Global growth was better than expected given the tight monetary environment. However, domestic economic performance lagged, constrained by the ongoing electricity crisis and the emerging logistics crisis. There was some relief in the electricity crisis as private sector generation development accelerated, supporting overall gross fixed capital formation and improving the resilience of the economy against Eskom's operational challenges.

The weaker domestic equities market performance reflects a higher domestic exposure to resources which saw significant weakness during the year on the back of lower global prices. Financials (+14.1%) and industrials (+11.6%) significantly outperformed resources (-19.2%). The bond market delivered a stronger performance as a slower turn in the interest rate cycle was compensated by improved confidence in the fiscal outlook, leaving the all-bond index slightly positive.

Equity indices showed strong value indicators with both price: earnings and dividend ratios at a significant discount to global emerging markets and developed markets (trailing price earnings of 10.8 vs 13.7 for emerging markets and 19.11 for developed markets). Bond markets also show attractive pricing with the 10-year government bond yielding 9.77% and an upward sloping curve for longer dated gilts.

This activity in equity and bond markets supported revenue performance, with bonds and financial derivatives revenue growing 16% to R129 million, though equity trading revenue fell 5% to R486 million. Derivatives trading revenue across equities (+2% to R117 million) and commodities (+11% to R80 million) grew positively during the year. More detail on revenue performance is available in the CFO's report on page 72.

The JSE has been a strong participant in the global growth of sustainable finance. The sustainability segment grew considerably with 12 new bond listings, increasing the number of listings by 17% to 76 since inception. Actively managed certificates also grew significantly with 23 new certificates listed, representing a growth of 91%. We welcomed three new equity listings, raised R41.4 billion in equity market capital (versus R13 billion in 2022) and listed 12 new ETFs and five new ETNs.

An evolving competitive landscape

The JSE faces increased competition from exchanges domestically and abroad. We welcome fair competition and have embraced it by ramping up innovation and partnerships to bring new products to our marketplace. We have also, through our cutting red tape initiatives, reduced the cost of being listed, striking the right balance between investor protections and the ease of raising capital. We have invested extensively in technology with plans underway to do more, including modernising the BDA system. We have improved bid-offer spreads while innovating to deliver new trading services including mechanisms for large order placements.

This drive to innovation comes on top of our competitive proposition as a robust and reliable markets operator with risk management that meets global standards. Trading is supported by years of investment in systems that deliver close to 100% uptime despite events of extreme volatility. Our investor protection is also critical to our competitive position, giving investors' confidence that settlement and other risks are well managed, backstopped by the Guarantee Fund and ultimately our robust balance sheet.

Our competitive proposition is also enhanced through partnerships that have enabled us to rapidly bring new products to our clients. This year, we invested in new analytics tools such as Trade Explorer and launched Colo 2.0, a cloud-based colocation offering that will reduce costs to our clients. We also launched a Voluntary Carbon Market in partnership with Xpansiv while we worked with the South African Reserve Bank (SARB) to develop proof of concept for a tokenised securities platform.

Our business has also strategically diversified its revenue streams, expanding the contribution from non-trading activities, in line with peer exchanges elsewhere in the world. This improves the stability of earnings and ensures we can continue to invest in our competitive positioning through market cycles.

Key strategic performance themes

1. Protecting the core business
2. Diversifying revenue and growing non-trading income
3. Growing alternative asset classes
4. Prioritising people, relationships and the national outlook

1. Protecting the core business

In 2024, we will focus on building our technology resilience, investing in hardware and software, and advancing new markets and services.

Technology

As a critical financial market infrastructure in South Africa, the JSE must remain open, operational, and responsive to fluctuations and risks in the market.

The JSE's operational strength and market stability are the stand-out features of our performance in 2023. With no shortage of volatility events locally and abroad – from conflict in Europe and the Middle East to political uncertainty and stage 6 load shedding – market availability was at 99.89%, above our long-run average of 99.83% (2008 – 2022).

Our technology initiatives were balanced between rejuvenation, resilience and growth. Multi-year investments in system resilience and improvements in internal processes resulted in a significant reduction in down-time and failure.

We have proactively managed the frequency and severity of load shedding events with increased preventative maintenance and an active fuel management approach to ensure we operate within acceptable risk levels.



Sam Nhlengethwa



Notable system upgrades and implementations

During the year, the technology that underpins the market trading and clearing platforms for the Interest Rate, Commodity Derivatives and Bonds Markets (securities trading and technologies (STT)) underwent a major system upgrade in August 2023, ahead of time and under budget. This upgrade is crucial for the operational stability and resilience of our market infrastructure.

We also made progress with the JSE's cloud migration and delivered our first data product on the cloud. The solution enables clients to access financial statements digitally. Significant progress was also made in adopting a multi-cloud strategy through AWS Cloud Foundations.

Attracting issuers and investors to South Africa's capital markets

Throughout 2023, we focussed on attracting new clients to the secondary markets, particularly from Europe and Asia. We also continue to concentrate on attracting new clients through product innovation and enhancing our regulatory environment to create a more attractive capital raising destination.

During 2023, we focussed our energy on several new products, services and initiatives to support our core business.

Products

Supporting the growth of sustainable finance remains a key priority.

New products increased with the listings of AMCs and AMETFs since new regulations came into effect in the latter part of 2022. We focussed on increasing the number of instruments listed on our market as they provide benefits to issuers and investors.

Listing Requirements reforms

Several initiatives were completed or are underway to make listing at the JSE easier, less onerous from a regulatory perspective, and more attractive and competitive to potential clients.

Dual listings

We expanded our list of approved and accredited exchanges. Hong Kong Exchanges and Clearing (HKEX) joined the list of approved exchanges in 2023. HKEX-listed companies are now able to pursue a secondary listing on the JSE and qualify for a fast-track listing process.

This streamlines the dual-listing process, leveraging the extensive market information available for these companies in their primary markets.

Securities collateral

To address cost pressures, particularly now in times of market stress, JSE Clear announced the acceptance of securities collateral in December 2023, allowing derivative market participants to meet their initial margin requirements through a combination of ZAR cash and liquid South African fixed rate government bonds. This will alleviate liquidity pressures, especially if global and sovereign risks and, therefore, margins, increase.

2. Diversifying revenue and growing non-trading income

Non-trading income has grown at a rate of 12% CAGR over the last 10 years (since 2013 – 2023), with contributions from colocation, market data, and JIS, among others.

JIS has grown at 23.5% CAGR (since January 2021) and colocation at 19% CAGR since inception 10 years ago. Our track record of delivering on our objectives and improving the quality of our earnings is a positive indicator for the Group's future.

JIS

JIS performed well with revenue growth of 20% this year. This growth was supported by 10 new client acquisitions, albeit at a lower rate than in 2022, an elevated level of corporate action activity, and a high interest rate environment that boosted the growth in margin income.

Information Services

The Information Services Strategy 2026 execution shifted from a design to implementation focus, with the team starting to prioritise delivering revenue-generating data services. This year was the second of our five-year strategy.

big xyt ecosystems

We launched a new business, big xyt ecosystems, that offer analytics as a service capabilities to global exchanges and their ecosystems. It includes the innovative Trade Explorer data analytics solution launched a year ago.

This will contribute to our Information Services revenue in the medium term.

Colocation

Colocation is a growing contributor to non-trading revenue, with colocation revenue up 30% to R43 million. Six racks were sold in 2023, bringing the total occupied racks to 53 (of 71 available). Colo 2.0 launched successfully in November 2023. It unlocks a new annuity revenue stream service through an opex-only infrastructure-as-a-service. We are also developing cloud-based colocation services to significantly reduce data centre costs to market participants.

JPP

JPP has successfully grown the number of deals published (41) and the value of investor capital available for deployment (R20 billion). Deal closure has proven to be more challenging but is gaining momentum with several deals between non-binding term sheets and legal negotiations.

JSE Clear

The transition of JSE Clear to an Independent Clearing House was a major, multi-year project, and it operated smoothly under its new licence from January 2023.

We made good strides with the bond CCP multi-year project, a market-wide initiative for the bond ETP market. This is a material step towards ensuring South African markets are cleared using the global CCP risk management benchmark standard.

The concept of a bond CCP is in line with JSE Clear's objectives of diversifying and growing revenues, while supporting trade liquidity and improving risk management of local markets.

3. Growing alternative asset classes

We are innovating to progress our strategic initiatives.

Voluntary Carbon Market

We launched a Voluntary Carbon Market in partnership with Xpansiv. The platform will allow local participants to buy or sell carbon credits and renewable energy certificates that are held in local or global registries. This is an exciting development for our market and supports our objectives in sustainable finance.

Alternative digital offerings

We are investigating the feasibility of alternative digital offerings. Together with the SARB, we developed the proof of concept for a tokenised securities platform that allows us to explore the benefits and risks of trading and settling tokenised securities. The solution, called Project Khokha, is an important milestone in our journey as a country towards co-creating digital asset solutions with various regulators. The project has provided us with a more efficient way of identifying potential gaps, improved our knowledge and created a common understanding of the evolving digital asset ecosystem.

4. Prioritising people, relationships and the national outlook

We prioritised improving the physical, mental, financial and social wellbeing of our people.

In 2023, we engaged in Group-wide talent conversations to determine which propositions will retain critical skill sets and attract top talent in support of our strategic objectives.

Our 2023, all-time high net promoter score (NPS) score and customer satisfaction survey results highlight a notable increase in “promoters”. We introduced targeted training during 2023 for those JSE business units with low NPS scores to enhance their customer service levels for our clients. This led to a marked improvement.

SMEs

SMEs are an important growth node for our country. In July 2023, we delivered a capital raising solution for SMEs in partnership with the Western Cape government.



Percy Konqobe



Public and private sector engagement

For the past decade, South Africa’s electricity crisis has been among the largest economic constraints, limiting growth across several industries and damaging investor sentiment. We believe 2023 was a turning point for the crisis, driven by private sector investment in new power generation with 4.5GW of new projects registered, bringing the total for the last two years to 6.2GW*. Combined with considerable new small scale roof top generation, the link between load shedding and economic activity began to break down. As a result, despite record load shedding, the economy managed to show some growth.

Additional challenges in rail and port infrastructure have also constrained exports, impacting corporate earnings. The private sector continues to partner with the government to resolve these challenges. The improved performance of the electricity sector has served as a model for how public and private sectors can partner to stimulate investment and improve performance of existing infrastructure.

In September 2023, we hosted the Transmission Financing Seminar with Electricity Minister Dr Kgosientsho Ramokgopa, to galvanise discussions on the financing of South Africa’s Transmission Development Plan which seeks to expand, support and secure the sustainability of South Africa’s energy mix and electricity supply.

We also continue to host our international SA Tomorrow engagements with global investors, alongside representatives from government to promote South Africa as an attractive investment destination. In June 2023, the JSE, together with the SARB Governor, Lesetja Kganyago, Deputy Minister of Finance, David Masondo, and 10 Top 40 listed companies, hosted potential investors in Hong Kong and Shanghai.

* Source: Nersa/Krutham.

Strategic direction

The JSE continues to remain adequately capitalised, well regulated, cost-effective and technologically robust, with deep and liquid markets. Our diversification of asset classes and growth in our non-trading revenue and income lines have supported our revenues during periods of slower market activity, improving our earnings stability and quality.

We are on track to deliver on our Group's strategy to position the JSE as a diversified and sustainable exchange, leveraging technology, expanding our range of products and services, entering new markets, providing fair and transparent regulation, and strengthening our operational capabilities.

We have laid a solid foundation and look forward to building on this in 2024 and beyond. While we are focussing on growth, we also prioritise the core elements that require rejuvenation and replacement. We are confident that our strategy maintains a good balance between these needs.

During 2024, we will start a process to innovate and modernise legacy systems with the transformation of BDA. The modernisation of BDA should enable cost efficiencies, increase agility and improve the customer experience. We will take a pragmatic and systematic approach and will partner with AWS which has a strong track record, and adds depth and breadth of capability to this migration.

The 2024 corporate scorecard, which is discussed in more detail on page 67, focusses on:

- o **Generating sustainable, high-quality earnings:** Our aim is to accelerate Group revenue growth by diversifying earnings, increase Group profitability and cash generation, and decrease our exposure to cyclical and volatility.
- o **Protecting our core business:** Operating the JSE in an effective and efficient manner by ensuring our technology and market operations are resilient and robust.
- o **Transforming our business:** Our growth strategy is key to transforming our business, with a focus on extracting synergies from recent acquisitions and driving flagship revenue initiatives in market data.
- o **Partnering for a sustainable marketplace:** Developing and retaining our employees, improving our client service, supporting SME development and growing our pipeline for future listed companies, and delivering our ESG targets in support of a net zero future.

Successful delivery of our strategy will result in sustainable high-quality earnings over the period to 2026.

Appreciation

I thank my colleagues for their continued hard work and commitment – we are making progress on our strategy and building a resilient and sustainable JSE.

Thank you to the Board and my executive team for their support and commitment – your wise council is appreciated.

We are also thankful for the support and collaboration of market participants, regulators and the broader investment community. We look forward to the continued service of South Africa's capital markets as we navigate the changing landscape.



Leila Fourie
Group CEO



Sam Nhlengethwa



Group Executive Committee



Back row: Tebalo Tsoaeli, Qiniso Mthembu, Alicia Greenwood, Vuyo Lee, Mark Randall

Front row: Valdene Reddy, Leila Fourie, Fawzia Suliman, Itumeleng Monale

Dr Leila Fourie (55)
Group CEO (Executive Director)

BA (Hons); MCom; PhD

Key contributions to the JSE:
Refer to page 27.

Ms Fawzia Suliman (52)
Group CFO (Executive Director)

BCom; BAcc ; CA(SA)

Key contributions to the JSE:
Refer to page 27

Ms Valdene Reddy (41)
Director: Capital Markets

BBusc

Appointed to Exco in 2020 | Years in service: 9 years

Key contributions to the JSE:
Instrumental in driving our “protection of the core initiatives” by focussing on staying relevant through our products and services and attracting new clients through new markets. Valdene has been key in driving the launch of the Voluntary Carbon Market. Under her guidance the JSE has also continued to grow its colocation offering and with international technology collaboration the JSE has launched Colo 2.0.

She has also been key in driving our diversification in revenue streams with significant progress being made towards making JPP a successful and scalable entity.

Dr Alicia Greenwood (52)
Director: Post-Trade Services

BSc (Hons); PhD

Appointed to Exco in 2016 | Years in service: 6 years

Key contributions to the JSE:
Alicia has been key in ensuring the smooth transition and operation of JSE Clear as South Africa’s only licensed independent clearing house and CCP.
She has driven the launch of the securities collateral which went live in December 2023, a service offering non-cash collateral in addition to cash from investors to meet margin call obligations.

With South Africa’s greylisting and subsequent placement of South Africa on the European Union’s list of high risk countries, Alicia has been involved in scenario planning and analysis on the possible impact to the JSE and how we should respond.

Mr Mark Randall (43)**Director: Information Services**

BCom; Fellow of the Actuarial Society of South Africa

Appointed to Exco in 2018 | Years in service: 10 years

Key contributions to the JSE:

Mark has been involved in establishing the JSE's credibility as an analytics provider. In January 2023, the JSE launched a Trade Explorer data analytics platform, its first foray into offering analytics as a service directly to members. Mark and his team completed the migration of essential data assets into a cloud-based data lake.

Ms Itumeleng Monale (46)**Chief operating officer**

BSc; MBA

Appointed to Exco in 2021 | Years in service: 3 years

Key contributions to the JSE:

During 2023, Itumeleng was heavily involved in ensuring that the JSE's employee value proposition is strong and sustainable in a highly competitive marketplace.

Itumeleng also sponsored the JSE's project to move from the Hay methodology of job grading to Paterson. The Paterson methodology offers the JSE simplification and efficiency benefits.

Ms Vuyo Lee (45)**Director: Marketing and Corporate Affairs**

BCom (Hons); MBA

Appointed to Exco in 2021 | Years in service: 3 years

Key contributions to the JSE:

Vuyo has been instrumental in driving the JSE to achieve Level 1 BBBEE status. She has also been very focussed on establishing funds for enterprise and supplier development, to enable the JSE to provide loans to qualifying small and medium enterprises.

Vuyo has also broadened collaboration with public and private sector engagement to present South Africa's investment case at well-attended SA Tomorrow events in Beijing, Hong Kong and New York.

Ms Qiniso Mthembu (42)**Chief risk officer**

BCom

Appointed to Exco in 2022 | Years in service: 2 years

Key contributions to the JSE:

Qiniso continues to lead an effective risk management function to safeguard a long-term sustainable business. Maintaining a comprehensive risk management process with the intention to manage risk exposures across the Group while making the most of the Group's opportunities.

Mr Tebalo Tsoaeli **(43)**
Chief information Officer

BSc; MBA

Appointed to Exco in 2022 | Years in service: 1 year

Key contributions to the JSE:

Delivered the JSE's Information Technology strategy and focussed on building the foundation to enable the JSE to use technology as a primary lever in achieving multiple strategic pillars and initiatives.

Changes to the Exco in 2023

Ms Palesa Ntoagae **(48)**
Director: Human Resources

BCom; PGDip

Resigned effective 31 May 2023

A diverse leadership team

78% Executive gender diversity (% female)

67% Executive race diversity (% Black)

4.9 years Average executive tenure (years)

Biographical details are correct as at 31 December 2023.

Operating context

Global trends impacting the JSE

Disruptive technology

- o Digitisation of traditional asset classes and trading venues.
- o New asset classes emerging that challenges existing regulatory frameworks.

Emerging markets more competitive

- o South Africa's weighting within FTSE emerging markets index moved from 4.20% (31 December 2022) to 3.45% (31 December 2023).
- o South African equities at a significant discount to global and emerging market peers.

High inflationary environment and tightening of monetary policy

- o Fluctuations in global growth and high global inflation triggered central banks to raise interest rates.
- o Rising energy prices.

Environmental and social factors

- o Increasing calls for public private partnerships.
- o Investors placing more emphasis on climate risk.

Our strategic response

- o **Exploring digital asset opportunities:** The JSE continues to investigate the feasibility of alternative digital offerings. We developed a proof of concept, with the SARB, for a tokenised securities platform that explores the benefits and risks of trading and settling tokenised securities in South African capital markets.
- o **ESG-focussed products:** We continue to grow our suite of products and have an expanded range of targeted debt instruments (including Green, Social, Transition and Sustainability bonds).
- o **New markets:** We launched the Voluntary Carbon Market.

Industry trends impacting the JSE

Transformation of traditional financial market infrastructure business models

- o More capital raising mechanisms outside of public markets.
- o Private markets ecosystem rapidly developing.
- o Emerging asset classes.
- o Digitalisation of trading platforms.
- o Competition between exchanges and clearing houses.

Demand for data and analytics as a service

- o Rising demand for cost-efficient data and analytics tools for corporates and investors.
- o Data demand driven by the rise in high-frequency trading.
- o Data-driven insights are an increasingly important factor in investment decisions.

Risk-off sentiment

- o Risk-off sentiment drives capital toward perceived safe-haven jurisdictions.
- o Higher levels of volatility and less liquidity for equity markets.
- o Preference for fixed income securities.

Regulation

- o Updated limits under Regulation 28 of the Pension Funds Act allows higher foreign allocation.
- o Existing regulatory frameworks challenged by the rise of new technologies.
- o Evolving regulatory environment is contributing to the high cost of compliance and uncertainty.

Our strategic response

- o **Revenue diversification:** We continued to invest in defending our competitive position in core trading activity while building new services across asset classes and in private capital raising, Information Services and Investor Services, which enabled non-trading revenue to increase to 36.8% (2022: 34.6%) of operating revenue in line with our long-term strategy.
- o **Private markets on the rise:** JPP has successfully grown the number of deals published and the value of investor capital available for deployment.
- o **Differentiated data offerings:** The launch of Trade Explorer was a critical step towards realising our strategy, built around flexibility and highly customisable data services. In July 2023, the JSE, together with big xyt, founded big xyt ecosystems.

Local trends impacting the JSE

Disruptive technology challenges to economic growth

- o Lower economic growth projections.
- o Weaker and volatile rand.
- o Lower commodity prices reduce export revenue.
- o Structurally high unemployment.
- o Deteriorating state infrastructure with sizeable funding requirements (e.g., electricity, rails, ports).

Policy uncertainty

- o Fears around trade agreements weighed on investor sentiment for much of the first half of the year.
- o There is increased risk of a slowdown in policy reform and implementation considering the upcoming national elections.
- o Fiscal risks remain high going into the government budget for 2024, particularly around expenditure.

Escalating power disruptions

- o Impact of unreliable energy supply has had significant impact on economic growth and investor sentiment.
- o Improved outlook for load shedding from 2024 onwards.
- o Businesses and consumers have found alternative sources of electricity and ways of operating through load shedding.

South African investor sentiment

- o The FATF greylisting in February 2023 had limited direct impact on market flows. However, it had significant secondary impact on sentiment and risk rating.
- o Non-residents were net sellers of South African equities in 2023, but net buyers of local bonds.

Our strategic response

- o **Positioning South Africa as an attractive destination:**
 - » We continue to support our listed entities with offshore roadshows, including the SA Tomorrow roadshows in Hong Kong, Shanghai and New York during 2023.
 - » Several initiatives were completed or are underway to make listing at the JSE easier, less onerous from a regulatory perspective, and more attractive and competitive to potential clients.
- o **Driving dialogues:** The JSE has a historic role as a convenor of stakeholders in the economy. In 2023, we hosted the Transmission Finance Seminar in collaboration with the Ministry in the Presidency for Electricity. The engagement provided attendees with deeper insight into the roadmap towards energy security and allowed a constructive dialogue about private sector participation.
- o **Growing the SME sector:** SMEs are an important growth node and a vital feeder for new listings on the JSE. Delivered a capital raising solution for SMEs in partnership with the Western Cape government.



“ Effective risk management is fundamental to how we do business. It directly informs our strategy and how we position the business to create value while delivering positive outcomes for our stakeholders on a long-term sustainable basis. ”

Qiniso Mthembu
Chief risk officer

Risk management

Risk and resilience framework

The JSE continues to mature and strengthen its risk and resilience framework, ensuring our risk management approach is aligned with the Group's strategy, and an effective risk culture is embedded. The Group maintains a robust enterprise-wide risk management framework (ERMF) which sets out the Group's approach to risk management and its appetite for taking risks. It also defines the risk roles, responsibilities and risk governance structures.

Enterprise risk management (ERM) aims to facilitate and support the Group pursuing its objectives to ensure its outcomes are transparent and understood, consistent with our risk appetite, appropriately balance risk and reward, and serve as inputs into the strategy formulation process.

We maintain a comprehensive risk management process which identifies, assesses and responds to a range of financial and non-financial risks, including those risks that could threaten solvency and liquidity, as well as emerging risks. Our approach is not intended to eliminate risk entirely, but to manage risk exposures across the Group, while making the most of opportunities. Our integrated risk management approach combines a top-down strategic view with a complementary bottom-up operational process as outlined in the integrated risk management framework on the next page.

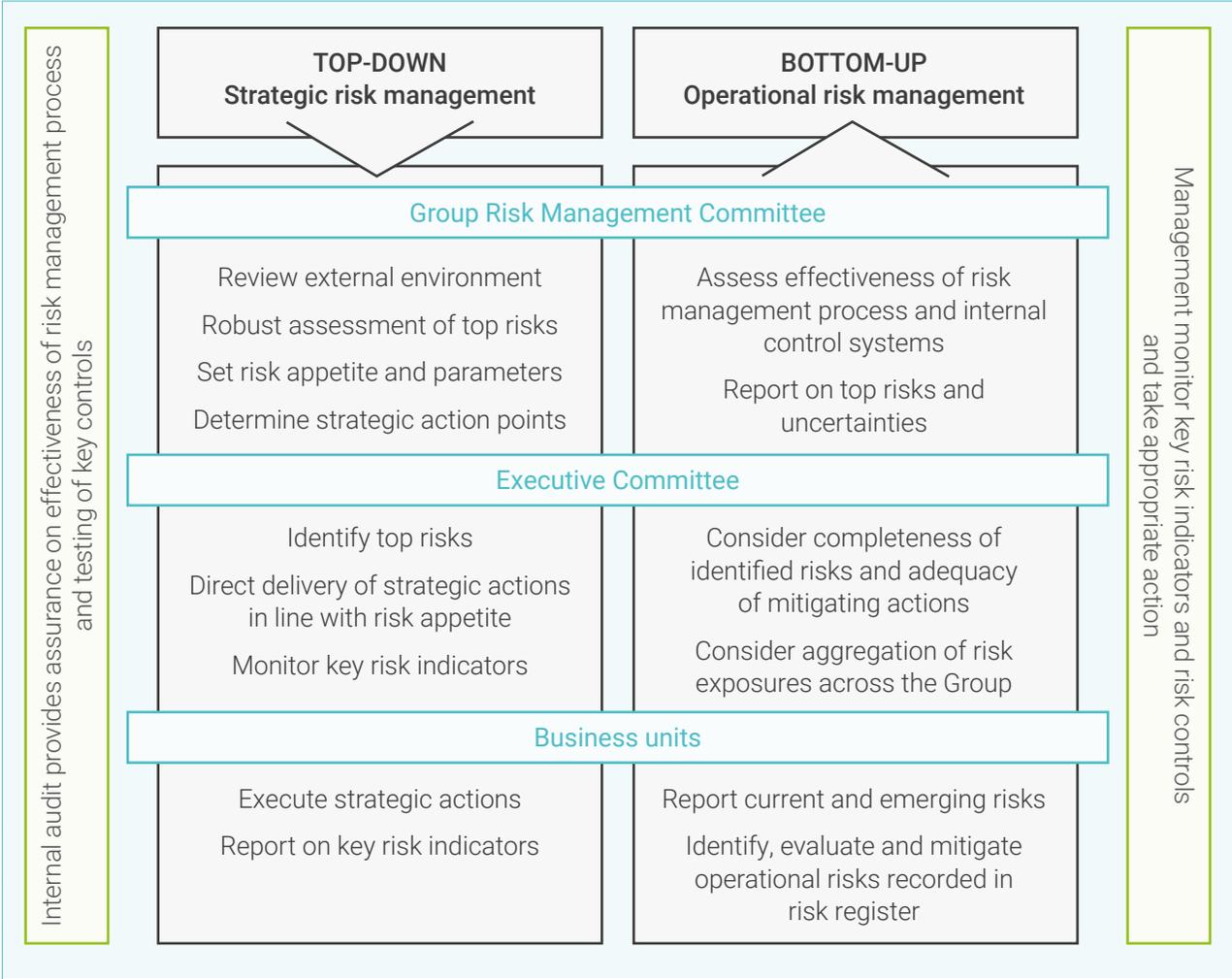
Governance

The Board has overall responsibility for risk and maintaining a robust risk management and internal control system. The Board is responsible for determining the level and type of risk the Group is willing to accept in achieving its strategic objectives. The amount of risk is assessed in the context of our strategic priorities and the external environment where we operate – this is our risk appetite.

GRMC supports the Board by providing an oversight and assurance role. GAC is responsible for reviewing the effectiveness of the risk management and internal control processes. Exco has overall accountability for the management of risks. For more detail on the activities of GRMC in 2023, refer to the governance and remuneration report on our website <https://group.jse.co.za/investor-relations/reporting-suite>

The JSE's regulators, the SARB's Prudential Authority and the FSCA, conduct regular supervisory on-site reviews to satisfy themselves on the efficacy of the JSE's risk management processes which enable it to effectively and responsibly exercise its key role as a financial market infrastructure.

Integrated risk management framework



The below principles guide the management of the JSE's risks:

- o We promote and maintain an enterprise-wide culture that values the importance of effective risk management in day-to-day business activities and decision-making and encourages frank and open communication.
- o Business units and corporate functions own the objectives, and the risks assumed in their activities and are accountable for the effective management of those risks, supported by the risk management and other assurance functions.
- o The five-line assurance approach recognises the role of senior management and the Board in risk management. We define these roles and responsibilities and associated levels of authority for risk-taking.
- o We employ effective and consistent risk management processes across the Group to ensure objectives and risks are transparent, well understood, and remain within an accepted and approved level of risk appetite.
- o We employ sufficient resources and effective tools, methods, models and technology to support risk management processes.
- o The ERM framework reflects industry standards and legal and regulatory requirements and is regularly reassessed.

The JSE's approach to risk management is centred on being risk-aware, clearly defining our risk appetite, responding to changes to the risk profile quickly and having a strong risk management culture among employees with clear roles and accountability.

Our organisational structure ensures close involvement of senior management in all significant decisions. This oversight is extended to our subsidiaries who also utilise the Group's risk policy and ERMF. Group Exco monitors subsidiary risks with regular updates provided to GRMC.

A global view

The World Federation of Exchanges is a global industry group for exchanges and CCPs. The group connects risk leadership and thinking at the world's financial exchanges and clearing houses. The JSE is an active member and serves on various committees. This participation allows us to share experiences and perspectives in the interests of developing and enhancing risk management practices that are specific to market infrastructure operators.

Our top risks

Managing risk is fundamental to the successful execution of our strategy, including integrating new businesses, and the resilience of our operations.

Our risk appetite

Our risk appetite is integral to business planning and decision-making and is reviewed annually and approved by the Board. It guides the actions management takes in executing our strategy.

Our risk appetite is cascaded throughout the Group by being embedded within our policies, procedures and internal controls. We have a risk dashboard of key risk indicators for each key risk, with specific tolerances to track whether our risk exposure is within the risk appetite or could threaten the achievement of our strategic priorities.

The risk dashboard is reviewed at each GRMC meeting. It serves as a catalyst for discussion about how key risks are changing and whether any further mitigating actions are required. The risk indicators are a mix of leading and lagging indicators, with forecasts provided where available, and focus on the most significant judgements affecting our risk exposure.

Our appetite for risk will vary over time and during the course of the financial markets cycle. However, in general we maintain a balanced overall appetite for risk, appropriate for our strategic objective of delivering long-term sustainable value.

The Board reviewed the risk appetite considering the continued macro-economic uncertainty and confirmed that it is appropriate.

Our appetite for financial and compliance related risks remains low. The appetite for operational-related risks is moderate, reflecting our strategy with an increased focus on growth and transforming our business, active capital and liquidity management, and an overall ethical culture.

Overall risk appetite statements

Category	The Group is committed to:
Financial	Maintain a healthy balance sheet, profitability and cash flow position to ensure sustainable commercial viability of the operations.
Capital requirements	Have sufficient eligible capital to cover regulatory capital requirements, including a buffer to accommodate stress events.
Liquidity resources	Maintain sufficient liquidity for regulatory capital requirements as per the FMA.
Operational resilience	Minimise the Group's operational losses within an expected target range. Provide reliable and accessible markets and services and aim to minimise material business disruption.
Cybersecurity	Manage and protect digital assets and detect and isolate significant breaches to minimise business impact.
Fraud and corruption	Maintain a zero-tolerance approach to fraud, corruption or criminal conduct of any sort and any wilful and intentional breach of financial crime laws and regulations. Take timely action to prevent, detect, investigate and remediate incidents and recover losses arising from such activities.
Legal and compliance	Minimise non-compliance with regulatory requirements and consistently enhance our control environment to mitigate against possible breaches.
Social	Contribute to the national agenda and maintain a BBBEE score of at least Level 3.
Human resources	Attract, develop and retain top talent that is proud to work for the JSE. Adopt a zero-tolerance stance on inequality, discrimination and unethical behaviour.
Reputation	Protect the JSE brand through service delivery, client satisfaction and effective stakeholder management. The Group has a low tolerance for any risk that could negatively impact its brand and reputation.

Our risk focus

Our top risks reflect the challenges and opportunities posed by our operating context and those elements that could impact our long-term sustainability.

The JSE's operating environment, as discussed on page 42, has a direct impact on its risk profile. It provides important context to how the JSE assesses the risks' impact and the speed of that impact.

There was increased uncertainty as global economic pressures continued to deepen, driven by high inflation and interest rates, resulting in low business and consumer confidence. The impact of the conflicts in Europe and the Middle East also pervaded all aspects of the global economy and financial markets. South Africa's unique position in the conflicts was significant and bore substantial implications:

- o Although South Africa averted the risk of sanctions in relation to the Russia-Ukraine conflict, the anticipation thereof resulted in unfavourable impact on sentiment. This was evidenced by liquidity shifts and net foreign outflows in that period.
- o South Africa's stance on the Middle East conflict put a further strain on relations with key trade partners. This resulted in renewed efforts to review South Africa's position in key trade agreements, such as African Growth and Opportunity Act (AGOA).

Furthermore, South Africa's idiosyncratic challenges continued to weigh on financial markets' resilience and overall economic growth prospects. These include matters such as insufficient and unreliable energy supply, deteriorating public infrastructure, FATF greylisting, foreign policy risk, and amendments to Regulation 28.

With an increasingly narrow gap between them, these risk events (and near-events) impacted sentiment and resulted in increased foreign outflows, shifts in liquidity and overall reduction in volume and value traded.

These factors directly impact the JSE's ability to create and preserve value. Our sustainability hinges on a healthy Primary Market where the Exchange is seen as an attractive venue for raising capital and the level of trading activity directly impacts financial performance. The local and global macro-economic environment, emerging markets sentiment, our relevance in the financial markets, and the local political environment also impact these pillars of value creation.

These are some of the key drivers of the Group's biggest risk (business sustainability) as the JSE's historic business model places a significant dependency on the equities market as the largest source of revenue. However, its performance is intrinsically linked to local and global macro environment.

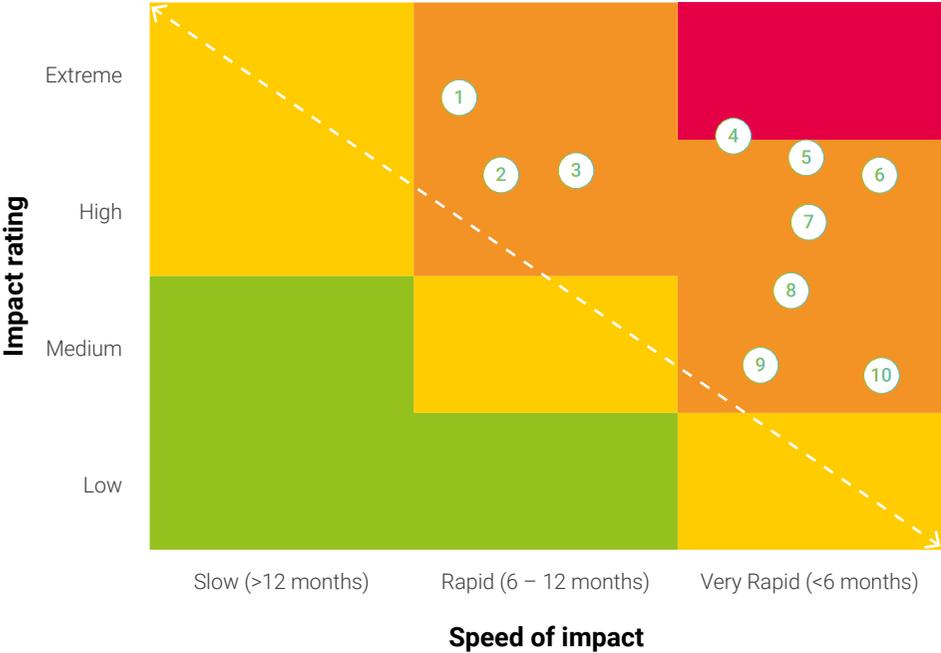
The Vision 2026 Strategy (page 59) aims to address the risk through reducing the dependency on transactional revenue and transforming the business to generate sustainable, high-quality earnings that are not dependent on exogenous factors. While the key tenet of this strategy is diversification of the business, another key component is that of protecting and growing our core business and encompasses a range of initiatives whose aim is to ensure the traditional business of the Exchange remains competitive. Crafted in 2021, the strategy is already yielding positive results, evidenced by *inter alia*:

- o Improved revenue performance despite a drop in value traded, supported by diversification into new business segments and asset classes.
- o Increasing contribution from non-trading revenue.

However, the strategy's true benefit will be realised in the medium term. In the short term, the Group remains vulnerable to local and global macro forces. As long as these remain the inherent business risk increases. It is largely due to these considerations that the residual risk is unchanged compared to the previous year. The long-term outlook however, is positive as we are taking action to reduce the risk.

Our risks and mitigation strategies are set out in the following pages for the top six risks in which the residual risk rating reflects a high likelihood and potential impact. The top risks have not changed significantly compared to last year.

Residual risk ratings



- 1. Business sustainability
- 2. Business agility
- 3. Technology
- 4. Cybersecurity
- 5. Talent
- 6. Operational vulnerability
- 7. Critical third-party failure
- 8. Reputation and stakeholder
- 9. Information protection
- 10. Default/counterparty

1 Business sustainability

Inability to sustain business growth and meet financial targets.

Root cause: The JSE has variable revenue, highly dependent on the Equity Market. A low global economic growth environment impacts this risk, along with South Africa's idiosyncratic factors which impact sentiment and result in reduce liquidity and foreign outflows. Increased competition and disruptive regulatory and market changes which could render the JSE business model obsolete.

Impact: Long-term viability of the JSE across several metrics.

Mitigation: Transform our business by implementing our diversification strategy while protecting and growing our core business. Renewed focus on new listings through regulatory reforms, new product development, targeted local and offshore roadshows.

Speed of impact: Rapid

Risk appetite: Operated within risk appetite limits

Strategic priority impacted: Sustainable, high-quality earnings

Material matters:

- o Attractiveness of the JSE as a capital-raising and investment platform.
- o Level of trading activity.
- o Competition and disruptors.

More information: Page 32

2 Business agility

Inability to respond rapidly and flexibly to market changes and/or client demands resulting in missed opportunities and/or loss of competitive advantage.

Root cause: Limited nimbleness driven largely by the legacy nature of our systems and manual processes, which limit flexibility and innovation, resulting in a slower-than-desired pace of strategic execution and transformation of our business.

Impact: Inability to sustain business growth, meet financial targets and transform the JSE business model. This can potentially lead to the JSE becoming irrelevant due to its inability to compete on a global scale.

Mitigation: Ongoing rejuvenation of legacy systems and modification of risk appetite that is fit-for-purpose, ensuring it aligns with the required pace of change to register impactful revenue as we venture into high risk and growth areas as part of the JSE's strategy. Project delivery processes are optimised, manual processes are automated and funds are allocated for exploratory innovative initiatives.

Speed of impact: Rapid

Risk appetite: Operated within the risk appetite limits

Strategic priority impacted: Transform our business

Material matters:

- o Attractiveness of the JSE as a capital-raising and investment platform.
- o Ability to use technology to provide innovative solutions.

More information: Page 114

3 Technology

Inability to deliver reliable, performing and secure platforms with flexible architecture to ensure the cadence of business transformation is enabled with technology.

Root cause: Rapid acceleration of new technologies, coupled with the JSE's backlog of ageing applications and infrastructure and a diminishing capacity for change from an IT resources perspective.

Impact: As technology is the backbone of our strategy, this risk could limit business expansion, growth and/or diversification, rendering the JSE unable to compete effectively in the global market. In addition, it could lead to business interruptions, possibly with longer resolution times.

Mitigation: Implement the technology strategy that is aligned with the business strategy. This strategy will enable the JSE to, *inter alia*, simplify and modernise the technology and data estate to ensure growth, meeting of client needs, and creating a robust infrastructure across asset classes; enhance operational resilience; keep up with emerging market infrastructure technology trends; and future-proof the JSE through future-fit technology and skills. Continued capital allocation to rejuvenation projects that complement the future estate and augmenting of internal capacity with third-party suppliers/vendors as required.

Speed of impact: Rapid

Risk appetite: Operated within the risk appetite limits

Strategic priority impacted: Transform our business

Material matter: Ability to use technology to provide innovative solutions

More information: Page 114

4 Cybersecurity

JSE digital assets compromised through breaches and/or unauthorised access.

Root cause: Increased vulnerability due to amplified opportunities and alertness of cyber criminals, geographic dispersion of employees, clients and suppliers; and a lack of adequate specialised skills and resources.

Impact: Compromises and theft and/or loss of assets, operational disruption and reputational damage with potential regulatory sanctions and/or legal ramifications.

Mitigation: Continuously scanning the cyber risk landscape keeps the JSE informed of the evolving risk environment to prevent, detect and appropriately respond. We continued to enhance the cybersecurity defences by completing the network segmentation initiative, which introduced a further layer of defence within the JSE's network, and the first phase of backup to the cloud was successfully tested.

Speed of impact: Very rapid

Risk appetite: Operated within risk appetite limits

Strategic priority impacted: Protect our core business

Material matter: Operational availability and stability

More information: Page 114

5 Talent

Inadequate capabilities and skills and/or loss of intellectual capital impacting strategy execution.

Root cause: Evolving skills and capabilities required for the Exchange of the future. Increasing attrition risk due to growing competition and the distributed workforce phenomenon, along with the overall mental wellbeing of employees and the lean nature of the JSE's organisational structure.

Impact: Operational availability and reliability, strategy execution and ability to build the resource requirements for the Exchange of the future.

Mitigation: Robust employee value proposition, succession planning and employee wellness support initiatives. Ongoing evaluation of employee satisfaction levels and bridging the expectation gap; assessment of required future skills aligned to the strategic direction; and continuous development initiatives.

Speed of impact: Very rapid

Risk appetite: Operated within the risk appetite limits

Strategic priority impacted:

- o Protect our core business.
- o Partner for a sustainable marketplace.

Material matter: Attractiveness of the JSE as an employer

More information: Page 98

6 Operational vulnerability

Operational disruption and incidents resulting in system downtime, impacting service delivery.

Root cause: Legacy systems and technology, manual processes, human error, and low maturity level of controls.

Impact: Operational availability and reliability with reputational, financial, operational, legal and regulatory implications.

Mitigation: Ongoing rationalisation of controls, execution of the Group-wide automation programme, embedding a resilience-centric culture supported by robust business continuity, crisis and incident response plans. Regular disaster recovery and business continuity tests with client and vendor participation.

Speed of impact: Very rapid

Risk appetite: There were three IT material priority 1 incidents and one data material priority 1 incidents in 2023

Strategic priority impacted: Protect our core business

Material matter: Operational availability and stability

More information: Page 114



Durant Sihlali



Our strategic response

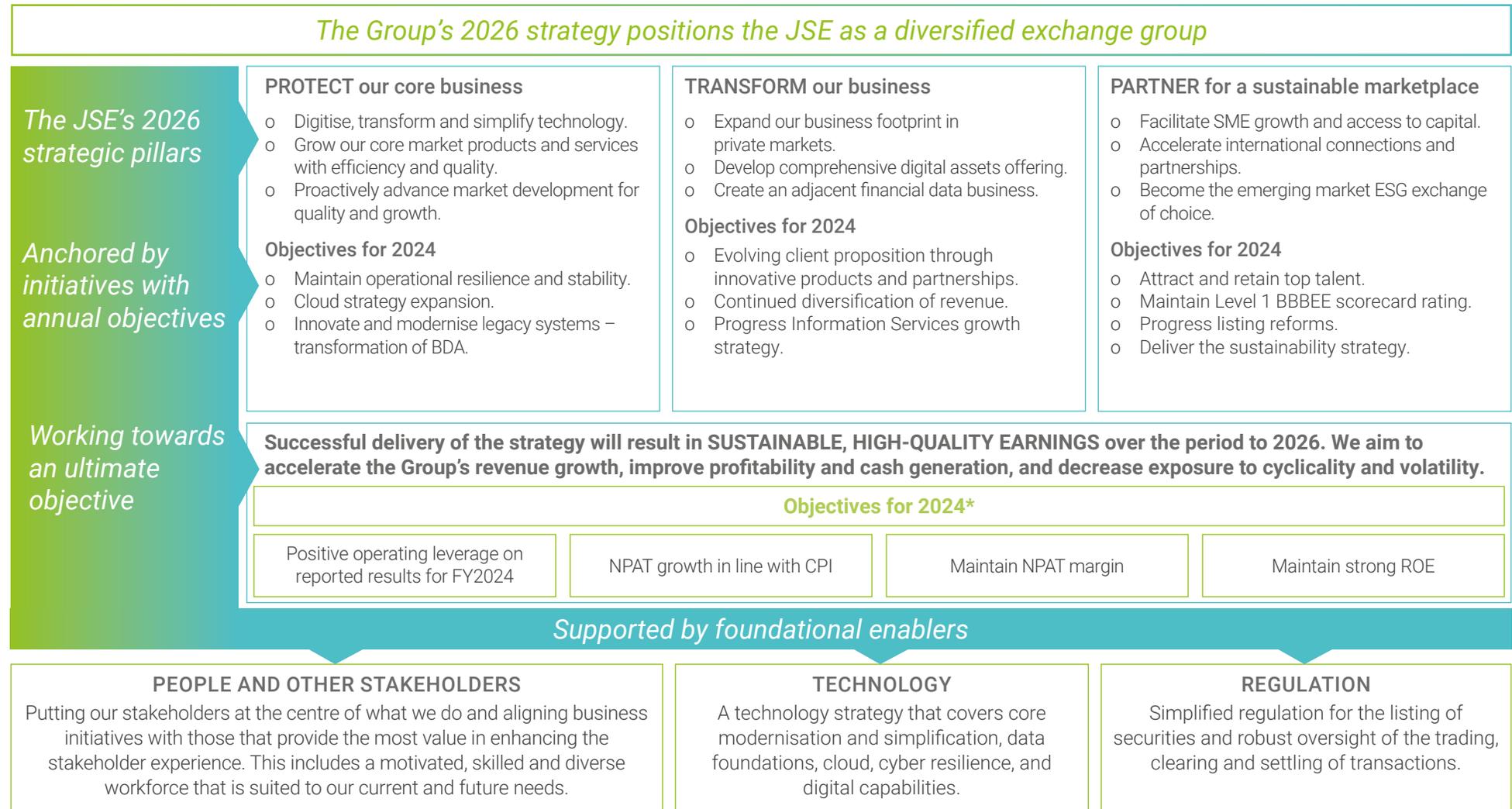
We reprioritised our initiatives in June 2023 and presented the Board with an updated strategic roadmap to 2026. Our 2024 corporate plan builds on the strategy, and we continue to focus on enhancing our core businesses, pursuing specific opportunities with a clear growth story and leveraging our strong capabilities, while building new capabilities required to deliver into the future.

We made good progress on these long-term ambitions. Our core businesses remain resilient despite the challenging environment and our Information Services and Investor Services businesses have delivered growth on the back of management focus and investment.

There are several global macro-economic, market, exchange-related and regulatory trends that inform how we shape our strategy. The JSE aims to ensure its strategy remains resilient and competitive, considering this evolving and competitive landscape. For more detail on the JSE's operating environment refer to page 42.

Group's strategic objectives for 2026

We seek to position the JSE as a diversified and sustainable exchange Group by leveraging technology, expanding our range of products and services, entering new markets, providing fair and transparent regulation, and strengthening our operational capabilities. Our strategy is anchored in our vision of **growing shared prosperity** and informs our mission of being the **best globally connected platform for inclusive and sustainable value creation**.

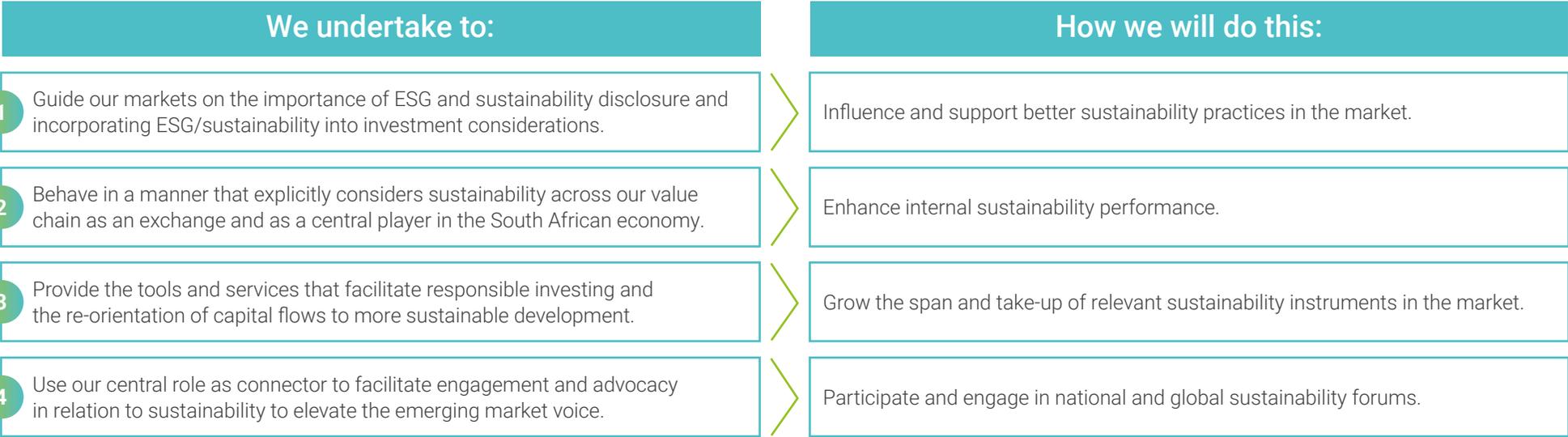


* Defined as the on-target objectives in the Group scorecard for 2024 on page 67.

Sustainability strategy

Markets are a powerful force for good in supporting and driving sustainable value creation. The JSE, as a leader in sustainability in emerging markets, recognises the importance of integrating the long-term perspective into financial markets to reduce socio-economic and physical risks and to contribute to enhanced financial stability, and a low-carbon economy through a just transition.

Our sustainability mission is to create an enabling environment to support sustainable value creation, facilitate responsible investing and to drive better sustainability practices, and improved disclosure. This mission will be achieved by delivering our four sustainability undertakings:



The four sustainability undertakings support the achievement of our overall strategy by:

- o Creating positive marketing/reputational benefits and differentiating the JSE from its competitors.
- o Improving our sustainability profile and credibility as thought and action leaders.
- o Supporting the financing and competency needs for a just transition and the national agenda.
- o Contributing to the public good in relation to sustainable development.
- o Mitigating long-term risks concerning growing social and environmental risks.
- o Contributing to longer-term cost savings.
- o Aligning with peer best practice.
- o Facilitating, supporting, and driving industry-leading initiatives, both locally and internationally, leveraging the JSE's role as an influencer, connector and credible voice on behalf of emerging markets.
- o Enhancing our reputation and visibility as an emerging market destination of choice as thought leader within our local ecosystem.

For more detail, refer to the sustainability report.

Board commitment to good governance

The Board is committed to the highest standards of governance, ethics and integrity, which are essential for sustained value creation and safeguarding the interests of all our stakeholders.

We embrace the fundamental components of good governance, which include accountability, transparency, sound policies, stakeholder participation and ethical leadership. Our governance ecosystem serves as a foundation for the Group's strategic objectives for 2026.

We deliver on our purpose and strategy and ensure the relevance and sustainability of our business by monitoring the environment in which we operate; our stakeholders; the availability of appropriate capital inputs and our impact on these; and always aim to maximise positive outcomes and minimise instances in which value is eroded. Our governance processes safeguard our business and ensure we are sustainable and create and preserve value for ourselves and our stakeholders.

To ensure we remain abreast with best practice in the environment in which we operate, we continuously evaluate our practices and frameworks, being mindful of the dynamic environment in which we operate, which is influenced by, among other factors, macro-economic changes, cultural shifts in the workplace, increase in demand for trading digital assets, geopolitics, enhanced data safety and security requirements.

The Board is dedicated to ensuring an unequivocal tone from the top by all directors and management, anchored in the principles of good corporate governance.

The Board is satisfied it has fulfilled its responsibilities in accordance with its mandate for the 2023 financial year and has provided relevant information to stakeholders to satisfy the King IV disclosure requirements.



Governance outcomes

Leveraging good governance to ensure the long-term sustainability of our business.

Sound corporate governance contributes to corporate performance over time. In 2023, this has manifested in the following:

Delivery of our strategic ambitions	Prioritisation and enhancement of our processes	Being deliberate in our actions
<p>Extensive engagements on strategic matters, with the aim of driving improved returns in the short, medium and long term.</p> <p>Integrity, transparency and improved quality of reporting by management to the Board.</p>	<p>Driving business agility and technology modernisation as key enablers for sustainable business transformation supported by an ability to be agile and seize opportunities.</p> <p>Enhanced risk management processes, which has inculcated a stronger risk-aware culture, and improvements in operational resilience.</p>	<p>A diverse and transformed Board, characterised by independent thinking and robust contributions to Board decision-making.</p>
<ul style="list-style-type: none"> o Exploring possible new business models that could re-shape the JSE's business model to respond effectively to evolving competition and global landscape. o Consideration of significant inorganic acquisitions that have material revenue and profit accretive impact for the Group, rather than multiple small acquisitions. o Consideration of possible opportunities on the rest of the continent that leverage our investments in the transfer secretary business, the private markets initiative and the Voluntary Carbon Market initiative. o An increase in the growth of our non-trading revenue and overall corporate performance for 2023 where the JSE achieved positive operating leverage. 	<ul style="list-style-type: none"> o Driving automation and digitisation with a focus on transforming to digital, automated, paperless, and simple processes; a key enabler for the transition to becoming a digital enterprise. o Driving core technology modernisation and simplification whereby the key focus is transformation and simplification of the core technology estate to drive cost optimisation, reduce risk, enable efficiency, and create the foundation to enable fast flow and agility. o Crafting a technology strategy for the Group that enables a future-proof, scalable technology infrastructure and enables cloud and digitisation. o Enhanced oversight of our top risks and how they have been impacted by an uncertain and volatile macro-economic environment is reflected in the increased focus on specific aspects of certain risks, such as business sustainability risk. 	<ul style="list-style-type: none"> o Consideration of the Board's renewal programme by focussing on the long-term composition of the Board and reviewing GAC membership as the Chairman is close to reaching his full tenure on the Board. GNGC also considered potential candidates to join the Board to ensure a diversified Board that will add value to all aspects of the Group. o Establishment of the Group Technology Advisory Committee (GTAC) which provides technological guidance and support to the executive management and Board on key technology decisions.

Key matters considered by the Board during the year

Delivery on our strategy and progress towards Vision 2026

The Group's strategic objectives for 2026 and delivery against these objectives remained a key focus area in 2023.

The Group's strategy seeks to position the JSE as a diversified and sustainable exchange by leveraging technology, expanding our range of products and services, entering new markets, providing fair and transparent regulation, and strengthening our operational capabilities.

During 2023 the Board:

- o **Considered and approved** the Digital Asset strategy and the implementation of the initial 6 month phase.
- o **Approved** the establishment of the voluntary carbon markets initiative through JSE Ventures, a new JSE subsidiary.

Read more on our strategy from page 54.

Accelerating value from technology

Business agility and technology modernisation remain the key enablers for sustainable business transformation supported by an ability to be agile and seize opportunities.

In addition to core technology modernisation and driving automation and digitisation, the Board also focussed on:

- o **Crafting a technology strategy for the group** that enables a future-proof, scalable technology infrastructure and enables cloud and digitisation. The Board took part in a development session whereby the information technology strategy was presented at length and later approved by the Board.
- o **Approved** phase 1 of the BDA Modernisation project.

Read more about our technology from page 114.

Board and executive succession

The GNGC oversees the composition and performance of the Board and its committees. Succession planning and the continuous monitoring of Board composition in terms of independence, diversity, tenure and skill mix has been one of the Board and GNGC's key focus areas over the past few years.

The GSC exercises oversight over the JSE's talent pool and is concerned with executive management succession planning and defining the competencies and experience required to build a future-fit executive management team.

- o **Focussed on enriching human resource skills within the Board** by appointing Ms Faith Khanyile as member of GRC and as a successor to GRC Chairman who retired from the Board in January 2024.
- o **Consideration and recommendation** of Mr Hugo Nelson as an independent non-executive Chairman for the JSE Clear Board to meet regulatory requirements that JSE Clear is an independent clearing house.
- o **Strengthening the succession pool** below executive management is a key concern. The Board has had oversight and monitored management's efforts to achieve employment equity targets and to ensure that the JSE retains and develops employees.

Risk oversight

In the uncertain and volatile macroeconomic environment, oversight and the management of key risks continues to be a key focus area of the Board and is the responsibility of GRMC.

- o **Business sustainability risk** remains a top risk and oversight at Board and GRMC level has been on the impact of macroeconomic factors such as international political unrest, sovereign downgrades, secondary impacts of grey-listing, regulatory changes impacting liquidity and flows. In 2023 the Group achieved positive operating leverage.
- o **Technology and business agility risks** all business responses to identified risks and opportunities are anchored on a strong technological backbone and agile approach to delivery. The Board and GRMC exercised oversight over management's efforts to drive a nimble, technologically enabled Group. This included monitoring delivery of the rejuvenation programme, STT upgrade, implementation of the IT Strategy and the optimisation of strategic initiatives delivery processes and resource allocation.
- o **Talent risk** increased due to the attrition rate, especially in an environment where capacity constraints persist, increasing vulnerability within the support functions. The Board and various Board Committees provided guidance and monitored management's initiatives and steady progress towards future-proofing the JSE from a skills perspective as well as facilitating focussed career pathing.
- o **Reputation and stakeholder risk** heightened during the course of 2023 mainly due to sovereign risk impacts that affect sentiment. Increased efforts to engage with government and policy makers to propose solutions to challenges faced by the country.

For more information on risk management refer to page 44.

Governance structures as drivers of value protection

Governance universe

The Board is ultimately responsible for the JSE's adherence to sound corporate governance practices and high ethical standards, and for ensuring the business operates in a fair and transparent manner.

The JSE aims to ensure that the roles, mandates and committee compositions allow for shared responsibilities, dispersed influence and balanced perspectives on the strategic matters facing the Board. Governance structures and processes are formally reviewed annually, and changes are adopted, where appropriate, to accommodate internal developments and market best practice.

There is a clear delineation of roles and responsibilities between the Board and executive management. Our governance framework, anchored in the Companies Act, FMA and the JSE's memorandum of incorporation (MOI), allows for delegation and assignment of authority, while enabling the Board to maintain effective control of the Group. The Board confirms it complied with all statutory requirements and the provisions of the MOI for the year ended 31 December 2023.

Board committees

The composition and key focus areas of the Board committees are described below. The responsibilities delegated to these committees are formally documented in each committee's terms of reference, which are approved by the Board and reviewed annually. After each committee meeting, committee chairmen report back to the Board, which facilitates transparent communication between directors and ensures all aspects of the Board's mandate are addressed.

Group Audit Committee	Group Risk Management Committee
<p>Independence of committee: 100%</p> <p>Chairman: Suresh Kana</p> <p>Objectives:</p> <p>Statutory committee constituted in terms of section 94(7) of the Companies Act. The committee's main role is to oversee the integrity of the Group's financial reporting and fulfils a vital role in the Group's governance framework.</p> <p>Key activities</p> <ul style="list-style-type: none"> o Reviewed interim results for 2023, full year results for 2023 and tax matters for the Group. o Monitored the progress on the implementation and standardisation of key controls to further enhance the overall control environment. o Exercised oversight over subsidiaries with respect to their control environment and capital requirements. o Oversight over financial, regulatory capital, and budget matters. <p>Further reading Directors' report and GAC report in the annual financial statements.</p>	<p>Independence of committee: 80%</p> <p>Chairman: Ian Kirk</p> <p>Objectives:</p> <p>The Committee has an independent role, providing oversight of all enterprise-wide risk management policies, procedures and activities of the Group, including all subsidiary companies and entities within the Group. Provides oversight over the governance of technology and information, including oversight of all information security matters and cyber risks.</p> <p>Key activities</p> <ul style="list-style-type: none"> o Oversight over the JSE's responses to volatile macro-economic environments and risk events with the potential to negatively affect markets. o Reviewed the reporting and prioritisation of top business risks and the process to self-assess the control activities in place to manage risks. o Refinement and implementation of a Group technology strategy that aligns with the business strategy. o Monitored the embedding of enterprise risk management in subsidiaries. <p>Further reading Refer to risk management on page 44.</p>

Group Investment Committee

Independence of committee: 67%

Chairman: Ben Kruger

Objectives:

To consider and evaluate potential opportunities for strategic partnerships, mergers, acquisitions and material transactions. Exercises oversight and reviews performance of all investments.

Key activities

- o Considered potential opportunities for strategic partnerships, mergers, acquisitions and related transactions.
- o Oversight and monitoring of post-acquisition performance.
- o Exercised oversight of all fund investment strategies.

Further reading | Governance and remuneration report.

Group Sustainability Committee

Independence of committee: 100%

Chairman: Suresh Kana

Objectives:

Oversight, monitoring and reporting on compliance by the JSE with legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety, and consumer protection.

Key activities

- o Oversight over the prioritisation and streamlining of the sustainability strategic initiatives.
- o Oversight over the Group's own approach and commitment to sustainability reporting and TCFD-aligned climate disclosure.
- o Monitored the implementation of Corporate Social Investment (CSI) strategy.
- o Monitored the JSE's transformation efforts.

Further reading | Refer to the transformation chapter on page 110 and the sustainability report.

Group Remuneration Committee

Independence of committee: 100%

Chairman: Nolitha Fakude

Objectives:

Oversight for all remuneration matters, and in particular the governance of remuneration for directors, executives and employees, and for ensuring accurate, complete and transparent disclosure of remuneration paid by the JSE.

Key activities

- o Continuous assessment of progress and performance against the 2023 Group scorecard, with input from various Board committees.
- o Monitor the implementation of equitable and fair remuneration practices.

Further reading | Governance and remuneration report.

Group SRO Oversight Committee

Independence of committee: 100%

Chairman: Zarina Bassa

Objectives:

The committee has an independent role, providing oversight of regulatory matters, policies and related activities of the Group.

Key activities

- o Monitor regulatory developments, including those relevant to market conduct and reputational risk.
- o Monitor conflicts of interest and compliance with the conflicts policy.

Further reading | SRO report, governance and remuneration report.

Group Nomination and Governance Committee

Independence of committee: 100%

Chairman: Phuthuma Nhleko

Objectives:

Oversees the composition and performance of the Board and its committees.

Key activities

- o Reviewed the composition of the Board and governance committees, considering independence, skill, diversity and gender.
- o Oversight over subsidiary Board governance.

Further reading | Governance and remuneration report.

Performance outcomes

Tracking progress against our 2023 scorecard

Our 2023 corporate scorecard was approved by the Board in March 2023 and included initiatives that addressed our material matters. The GRC assigned weights to each of the four pillars in line with the materiality of the metrics. Specific metrics and targets apply for on-target and above-target performance levels, with performance moderators for below-target delivery.

A self-assessment of our strategic delivery was undertaken by executive management and presented to each of the relevant Board committees for formal adjudication. The results of each Board committee's review were submitted to GRC for final evaluation. GRC's assessment directly informs the size of the discretionary bonus pool for 2023. For further information, refer to page 105 and the separate governance and remuneration report.

Overall assessment of performance for Pillars 1 – 4

Scorecard Element	Weighting	On-target metrics	Above-target metrics	Moderators	Overall score for on-target performance	Overall score for above-target performance
PILLAR 1 – assessed by GAC <i>Generate sustained high-quality earnings</i>	45%	4 of 4 achieved	3 of 4 achieved	None	45 / 45	33.75 / 45
PILLAR 2 – assessed by GRMC <i>Protect our core business</i>	20%	5 of 5 achieved	2 of 2 achieved	None	20 / 20	20 / 20
PILLAR 3 – assessed by GIC <i>Transform our business</i>	20%	4 of 4 achieved	4 of 5 achieved	None	20 / 20	16 / 20
PILLAR 4 – assessed by GSC <i>Partner for a sustainable marketplace</i>	15%	5 of 6 achieved	3 of 5 achieved	None	12.5 / 15	9 / 15
TOTAL SCORES FOR FY2023:					97.5 / 100	78.75 / 100

Assessment of performance against Pillar 1

Deliverables		Assessed by GAC	Achieved
On-target deliverables		Summary assessment	
1	Positive operating leverage on reported results for FY2023	Achieved operating income growth of 6.9% versus operating expense growth of 6.7%	✓
2	Reported NPAT growth of CPI over reported results for FY2022	Achieved NPAT growth of 11.0% versus CPI of 5.9% ¹	✓
3	Reported NPAT margin of 29% for FY2023	Achieved NPAT margin of 29.5%	✓
4	Reported ROE of 19% for FY2023	Achieved ROE of 19.4%	✓
Above-target deliverables		Summary assessment	
1	Positive operating leverage of 2% or better on reported results for FY2023	Not achieved	✗
2	Reported NPAT growth of CPI+2% over reported results for FY2022	Achieved NPAT growth of 11.0% versus 8% (CPI 5.9%+2%)	✓
3	Reported NPAT margin of >29%	Achieved NPAT margin of 29.5% versus 29%	✓
4	Reported ROE of >19%	Achieved ROE of 19.4% versus 19%	✓

¹ Source: SARB as at 31 December 2023.

Assessment of performance against Pillar 2

Deliverables		Assessed by GRMC	Achieved
On-target deliverables		Summary assessment	
1	Overall annual operational/systems stability of 99.7% (SLA to the market)	Achieved market availability of 99.89%	✓
2	Deliver asset class upgrade on STT platforms in 2023 in line with project plan approved by Board	Successfully launched ahead of schedule and under budget	✓
3	Progress core products and services (such as Colocation sales & growth)	Colo 2.0 launched. AMCs and AMETFs continue to attract interest with good growth in number of listings	✓
4	Delivery against planned systems maintenance initiatives	All scheduled maintenance has been completed successfully	✓
5	Initiate and progress an organisation-wide programme of work on automation	Phase 1 automation delivered	✓
Above-target deliverables		Summary assessment	
1	Overall annual operational / systems stability > 99.8% (SLA to the market)	Achieved market availability of 99.89%	✓
2	Deliver asset class upgrade on STT platforms in 2023 under budget	Successfully launched ahead of schedule and budget	✓

Assessment of performance against Pillar 3

Deliverables	Assessed by GIC	Achieved
On-target deliverables	Summary assessment	
<p>1 Achieve the JIS growth strategy</p>	JIS revenue growth of 20.2% YoY. Revenue and NPAT CAGR (since January 2021) of 23.5% and 71.4% respectively	✓
<p>2 Drive the IS 2026 growth strategy</p> <ul style="list-style-type: none"> o Launch the cloud-based data lake o Progress delivery on market data of prioritised asset classes into the cloud 	<p>Double digit growth in Information Services of 16% and achieved deliverables</p> <ul style="list-style-type: none"> o Phase One implementation completed o On track with migration of asset class data to the cloud for equities & bonds with all migrated data including 1 year of history 	<p>✓</p> <p>✓</p> <p>✓</p>
<p>3 Progress enablement of new markets</p>	Launched Voluntary Carbon Market. Feasibility for the Bond CCP has been concluded, official appointment by National Treasury of JSE to deliver a Bond CCP for South Africa	✓
Above-target deliverables	Summary assessment	
<p>1 Exceed on-target growth strategies for JIS</p>	JIS exceeded base case and high road targets	✓
<p>2 Drive the 2026 IS growth strategy (targets in addition to on-target performance)</p> <ul style="list-style-type: none"> o Transition of history for essential data sets within the Market Data Lake o Launch XBRL for JSE-listed company results o Realise revenue from new data services o Deliver prioritised real-time market data in the cloud 	<p>IS 2026 growth strategy</p> <ul style="list-style-type: none"> o Achieved – equity and bond market data delivered to the data lake in 2023 o Soft launch of this service has been completed o Below target o Architecture completed 	<p>✓</p> <p>✓</p> <p>✗</p> <p>✓</p>

Assessment of performance against Pillar 4

Deliverables	Assessed by GSC	Achieved
On-target deliverables	Summary assessment	
1 Remain within top quartile of GIBS Ethics Barometer scoring entities	JSE score slightly below 2021 score	✘
2 Maintain a client NPS survey score in line with the 2022 score	Improved NPS score	✔
3 Maintain a regrettable attrition ratio below our risk appetite	Achieved regrettable attrition ratio	✔
4 Execute the core elements of the SME incubator support model and expand the service proposition for SMEs	Delivered a capital raising solution for SMEs in partnership with Western Cape government	✔
5 Maintain a BBBEE scorecard rating of level 2	BBBEE Level 1 score achieved	✔
6 Meet on-target performance for key sustainability metrics	On-target performance delivered	✔

Assessment of performance against Pillar 4 (continued)

Deliverables	Assessed by GSC	Achieved
Above-target deliverables	Summary assessment	
1 Maintain previous GIBS Ethics Barometer score	JSE score slightly below 2021 score	✘
2 Improve on the 2022 Client NPS score	Improved NPS Score	✔
3 Fully implement Incubator support model with all elements and partnerships in place	Delivered a capital raising solution for SMEs in partnership with Western Cape government	✔
4 Improve BBBEE scorecard rating by + 2 points within Level 2	BBBEE Level 1 score achieved	✔
5 Deliver above target performance levels on most of the selected key metrics in sustainability dashboard	Above target levels not met	✘

Positioning the 2024 scorecard

As part of our annual strategy and budget cycle, management prepares a proposed corporate scorecard for the year ahead that reflects the strategic, operational and financial priorities for the Group. This proposed corporate scorecard is anchored in the strategy and budget proposals presented by the GAC to the Board in the November 2023 meeting cycle.

In proposing metrics and targets for the scorecard, the Exco was deliberate in selecting those that are:

- o Material to the Group.
- o Objective and measurable.
- o Within the control of management.

We retained the overall structure of the proposed corporate scorecard for 2024 with four pillars, each weighted to reflect their relative importance. Pillar 2 was renamed (protect our core business) to reflect the focus on protecting the core business while the organic and inorganic growth initiatives are captured in Pillar 3 (transform our business). We assigned weightings and on-target deliverables, above-target deliverables, and performance moderators to the FY2024 metrics. The Group Remco also adjusted the relative weightings of the pillars as follows:

<p>PILLAR 1: Generate sustained high-quality earnings</p> <p>Financial metrics provide a yardstick of the Group's overall financial performance.</p>	50% (previously 45%)	Oversight by GAC
<p>PILLAR 2: Protect our core business</p> <p>Protect the core business and ensure operational resilience, IT excellence and effective risk management disciplines.</p>	20%	Oversight by GRMC
<p>PILLAR 3: Transform our business</p> <p>Growth initiatives (organic and inorganic) include elements such as expanding our core products and services, diversifying our revenues, and delivering the revenue growth from Information Services.</p>	20%	Oversight by GIC
<p>PILLAR 4: Partner for a sustainable marketplace</p> <p>Measures that relate to clients, employees, transformation, and sustainability.</p>	10% (previously 15%)	Oversight by GSC

The corporate scorecard, once endorsed by the Group Remco and approved by the Board, serves as the foundation for our performance measurement system, with divisional and individual scorecards cascaded from the corporate scorecard.

Our annual discretionary reward system is linked to overall performance against this corporate scorecard. The quantum of the discretionary bonus pool is linked to the quality of the corporate performance as measured against the corporate scorecard. We have one Group scorecard that drives a single Group discretionary bonus pool – all our subsidiaries share in this Group discretionary bonus pool although they have their own measures and targets relevant to their specific businesses.

Our scorecard for 2024 includes initiatives that address all our material matters. Each pillar of the scorecard is reviewed and formally approved by the relevant Board committee prior to submission to GRC for consideration. The final version of the annual corporate scorecard is approved by the Board. The scorecard for 2024 was considered and approved by the Board on 1 December 2023.

Pillar 1 – Generate sustained, high-quality earnings (oversight by GAC) **Weighting: 50%**

On-target deliverables	Above-target deliverables	Performance moderators
<ul style="list-style-type: none"> o Positive operating leverage on reported results for FY2024. o Reported NPAT growth of CPI over reported results for FY2023. o Maintain reported NPAT margin for FY2024 at least at same level as reported for FY2023. o Maintain reported ROE for FY2024 at least at same level as reported for FY2023. 	<ul style="list-style-type: none"> o Positive operating leverage of 2% or better on reported results for FY2024. o Reported NPAT growth of CPI+2% over reported results for FY2023. o Improve reported NPAT margin for FY2024 by 1% point over reported NPAT margin for FY2023. o Improve reported ROE for FY2024 by 1% point over reported ROE for FY2023. 	<ul style="list-style-type: none"> o Restatement of earnings (misrepresentation). o Breach of Group risk appetite on earnings and capital.

Pillar 2 – Protect our core business (oversight by GRMC) **Weighting: 20%**

On-target deliverables	Above-target deliverables	Performance moderators
<ul style="list-style-type: none"> o Overall annual operational/systems stability of 99.7% (SLA to the market). o Deliver at least 75% of priority IT projects. o Implement cyber initiatives. o Progress technology strategy by initiating design work on BDA modernisation journey. o Manage operational risks within management's control such that overall risk ratings at least remain stable across the year in the opinion of the GRMC. 	<ul style="list-style-type: none"> o Overall annual operational/systems stability > 99.8% (SLA to the market). o Deliver at least 90% of priority IT projects. o Implement cyber initiatives ahead of schedule. o Progress BDA modernisation journey ahead of schedule. o Manage operational risks within management's control such that overall risk ratings reflect an improvement across the year in the opinion of the GRMC. 	<ul style="list-style-type: none"> o Extended market-facing service interruptions/ system outages or loss of sensitive data. o Breach of risk appetite on operational resilience. o Significant penalties imposed by Information Regulator or FSCA in relation to a data incident. o Significant cyber breach with market-facing impact (where quality of JSE response is not adequate).

Pillar 3 – Transform our business (oversight by GIC) Weighting: 20%

On-target deliverables	Above-target deliverables	Performance moderators
<ul style="list-style-type: none"> o Progress core products and services. o Deliver increase in annuity revenue (equal to average CPI for 2024 + 1% point) over reported value in FY2023. o Drive the IS 2026 growth strategy. <ul style="list-style-type: none"> » Deliver an agreed revenue contribution in annualised annuity non-trading revenue from new data products and services. » Launch new revenue-generating data products or services. 	<ul style="list-style-type: none"> o Progress core products and services ahead of plan. o Deliver increase in annuity revenue (equal to average CPI for 2024 + 2% points) over reported value in FY2023. o Drive the IS 2026 growth strategy (targets in addition to on-target performance). <ul style="list-style-type: none"> » Deliver an agreed revenue contribution in annualised annuity non-trading revenue from new data products and services. » Launch a sustainability data platform for JSE-listed companies. 	<ul style="list-style-type: none"> o Decrease of > 10% in annuity revenue in FY2024.

Pillar 4 – Partner for a sustainable marketplace (oversight by GSC) Weighting: 10%

On-target deliverables	Above-target deliverables	Performance moderators
<ul style="list-style-type: none"> o Maintain an employee culture engagement score in line with the FY2022 score. o Maintain a client NPS survey score in line with the FY2023 score. o Maintain a BBBEE scorecard rating of Level 1. o Progress listings reform. o Meet on-target performance levels for selected key metrics in sustainability dashboard. 	<ul style="list-style-type: none"> o Exceed FY2022 employee culture engagement score. o Improve on the FY2023 client NPS score. o Improve BBBEE scorecard rating by + 2 points within Level 1. o Finalise public consultation processes for listings reforms and submit to FSCA. o Deliver above target performance levels on the majority of selected key metrics in sustainability dashboard. 	<ul style="list-style-type: none"> o BBBEE scorecard rating of Level 2 or below. o Regrettable attrition ratio worse than risk appetite.



Sam Nhlengethwa



Tracking our performance

Contents

Group CFO review

Business reviews

Human capital and remuneration outcomes

Transformation

Resilience and technology



“ The JSE reported a strong set of results, reflecting the quality of our earnings in an uncertain market environment that resulted in lower trading activity in our largest market. ”

Fawzia Suliman

Group chief financial officer

Group CFO review

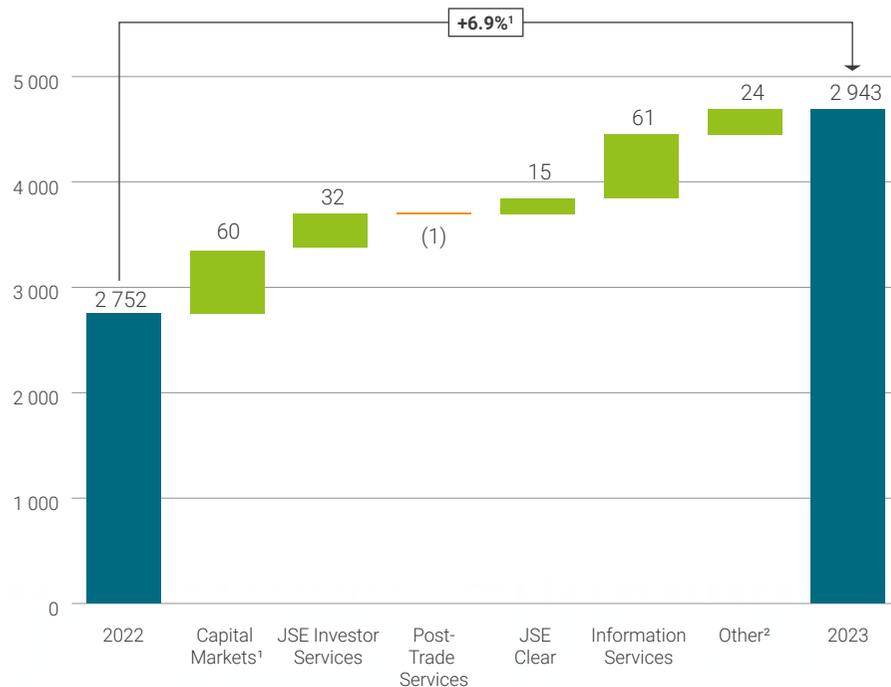
The strong set of results needs to be considered in the context of a challenging operating environment and is testament to the progress made in the delivery of our strategy during the year. The business has benefitted from rising interest rates in the form of net finance income but has faced strong headwinds from the balance of macro-economic and geopolitical challenges. This includes an overall shift in capital flows and weaker levels of business confidence all within an increasingly competitive exchange environment.

Despite the challenging environment which resulted in lower trading activity in our largest market, the JSE has reported growth of 6.9% in operating income.

Key financial themes

1. Revenue diversification supports business resilience
2. Cost growth reflects focus on strategic initiatives
3. Healthy cash generation
4. Investments in operational resilience and growth
5. Adequate regulatory capital
6. Strategic growth areas facilitate revenue diversification

Revenue performance (Rm)



¹ From 2023, Investor Protection Levy income forms part of Capital Markets revenue. This was previously reported under other income. This change was applied prospectively, resulting in a R47 million operating income growth. Operating income growth excluding Investor Protection Levy is 5.2%.

² Other: Strate ad valorem fees and margin income

Delivering on elements of our strategy, protecting our core business and diversifying our revenue streams has been supportive to revenue growth and overall financial performance. We expect to continue to see these benefits into 2024 and beyond.

Performance against Group scorecard

Operating leverage: **ON TARGET**

NPAT margin of 29.5%: **ABOVE TARGET**

ROE of 19.4%: **ABOVE TARGET**

We are pleased to report year-on-year growth of 11.0% in net profit after tax (NPAT), and a strong return on equity (ROE) of 19.4%, in line with our long-term targets. Headline earnings per share (HEPS) increased by 12.2% year-on-year to 1 029.8 cents per share (2022: 917.7 cents). Our performance was supported by diversification across asset classes and by our focus on expanding non-trading revenues lines, in line with our strategic intent to diversify Group revenue.

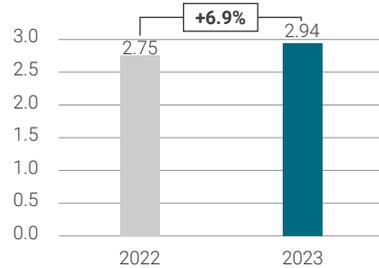
Higher interest rates have supported growth in net finance income. Margin income was reclassified from net finance income to operating income (2023: R128 million and 2022: R102 million), following the appointment of JSE Clear as an independent clearing house in terms of the Group accounting policy. The alignment is in accordance with industry best practice.

The Group remains cash generative and continues to maintain a robust balance sheet enabling the Board to declare an ordinary dividend of 784 cents per share for 2023 and an ordinary dividend pay-out ratio of 82% (2022: 89%).

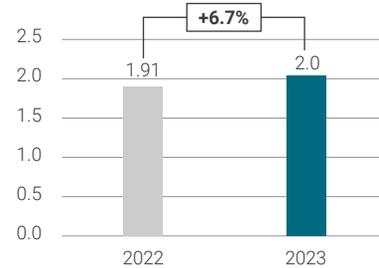
Summary of financial results

Income statement

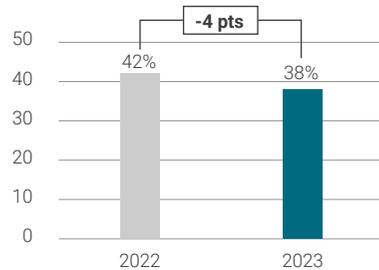
Operating income (Rbn)¹



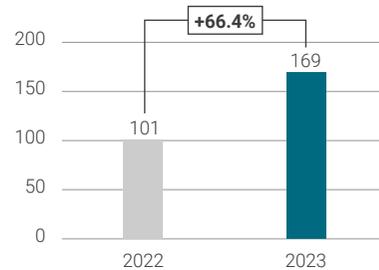
Total OPEX (Rbn)



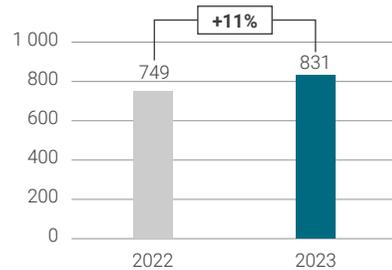
EBITDA margin¹



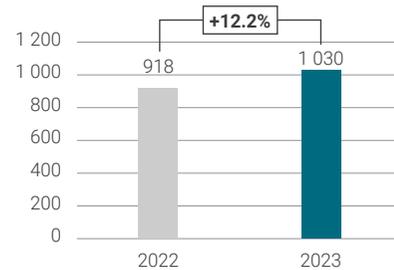
Net finance income (Rm)²



NPAT (Rm)

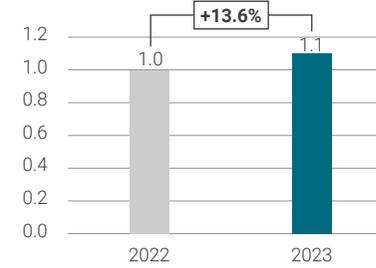


HEPS (cents)

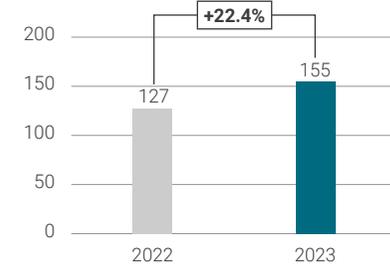


Cash and capital allocation

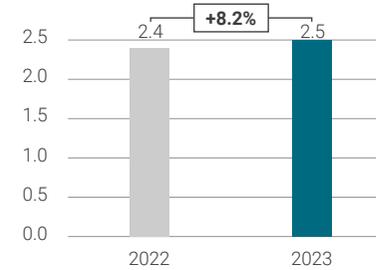
Net cash generated (Rbn)



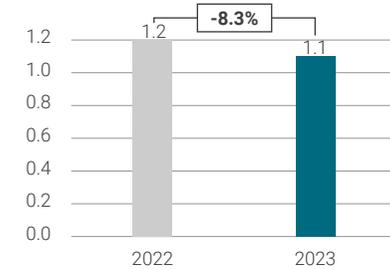
Capex (Rm)



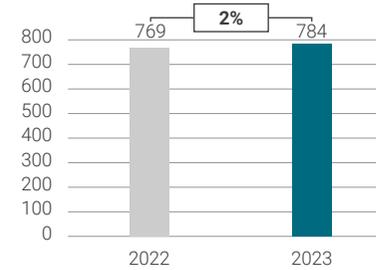
Cash balance (Rbn)³



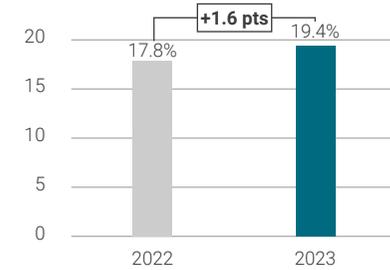
Regulatory capital (Rbn)⁴



Ordinary dividend per share (cents)



ROE



¹ Margin income included in operating income and EBITDA.

² Margin income reclassified from net finance income to operating income – 2023: R128 million and 2022: R102 million.

³ Cash balance includes bonds: R256 million.

⁴ Supported by R822 million in cash, R143 million in bonds.

1. Revenue diversification supports business resilience

The Group's revenue growth was supported by segment and asset class diversification. Operating income grew 6.9% to R2.9 billion. JIS and Information Services revenue contributed 24% to operating revenue and increased by 3% year-on-year, with double digit growth in JIS, JSE Clear and Information Services.

Capital markets grew 3% and was primarily driven by higher bonds and financial derivatives revenue, and partly offset by equity market trading revenue due to lower equity value traded. Post-Trade Services was flat, in line with the lower equity value traded.

The JSE increased the proportion of its revenue derived from non-trading activity (non-trading revenue grew by 5.4% from R849 million to R954 million in 2023).

Revenue (Rm)	2023	2022	% Growth YoY
Capital markets¹	1 031	1 002	3%
Equity market: trading ²	486	509	-5%
Equity derivatives	117	114	2%
Primary market	161	158	2%
Bonds and financial derivatives	129	111	16%
Commodity derivatives	80	72	11%
JIS	190	159	20%
Post-Trade Services	883	884	0%
Equity market: clearing & settlement	411	438	-6%
BDA	368	351	5%
Funds under management	104	95	9%
JSE Clear³	112	97	16%
Information Services	448	388	16%
Market Data	369	320	15%
Indices	79	68	16%

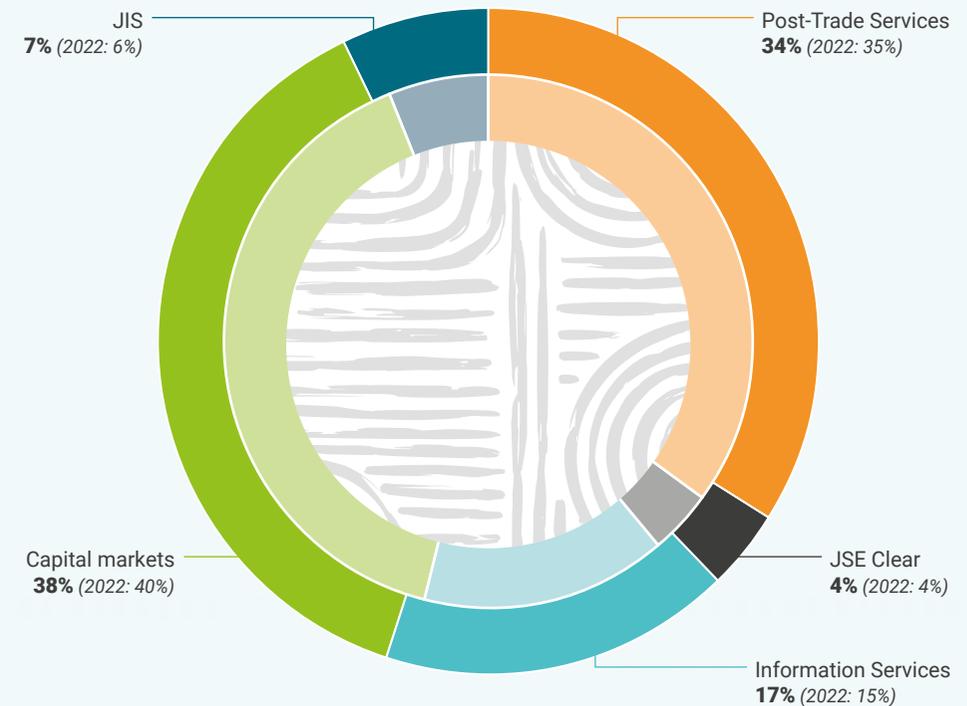
Note: Figures contain rounding differences

¹ Includes Issuer Services revenue (R11 million), JPP (R0.6 million) and investor protection levy income (R47 million). For illustrative purposes, R30 million has been excluded from other income and included in operating revenue for 2022.

² Includes colocation revenue: R43 million (2022: R33 million).

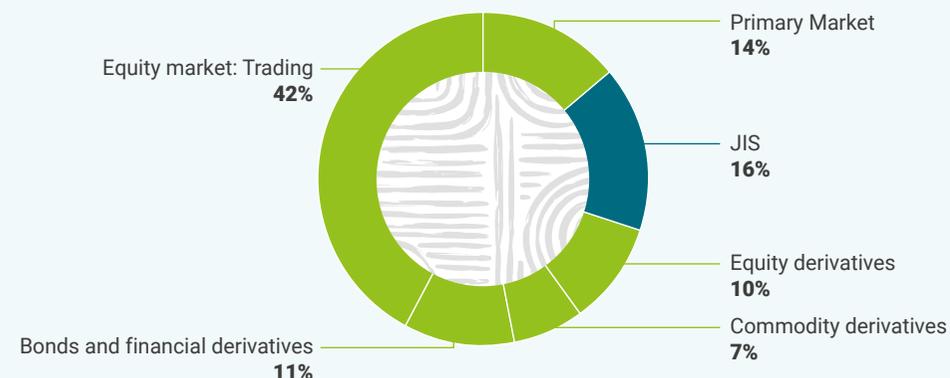
³ For illustrative purposes, 2022 derivatives revenue has been excluded from Capital Markets and included in JSE Clear on a like-for-like basis, deemed JSE Clear revenue share (30%).

FY2023 revenue contribution (inner circle represents FY2022)



1.1 Performance drivers: Capital Markets¹ and JIS

FY2023 revenue contribution



- o **Primary market:** Revenue increased by 2% primarily owing to an increase in additional capital raised R41 billion (2022: R13 billion). We also saw an increase in sustainability bonds and AMCs.
- o **Equity market trading²:** Revenue decreased by 5% as published equity value traded was down 9.5% to R5 trillion (2022: R6 trillion) and ADV down 9% to R21 billion (2022: R24 billion). Equity trading revenue was boosted by colocation revenue, up 30% to R43 million.
 - » South African capital markets continue to be influenced by both local and global macro-economic and geopolitical challenges. This manifested into higher levels of volatility and less liquidity for equity markets. Overall, there was a shift in capital flows as local investors sought foreign assets and global investors reduced their South African exposure.
 - » Effective rates increased to 0.39 bps (2022: 0.38 bps) due to an increase in trade activity of the complex order suite, specifically in the order book cross and iceberg volumes, which is at a slightly higher price point.

- o **Bonds and financial derivatives:** Revenue increased by 16%.
 - » **Bonds:** Bond nominal value traded increased by 20%. The volatility of United States and global interest rates drove the activity of South African bond markets, with strong volumes traded throughout 2023. The South African bonds remain attractive from a yield perspective.
 - Bond repo increased by 20% to R31 trillion (2022: R26 trillion).
 - Standard bonds increased 23% to R14 trillion (2022: R11 trillion).
 - » **Currency derivatives:** The number of contracts traded increased by 36%. The increase in trade activity was driven by high volatility in the rand, underpinned by global inflation risk. We saw an increase in options traded (+77%) and inverted currency futures traded (+200%).
 - » **Interest rate derivatives:** The number of contracts traded increased by 4%. Overall, there has been a higher demand for the bond futures (albeit off a low base) for hedging purposes, and an uptick in interest from new offshore players.
- o **Equity derivatives:** Revenue increased by 2% with equity derivatives value down 4%. The higher levels of the index contributed to the higher value traded. The Index Future contract, which accounts for 82% of overall equity derivatives activity, was flat. Local and global macro-economic uncertainty fuelled appetite for hedging strategies, resulting in a 3% increase for the non-linear product suite (option structures) while can-do products increased by 35% year-on-year.
- o **Commodity derivatives:** Revenue increased by 11% with the number of contracts traded up 4%. We saw more trading and hedging activity in the second half of 2023, largely owing to uncertainty in weather conditions. In addition, escalating geopolitical tension, specifically with the collapse of the grain corridor deal between Ukraine and Russia, drought in South America, China's strong demand for grains and oilseeds and the volatility in the oil market, all heightened the activity in the agricultural market.
- o **JIS:** Revenue increased by 20% driven by the growth in new customers, elevated corporate action activity and growth in margin income due to a favourable interest rate environment. Revenue and NPAT CAGR (since January 2021) of 23.5% and 71.4%, respectively.

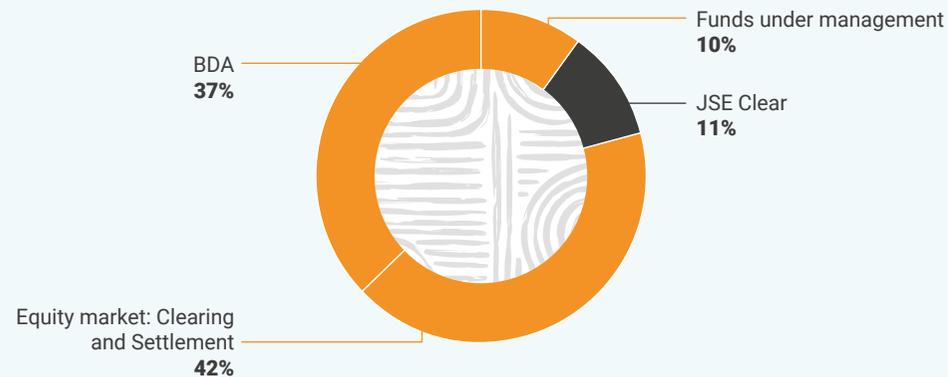
For more detail on operational performance, refer to pages 86 to 90.

¹ Includes Issuer Services revenue (R11 million), JPP (R0.6 million) and investor protection levy income (R47 million). For illustrative purposes, R30 million was excluded from other income and included in operating revenue.

² Includes colocation revenue: R43 million (2022: R33 million).

1.2 Performance drivers: Post-Trade Services and JSE Clear

FY2023 revenue contribution



- o **Clearing and settlement fees:** Revenue decreased by 6% due to a decrease in billable equity value traded which was down 5% to R8 trillion. The effective rate decreased from 0.25bps to 0.22bps due to an increase in smaller transaction sizes.
- o **BDA fees:** Revenue increased by 5% owing to a higher number of equity transactions (+1%), with ADT¹ increasing to 327 thousand (2022: 322 thousand).
- o **Funds under management:** Revenue increased by 9% due to higher JSE Trustee's cash balances.
- o **JSE Clear:** Revenue increased by 16% linked to the underlying derivative markets performance. We also introduced a clearing membership fee.

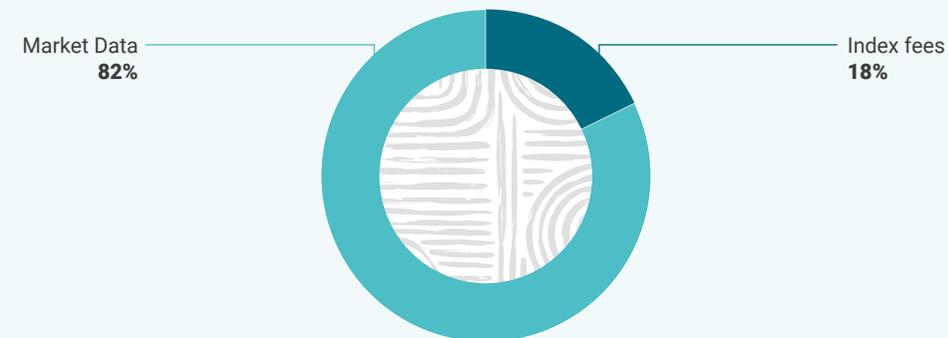
JSE Clear started operating as an independent clearing house in January 2023. Consequently, the JSE unbundled its derivative clearing fees from trading fees (Equity, Interest rate, Commodity and Currency Derivatives Markets).

For more detail on operational performance, refer to page 91.

¹ Average daily transactions

1.3 Performance drivers: Information Services

FY2023 revenue contribution



Revenue increased by 16% owing to:

- o Growth in index revenue, largely by growing USD partnership contributions from FTSE Russell.
- o An increase in USD-based annuity revenue.
- o Steady growth in core market data products.

For more detail on operational performance, refer to page 94.

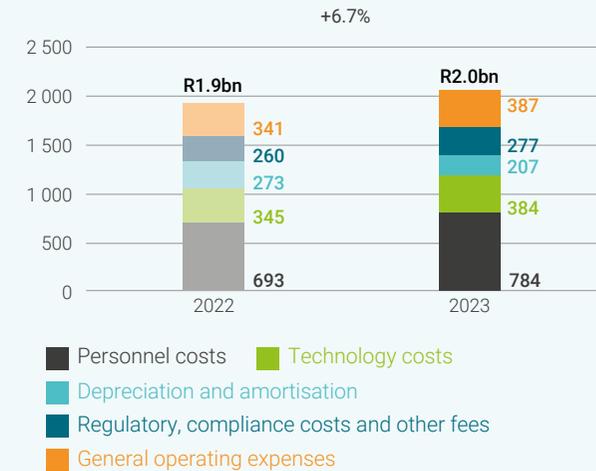
2. Cost growth reflects focus on strategic initiatives

Total operating expenditure grew by 6.7% year-on-year reflecting investment in our people and technology, implementation of our strategic initiatives and business as usual related expenditure. Inflationary increases, and a negative currency impact reflect across elements of our cost base.

Regulatory, compliance costs and other fees increased by 7% to R277 million due to an increase in regulatory related costs and new costs associated with the independent clearing house and an increase in regulatory trading levies. While general operating expenses increased by 14% to R387 million, reflective of the cost pressures in the operating environment, investment in strategic initiatives, unclaimable VAT expense, and an increase in diesel costs.

Managing the cost growth trajectory and following a disciplined approach to cost management remains a key priority. While we are proactively managing these ongoing pressures, we remain committed to making strategic investments that strengthen our core business and enhance our capabilities for the future.

OPEX



Contains rounding differences

2024 OPEX guidance: 5% – 8%

From an OPEX perspective, we expect cost growth at the higher end of the 5% to 8% guidance. Cost drivers include spend on strategic initiatives, inflationary increases and a weaker rand.

2.1 Personnel costs

Personnel costs increased by 13% to R784 million. Personnel costs reflect annual salary increases, incentives and Personnel costs reflect annual salary increases and higher incentives owing to good leavers and retention costs during the year as well as a lower Long-Term Incentive Scheme (LTIS) vesting in the prior year.

In 2023 and 2024, average salary increases were limited to inflation estimates, with no immediate plans to change the headcount structure unless a business case supports revenue.

Average headcount: 545* (2022: 544).

Refer to the employee profile on page 100.

* Includes total permanent employees as JSE, JSEC, JPP and JIS.

2.2 Technology costs

Technology costs increased by 11% to R348 million owing to the implementation of strategic initiatives and business as usual related expenditure. Technology costs were also impacted by inflation and currency depreciation on dollar denominated costs. Elements that form part of our strategic initiatives include the Information Services Growth strategy, colocation 2.0 and our cloud foundation, while business as usual related expenditure relates to software and hardware support and maintenance, licensing fees, and cyber resilience initiatives.

We continue to enhance and evolve our IT strategy to deliver appropriate technologies to the Group (page 114). The technology strategy focusses on simplifying and modernising technology and data, to ensure growth and that we are meeting customer needs, while creating a robust infrastructure across asset classes and driving the automation and digitisation agenda.

2.3 Depreciation and amortisation

Depreciation and amortisation decreased by 24% to R207 million due to a change in the estimated useful life of capitalised software and systems.

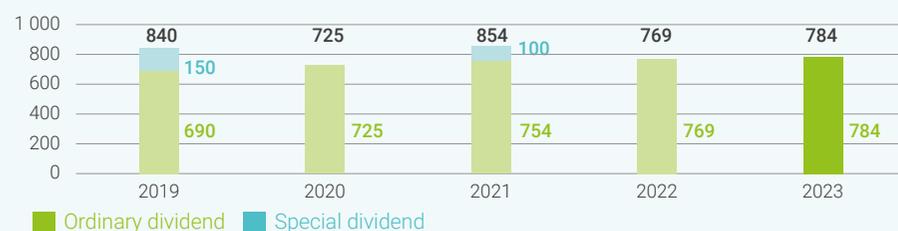
3. Healthy cash generation

The Group continued to be cash generative, with net cash generated from operations up 13.6% to R1.1 billion (2022: R978 million). At 31 December 2023, the cash balance stood at R2.3 billion (2022: R2.2 billion), excluding the bond investment of R256 million.

The JSE's dividend policy aims to reflect an appropriate balance between cash returns to shareholders and reinvestment into the Group. Therefore, our pay-out ratio is between 67% and 100% of earnings.

The Board declared an ordinary dividend of 784 cents per share for 2023, an increase of 2%, with a pay-out ratio of 82% and a dividend yield of 8.5% in accordance with the dividend policy.

Dividend per share (cents)



	2019	2020	2021	2022	2023
Total dividend (Rm)	730	630	741	668	681
Ordinary dividend pay-out ratio	87%	83%	92%	89%	82%
Dividend yield (total)	7.0%	6.3%	7.6%	7.1%	8.5%

Cash flow and investments (Rm)



Investing activities

- o Intangible assets, acquisition of plant and equipment
- o Investment in government bonds.
- o Leasehold improvements.

Financing activities

- o Acquisition of treasury shares.
- o Lease liability repaid.

¹ Amount invested in bonds: R256 million (2022: R143 million).

4. Investments in operational resilience and growth

During the year, capital expenditure totalled R155 million (2022: R127 million) and was largely focussed on protecting the core and growing the business. Around 80% of the current year's spend was on "Maintain the business" initiatives which are highlighted in the table below. All planned investments and 2023 capital requirements are funded from the Group's cash resources.

We have provided FY2024 CAPEX guidance of between R145 million to R165 million.

In 2023, our technology initiatives were balanced between rejuvenation, resilience, and growth initiatives.

Growing the business investments

- **Information Services:** This was primarily completion of the masterdata cloud transfer and spend on data marketplace and self-service BI, these components form part of progressing our market data to cloud.
- **Bond CCP:** We made good strides with the bond CCP multi-year project, a market-wide initiative for the bond ETP market.
- **New market development:** We are investigating the feasibility of alternative digital offerings.

Maintaining the business investments

- **Rejuvenation of infrastructure and systems:** The JSE completed three operating systems, platform upgrades and a system migration.
- **Upgrade of operating systems and software:** This includes additional system functionalities to improve operational efficiencies.
- **Upgrade of platform supporting remaining derivative markets:** The technology that underpins the market trading and clearing platforms for the Interest Rate, Commodity Derivatives and Bonds Markets underwent a major system upgrade.
- **Regulatory enhancements:** This included market regulation automation and smart regulation tools as well as the SENS to XBRL product.

CAPEX profile and FY2024 outlook (Rm)



Investments planned for 2024 include*

- Information Services growth strategy.
- Rejuvenation of infrastructure.
- Regulatory enhancements.
- Automation of key processes.
- System maintenance.

* Capitalisation subject to technical accounting assessment.

We continue to build out our technology requirements aligned to our strategy. These investments are focussed towards delivering on our growth initiatives and our IT strategy, to deliver appropriate technologies to the Group.

We continued to invest in defending our competitive position in core trading activity while building new services across asset classes and in private capital raising, information services and investor services.

5. Adequate regulatory capital

The Group holds two levels of non-distributable cash:

- o Investor protection and other funds of R480.8 million.
- o R987.7 million in regulatory capital.

These collectively amount to R1.47 billion and includes bond investments.

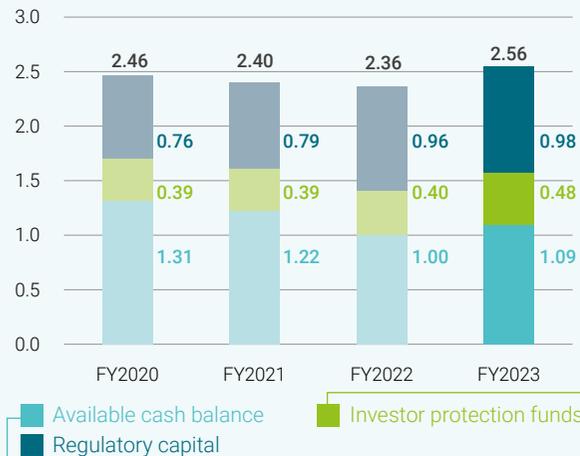
R1.47 billion of the Group's total cash is categorised as "non-distributable" leaving an "available cash balance" of R1.09 billion. This cash is available for CAPEX spend, shareholders returns, other investments and working capital.

Regulation

The JSE and JSE Clear are required to hold regulatory capital.

The graph below shows the allocation of funds.

Cash and bonds (Rbn)



Investor protection and other funds

- o JSE Derivatives Fidelity Fund.
- o JSE Guarantee Fund.
- o BESA Guarantee Fund.
- o JSE Empowerment Fund.

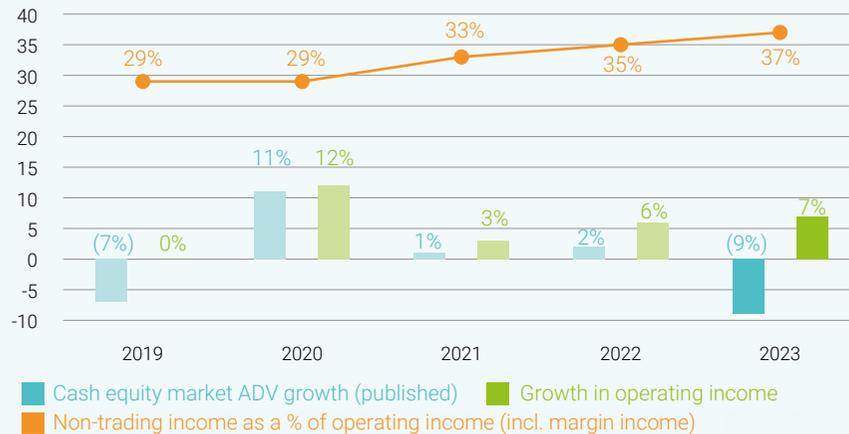
Available cash for distribution

- o CAPEX.
- o Shareholder returns (67 – 100% pay-out).
- o Other investment.
- o Working capital.

6. Strategic growth areas facilitate revenue diversification

Non-trading income accounted for 37% of total operating income (2022: 35%), an increase of two percentage points year-on-year, in line with our strategic intent to diversify Group revenue.

Non-trading income offset lower trading activity



Data excludes other revenue and other finance income.

Non-trading income includes market data fees (Information Services), JIS Investor Services, margin income, colocation fees and primary market fees

Our growth areas, Information Services and JIS continue to contribute to the quality of our earnings. We introduced cloud-based colocation services to significantly reduce data centre costs to market participants. While value traded was down by 9.5%, equity trading revenue was boosted by colocation revenue, up 30% to R43 million.

We saw steady growth in JIS with the addition of new clients and products. JIS now contributes 7% to Group revenue.

The growth strategy for Information Services is starting to gain traction with 16% growth in revenue and the segment representing 17% of Group revenue. This is a critical phase in the strategic vision for Information Services as it lays the groundwork for monetisation and improving our data capabilities. Key highlights from 2023 include:

- o Substantial progress on transitioning market data to the cloud.
- o Launched big xyt ecosystems, a business that will offer analytics-as-a-service capabilities to global exchanges and their ecosystems.

To position Information Services for market data revenue growth in 2025 and 2026, the priorities for 2024 include:

- o Progressing foundational projects to practical completion.
- o Launching a range of revenue-generating data products and services.
- o Exploring opportunities for data revenue growth (inorganic, partnerships or joint ventures).

Appreciation and future focus

I was appointed as the Group CFO on 9 January 2023. As I reflect on the year, I would like to thank the finance team for their hard work and dedication.

I am particularly pleased about the quality of our results for 2023, with operating income up by 6.9% despite a particularly challenging macro environment. This is reflective of the continued progress that we are making in our strategy to diversify revenue while protecting our core business.

Automation remains a key priority, not only for our finance team but for the broader business and successfully implementing automated processes across the Group will improve the accuracy and quality of our financial data and the cadence of information flow.

Modernisation and simplification of the technology estate will be a key focus area aimed at addressing legacy challenges and reducing complexity. Some of our technology and data platforms need to be adapted to cater for new expectations and strategic shifts facing the Group. Therefore, significant investment and effort will be put into the modernisation of core platforms to enable the transition to more future fit platforms. During the course of 2024, we will start planning the modernisation of the BDA platform to enable cost efficiencies, increase agility and improve customer experience.

Looking ahead, the team will continue to focus on prudent management of the cost base and enhancing the control environment through several initiatives, including automation efforts.

Our long-term strategic objectives are to grow and diversify revenue streams, invest in operational robustness and resilience, and further entrench sustainability in the business.



Fawzia Suliman

Group CFO

Group scorecard for 2024: *Generate sustained, high-quality earnings (Weighting: 45%)*

- o NPAT growth in line with CPI.
- o Maintain NPAT margin.
- o Maintain a strong ROE.

Committed to stakeholder value creation

The JSE has a resilient business model underpinned by healthy cash generation, a robust balance sheet and a sustainably high ROE.

We continue to:

- o Increase revenue diversification across business segments and asset classes.
- o Maintain our core value proposition through a resilient and stable market.
- o Partner and innovate to deliver transformation.
- o Stable dividend profile.
- o Sustain our M&A track record through the delivery of JIS and Globacap.

Revenue: JSE Clear started operating as an independent CCP effective 1 January 2023. As a result, a new revenue stream was recognised in the current year for membership and clearing fees.

Margin income and collateral: Restated, refer to note 6 for further details in the annual financial statements.

Operating income: Margin income reclassified from net finance income to operating income – 2023: R128 million and 2022: R102 million.

Other income: From 2023, Investor Protection Levy revenue forms part of Capital Markets revenue. This was previously reported under other income. After careful consideration, we believe it is more appropriate in this division as this Levy forms part of the product fee income for capital markets.

Personnel expenses: Includes the accounting impact of accelerated LTIS for good leavers and critical skills cash scheme.

Other expenses: Other expenses comprises mainly of administration fees and legal fees, swift charge, travel costs, internal audit and reviews costs, learning and development costs, data information charges and operational risk losses.

Strate acquired 100% holding in Trustlink (Pty) Ltd, a swift bureau business, effective 1 January 2023. The transaction did not impact JSE's effective holding of 44.55% and the classification of the investment as an associate.

Summarised income statement

(Rm)	2023	2022	Δ (%)
Revenue	2 814	2 650	6.2%
Margin income and collateral	128	102	25.8%
Operating income	2 943	2 752	6.9%
Other income	30	54	(45.4%)
Total income	2 972	2 806	5.9%
Personnel expenses	784	693	13.2%
Other operating expenses	1 048	946	10.8%
EBITDA	1 141	1 168	(2.3%)
EBITDA (%)	38%	42%	(4 pts)
Depreciation and amortisation	207	273	(24.1%)
Total operating expenses	2 039	1 912	6.7%
EBIT	933	894	4.4%
EBIT (%)	31%	32%	(1 pts)
Net finance income	169	101	66.4%
Share of profit from associate	39	41	(5.6%)
Profit before tax	1 141	1 037	10%
Income tax expense	310	288	7.5%
NPAT	831	749	11.0%
NPAT (%)	30%	28%	1 pts
EPS (cents)	1 019.3	911.1	11.9%
HEPS (cents)	1 029.8	917.7	12.2%

Summarised balance sheet

Intangible assets: Included in the intangible assets is the goodwill and customer relationships relating to JIS as well as software under development primarily owing to the market regulations re-architecture and automation.

Other investments: Globacap investment: In 2021, JSE acquired a minority stake for R84 million in Globacap. Management has elected to designate the investment at fair value through OCI, as the investment is a strategic long-term investment not held for returns in the short term. In 2022, the JSE participated in a bridge funding round to the value of £500 000 (R9.6 million). The bridge funding round was raised using a Simple Agreement Future Equity note (SAFE note). In 2023, the safe note converted to an equity instrument (preferred B shares). Post conversion, the JSE owns 14.4% (2022: 18.4%) effective stake in Globacap.

(Rm)	2023	2022
Non-current assets	2 155	1 992
Property and equipment	174	165
Intangible assets	675	696
Investment in associate	347	329
Other non-current assets	959	801
Current assets	57 637	59 345
Margin deposits	53 999	55 793
JSE Clear Derivatives Default Fund collateral deposits	500	500
Trade and other receivables	831	793
Cash and cash equivalents	2 304	2 223
Other current assets	4	36
Total assets	59 792	61 336
Total equity	4 382	4 173
Stated capital	(166)	(119)
Reserves	846	755
Retained earnings	3 701	3 537
Non-current liabilities	116	191
Current liabilities	55 294	56 972
Margin deposits	53 999	55 793
JSE Clear Derivatives Default Fund collateral contribution	400	400
Other current liabilities	895	780
Total equity and liabilities	59 792	61 336

The above represents a condensed version of the Group's balance sheet. Please refer to the consolidated annual financial statements for the statutory version.

Business reviews

This section focuses on the revenue elements in the business and is not a complete operating view. More detail on our products and services is available on page 9. More information on JSE initiatives and operational performance can be found throughout this report, in addition to the Group CEO's and Group CFO's reviews (pages 30 and 72, respectively) and the strategy section (page 54).

Capital markets

*In conversation with Valdene Reddy,
Director of Capital Markets*



? What themes shaped your performance for 2023

South Africa's capital markets continue to be influenced by local and global macro-economic and geopolitical ebbs and flows. The 2023 year was turbulent, characterised by weaker global economic conditions, higher for longer inflation and rates cycles and ongoing political tensions. These global conditions led to a risk-off mentality, with investor sentiment prioritising safe haven investment plays in an uncertain environment. This manifested in higher levels of volatility and less liquidity for equity markets. In general, emerging markets underperformed compared to developed ones as investor confidence remained conservative.

South Africa has its own set of challenges, with persistently low economic growth and fiscal stability in focus. A weakened and volatile rand, electricity supply constraints, and South Africa's greylisting in February 2023, further dampened investor confidence, underpinning a sell bias to the market. As we move into an election year in 2024, we can expect investor caution to prevail.

Overall, there has been a shift in capital flows as local investors have sought foreign assets fuelled by regulatory changes, and global investors reduced their South African exposure. This has resulted in a decrease in trade activity in our Equity Market, with the total value traded down 9% year-on-year. However, on a yield appeal, the Interest Rate Market continued to attract inflows, with bond nominal value and interest rate derivative contracts traded up 20% and up 4%, respectively, despite South Africa's rating and low growth environment.

? What were your strategic priorities for 2023

The focus for the Capital Markets division was to promote the JSE as an attractive listing destination showcasing South Africa's value opportunity and high quality, deep and liquid markets. We focussed on staying relevant through our products and services and attracting new clients through new markets. In addition, we enhanced access, boosted the overall liquidity of our markets and diversified our client base to stimulate capital raise and secondary market activity. Engagements with internal and external stakeholders were of primary importance to help drive market development and ensure clients were effectively serviced, and the investment opportunities of South African capital markets were presented.

The role of capital markets in reviving economic growth and strengthening investor sentiment is imperative for the JSE. We promoted South Africa as a high-quality market with excellent, resilient companies led by experienced management teams through investment roadshows and targeted client engagements for capital raise and trading opportunities.

The team was involved in collaborations with public and private sector engagement to present South Africa's investment case at well-attended SA Tomorrow China and New York investor events, while also driving increased cooperation locally between the private sector and the state.

In 2023, three new companies listed on the Exchange. There was significant growth in the number of AMCs. We are pleased with the pipeline for these product types, which were introduced in mid-2022. The sustainability segment continues to attract investor interest and new listings. In 2023, we saw 12 new bond listings in the sustainability segment.

The launch of this market is an indication of how markets are transforming and how we are adapting to our ecosystem to provide scalable solutions to decarbonise South Africa and the rest of the continent.

The launch of a Voluntary Carbon Market in November of 2023 is the culmination of much time and energy spent on exploring carbon market dynamics, structure, stakeholders, platforms and global trends. The initiative is run by JSE, in partnership with US-based Xpansiv, which runs one of the world's largest spot exchanges for environmental commodities. The platform will allow local participants to buy or sell carbon credits and renewable energy certificates that are held in either local or global registries.

JPP had a highly successful first year of operation, with 41 deals announced and a total of R20 billion in capital to deploy. This highlights the significant progress that has been made towards making JPP a successful and scalable entity. The JSE is working with banks, advisors and developmental finance institutions to improve deal flow and quality.

The JSE has continued to grow the colocation offering with a total of 53 racks at the end of 2023 and the onboarding of diverse clients from different geographical areas. This is an encouraging sign regarding the appeal of our markets. Through a new, international technology collaboration, the JSE launched Colo 2.0 in November 2023. This is an advanced managed infrastructure-as-a-service solution that provides clients with cloud-based colocation services.

By leveraging our solution, clients can reduce time to market, decrease capital expenditure and ease their dependency on working with multiple vendors. Colo 2.0 further entrenches our position as a centre of innovation for African financial markets. Today, 69% of trading activity in the Equity Market is through colocation.

In the derivatives markets, we have driven market development through client engagements, technology upgrades and innovative product design.

? What is the significance of the JSE's regulatory reform projects

The JSE has recognised the need to simplify its rules to make our markets more attractive and promote and enhance capital raise options. In September 2023, the JSE announced a simplification project to examine our listing requirements for relevance. This will enhance our listings proposition by making it easier and more cost-effective for listed companies to meet regulatory requirements. In addition, the work involves harmonising our Listings Requirements with other major markets to fast-track listings from different geographical locations, showcasing South Africa as a viable dual-listing environment.

The regulatory reform and simplification project fosters proactive measures by the JSE to enable a relevant and innovative environment to attract and stimulate capital raise in South Africa.

The announcement follows other changes implemented in 2023, such as permitting dual-class shares, lowering the minimum float requirement, and improving rules around special-purpose acquisition companies. The response from issuers has been overwhelmingly positive.

More detail on 2023 performance

Primary Market

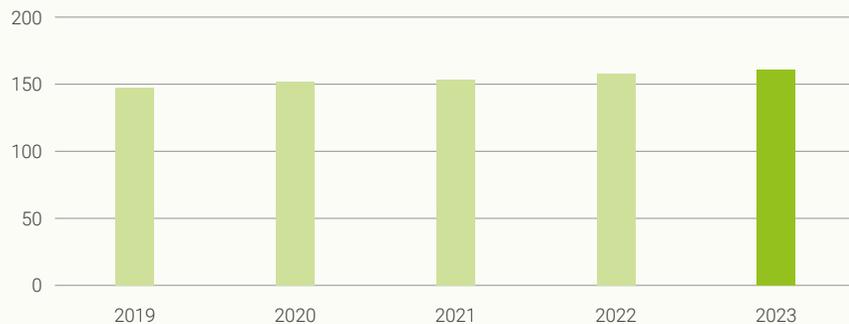
- o Number of new listings in 2022 at 3 (2022: 5).
- o Additional equity capital raised: R41.4 billion (2022: R13.2 billion).
- o 742 new bond listings (2022: 774). The total nominal value for total listed bonds: R4.6 trillion (2022: R4.2 trillion).
- o Sustainability bonds*: 12 new bonds listings for a nominal value of R11.7 billion (2022: 32 new bond listings for a nominal value of 2022: R17.6 billion). As at end December 2023, we had 76 sustainability bonds with market capitalisation of R37 billion.

* Includes sustainability linked bonds, social bonds, green bonds, and self-labelled green bonds

Other products:

- o 12 new ETFs (2022: 9) with a total of 99 with a market capitalisation of R148 billion.
- o 5 new ETNs (2022: 9).
- o 442 warrants and structured products (2022: 360).
- o 23 new AMCs (2022: 9) with a total of 44 with a market capitalisation of R10 billion.

Primary Market (Rm)



JSE Private Placements

There are currently 41 deals live on the platform and we have grown the capital “ready to deploy” by investors to R20 billion (2022: R12 billion). These deals range from a solar power plant looking to expand to a new fintech business looking to launch in the Taxi industry.

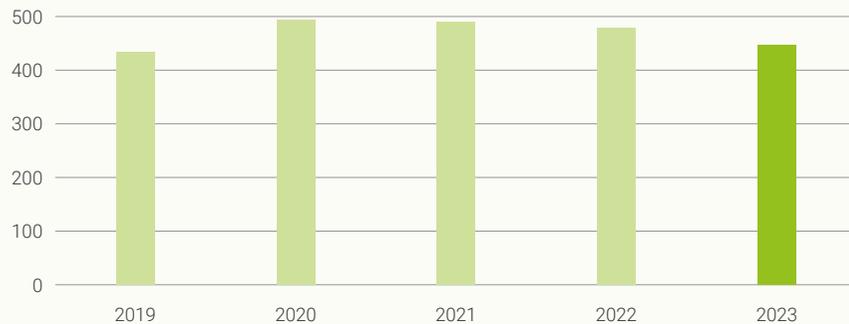
Secondary Market

Equity Trading

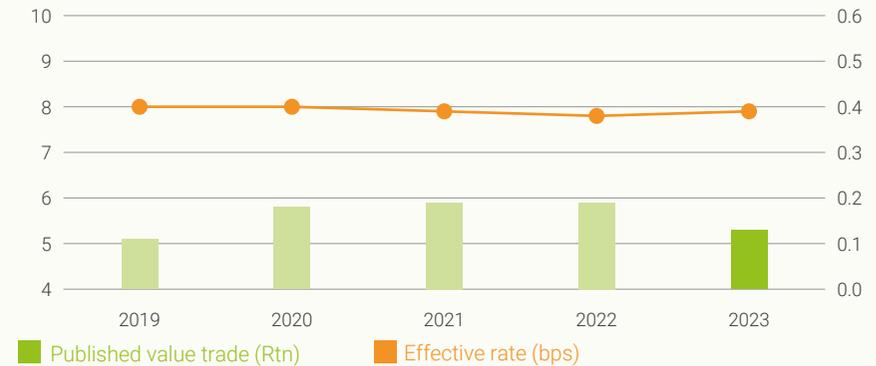
- o The published value traded down 9.5% (2022: up 1.3%). ADV flat (0.2%) (2022: up 2.1%) and the number of transactions/deals up 1% (2022: down 1%).
- o Order book cross and iceberg volumes* have increased by 26% and 38% per annum, respectively, since 2021.
- o Foreign investors were net sellers of equities.
- o Colocation remains an important enabler to growing trade activity, contributing 69% to overall value traded (2022: 68%), with 53 racks (2022: 47).

* Definition of trade types: <https://www.jse.co.za/events/iceberg-orders-are-now-live>

Equity trading (Rm)



Published value traded and effective rate¹



¹ Effective rate: Revenue divided by billable value traded.

Equity Derivatives Trading

- o Value traded was down 4% at R6.3 trillion.
- o Open Interest: 25 million contracts traded (2022: 24 million).
- o The Index Future contract, which accounts for 82% of overall equity derivatives activity, was flat year-on-year.

Equity Derivatives and value traded



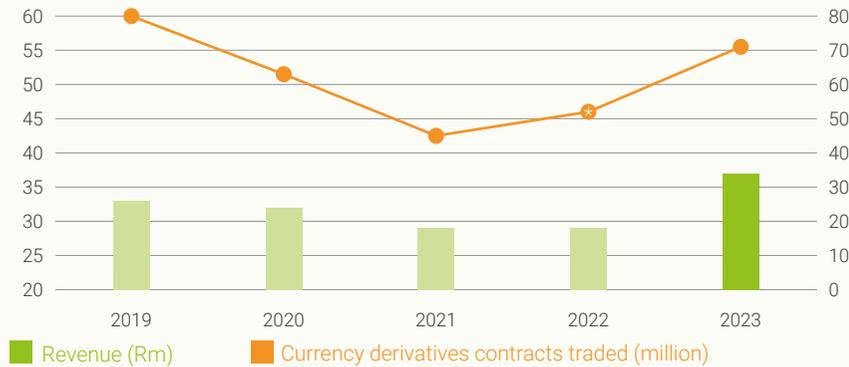
* Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets.

Secondary Market continued

Currency Derivatives Trading

- o Contracts traded increased by 36% to 71 million.
- o Options traded increased by 77%.
- o Inverted currency futures traded grew by just under 200%.
- o Open interest is down 33%.

Currency derivatives and contracts traded



* Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets.

Interest Rate Market

Bonds

- o Increase in bond nominal value traded (up 20% to R44 trillion).
 - » Bond repo increased by 19% to R30.7 trillion (2022: R25.8 trillion).
 - » Standard bonds increased 23% at R13.5 trillion (2022: R11.0 trillion).
- o Continued net inflows in the bond market.

Interest rate derivatives

- o Interest rate derivative contracts traded increase by 4% year-on-year.

Interest rate and bond nominal value



Commodity Derivatives Trading

- o The number of contracts traded increased by 5% to 3.8 million (2022: 3.6 million).
- o Physical deliveries processed in completion of futures contracts was down 10% to 3.6 million tonnes.

Commodity derivatives and contracts traded



Post-Trade Services

*In conversation with
Alicia Greenwood, Director of
Post-Trade Services and CEO of JSE Clear*



? What were your priorities for 2023

The Post-Trade Services division plays a material role in the daily running and risk management of the markets. In 2023, we continued our track record of exceptional operational resilience and appropriate, proactive risk management of the markets. This is an achievement considering the year's highly volatile markets and the fluctuations of the rand. It further cements our reputation as a reliable, safe pair of hands.

In January 2023, JSE Clear began operating as an independent entity under its new licence as South Africa's only independent clearing house and CCP. Global regulators acknowledge CCP clearing as the preferred approach for risk management and clearing of capital markets. We established the governance, operational and regulatory requirements of the business under the new licence. The transition was handled smoothly with no negative impacts on market participants.

We implemented an additional clearing membership fee to the pricing model for JSE Clear to improve its financial resilience, and to accommodate the costs of regulating our clearing members and meeting best practice CCP standards and regulatory requirements.

We made progress with our major strategic projects. In December 2023, we went live with our service offering to accept non-cash collateral (government bond securities) in addition to cash from investors to meet their margin call obligations in the Equity Derivative and Currency Derivative Markets. This means investors have the choice to provide less expensive forms of collateral.

The service will result in substantial savings for investors who can rather use their cash to generate returns in other initiatives. This service also enhances JSE Clear's offering to better align with CCP services offered internationally.

We made good strides with the bond CCP multi-year project, a market-wide initiative which will go live in 2025/2026 for the bond ETP market. A bond CCP will provide South Africa with the ability to apply the central clearing risk management to the local bond market, replacing the bilateral risk management models used today. This is a material step towards ensuring South African markets are cleared using the global CCP risk management benchmark standard. It will make the market safer and improve liquidity by attracting and retaining international investors who may attract high regulatory charges on the bilateral model. During 2023, we received buy-in from the market to proceed with this transformational project and defined the CCP's infrastructure and operating model requirements. During 2024, we will submit our application for regulatory approval and commence the technical build of the CCP.

Post-Trade Services enjoys excellent relationships with its clients. These relationships are collaborative, interactive and profoundly interdependent.

We improved the operational and cyber resilience of our clearing systems in the Commodity Derivatives and Interest Rate Derivatives Markets, by fundamentally re-platforming the underlying technology. Read more about the JSE's technology projects on page 114.

All these key projects require the buy-in, insights and collaboration from our market participants. We are proud of our strong relationships with our regulators, clearing members and clients and have a keen focus on continually developing these, as demonstrated by our substantially improved NPS over the past three years.

Unfortunately, as a direct consequence of South Africa's greylisting and subsequent placement of South Africa on the European Union's list of high risk countries, European Securities and Markets Authority (ESMA) withdrew its recognition of JSE Clear as a third-country CCP, effective 29 December 2023. This did not affect our direct clearing membership but may negatively impact the size of exposure that European Union banks hold against JSE Clear. The percentage of European business in our portfolio is minimal, and we will only understand the full impact of the loss of ESMA recognition through the course of 2024.

JSE Clear will be able to re-apply for ESMA recognition once South Africa is removed from the European Union's list of high-risk countries.

? How is the JSE contributing to the development of digital marketplaces

The JSE has a keen interest in exploring digital asset opportunities. We are a member of the Intergovernmental Fintech Working Group, together with the SARB and major banks.

The JSE successfully concluded Phase 3 of the SARB's Project Khokha, in which equity stocks were tokenised, and cleared and settled via distributed ledger technology using the national digital currency. This work, conducted in a regulatory sandbox environment, enabled the industry to experiment with the trading of equity instruments via new-age technology and platforms, and to test the appropriateness of trading processes and supporting regulation.

During 2024, we will further our strategic investigations to consider creating an appropriate environment to enable the development of a digital tokenised assets marketplace.

JSE Clear hosted the WFE 40th Annual Clearing and Derivatives Conference, WFE Clear, in March 2023. The conference was well-attended by over 120 delegates from significant international exchanges and clearing houses, and by leading regulators and standards-setting bodies. The conference brought together academics, practitioners and policymakers from around the world to share original research and ideas on the opportunities and challenges of clearing.

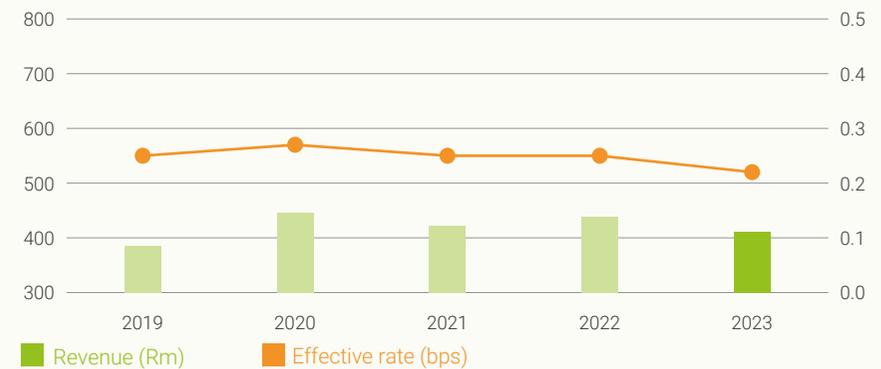
This year, as a first-time initiative, the WFE also conducted a one-day programme focussed on knowledge-building and skills development and was well-attended by emerging markets clearing house representatives.

More detail on 2023 performance

Clearing and settlement

- o Billable value traded was down 5% to R8.0 trillion.
- o Funds under management increased by 9% to R104 million (2022: R95 million).

Clearing and Settlement¹ and effective rate²



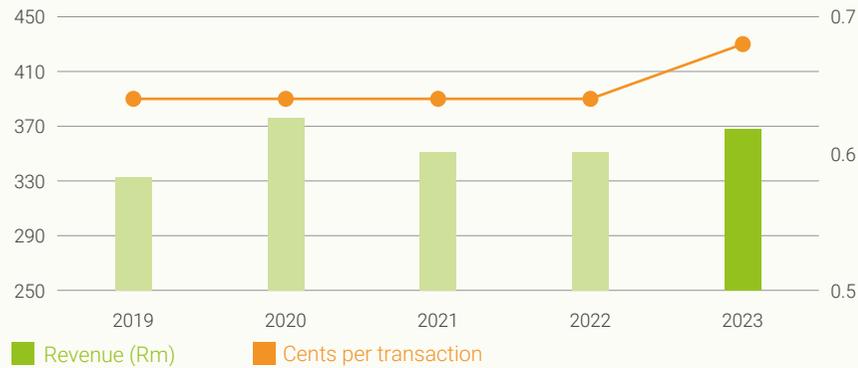
¹ Clearing & Settlement revenue only reflects equity market clearing fees.

² Effective rate: revenue divided by billable value traded.

BDA

- o Number of transactions/deals up 1% (2022: down 1%).
- o Average daily transactions increased by 1% to 327k (2022: 322k).

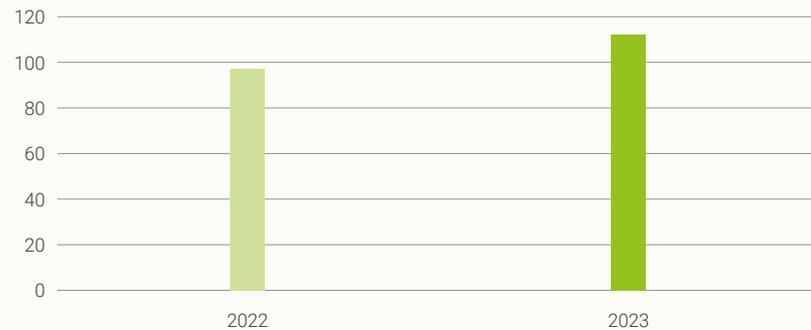
Back-Office Services and cents per transaction



JSE Clear

Unbundled derivative fees from Capital Markets trading revenues (Equity, Interest rate, Commodity and Currency Derivatives Markets). Introduced a membership clearing fee.

Revenue (Rm)



Information Services



*In conversation with Mark Randall,
Director of Information Services*

? What were your top strategic highlights for 2023

A major strategic highlight was establishing the JSE's credibility as an analytics provider. In January 2023, we launched our JSE Trade Explorer data analytics platform, the Exchange's first foray into offering analytics-as-a-service directly to our members.

At the moment, JSE Trade Explorer targets the trading participants of our cash equity and ETF markets, with potential expansion to investors and issuers. It provides sophisticated analytics tools that enable users to understand market liquidity and flows, market share, business concentration, and execution quality. It also delivers tools for analysing trading patterns and reviewing trading decisions. The platform uses modern cloud channels and is highly accessible to clients without any IT integration or support.

Our analytics solutions further entrench the JSE's position as a centre of innovation for African financial markets. The collaboration with big xyt also marks an exciting step in our Information Services strategic journey.

Exchanges typically provide wholesale data, which their clients manipulate using their own systems, tools and algorithms. No other exchange offers private trade data analytics capabilities directly to its members. In July 2023, the JSE, together with big xyt, founded big xyt ecosystems, a new company and partnership, to assist exchanges and other trading venues in offering data analytics platforms.

This will allow them to tap into innovative data analytics solutions by leveraging the JSE's experience in South Africa.

The big xyt ecosystems benefits from big xyt's technology stack and considerable data analytics experience, while the JSE brings the innovative culture that resulted in the Trade Explorer concept, proven use cases and an extensive peer network within the global exchange community.

? What progress was made with delivering your five-year strategy

2023 was the second year of our five-year growth strategy, and we continued to build out our technology requirements. Our strategy is premised on the promise of technology to unlock insights and allow us to provide our clients with highly customised market data products and services. With a modern technology stack, it is exponentially easier to be flexible and rapidly develop different solutions.

In December 2023, we completed the migration of our essential data assets into our cloud-based data lake, together with a minimum of one year's historical data. This project is a critical step to enabling our strategy. A cloud-based solution allows us to easily access high quality data and better understand trends and client needs. In 2024, we will continue to migrate supporting data assets and additional historical data to the cloud.

We also launched the first production-ready version of our data marketplace, a new application for our clients to engage with market data, offering an improved client workflow and experience. As the application evolves, clients will be able to log in and browse the catalogue of available data products, contract digitally to receive data and complete all technical enablements. In addition, clients can organise payments, download invoices and check usage reports without directly interacting with client services.

Importantly, we reported our first revenue billed from our strategic initiatives and expect to see an increasing revenue uplift in 2025 and 2026. We developed a product creation framework and spent significant time evaluating potential products, understanding client needs and investigating other exchanges' offerings. We embrace technology and have a fluid development cycle, which means we are open-minded when thinking about new products and services.

Our dedicated and highly specialised team enables our strategy. Growing the team is critical for our success, both in finding the right future-fit skillsets in a competitive marketplace and upskilling existing team members.

? How does Information Services contribute to a resilient and diversified JSE

We never forget that Information Services has a critical financial market infrastructure responsibility to provide market information. This includes managing the SENS service, instrument reference data and corporate actions, and closing prices. We think deeply about the importance of operational resilience in providing reliable and error-free data flows to support trading and clearing across our domestic capital markets.

In 2023, we saw minimal incidents of data product errors or re-issues. High levels of operational excellence demand constant energy and discipline. We continually implement steady improvements, including automation projects, process enhancements and methodology improvements. In the cash bond space, we replaced our legacy valuation system for calculating and verifying closing prices. While a significant internal project, there were no material systems or process impacts on clients. We are collecting information with fewer manual processes and using technology to validate data. This demands a constant investment in data infrastructure and processes.

Information Services contributes to the JSE's diversification drive by growing non-trading revenue. Here, our revenue growth will come from new data services. These include data analytics, offering more flexible raw data services and bundling JSE data alongside other external data. Examples of these services include delayed data and service that offers financial statements in a machine-readable format. Clients will increasingly consume third-party data assets, for example, ratings or data sustainability, alongside JSE data. We will work with external data owners to provide a comprehensive data suite on one platform. We believe this will be a compelling proposition.

More detail on 2023 performance

- o Growth in index revenue, largely from growth in USD partnership contributions from FTSE Russell.
- o An increase in USD-based annuity revenue.
- o Steady growth in core Market Data products.

Information Services (Rm)



JSE Investor Services

*In conversation with Carol Crozier,
CEO of JIS*



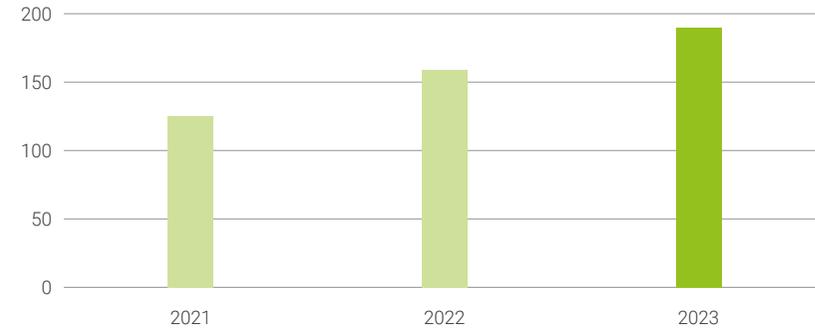
? How would you describe your performance for 2023

The year 2023 was characterised by healthy revenue growth, improved profitability and a continued focus on improving operational efficiencies through technology. Revenue for JIS grew by 20% to R190 million. This revenue growth was supported by new client acquisitions, albeit at a lower rate than in 2022, an elevated level of corporate action activity, and a high interest rate environment that boosted the growth in margin income.

JIS maintains the share registers of listed and unlisted companies, including JSE Top 40 companies. With the continued expansion of our client base, we have worked on providing value added products and a seamless service offering. In 2023, we onboarded 10 new clients. Despite solid market share gains, our operating context remains difficult with delistings and fewer new listings.

JIS enjoyed improved profitability due to strong cost control and client base growth without increasing headcount. In addition, we spent considerable energy on streamlining our operational processes. We leveraged technology to improve our operations and structured our client service teams to assist clients more effectively.

Revenue (Rm)



? How does JIS use technology to enhance operations and client offerings

We see technology and systems as a major catalyst to unlock business performance. We continue to invest in digitalisation to streamline processes, contain costs and eliminate human error. Technology also offers many innovation opportunities.

We continue to focus on solutions that offer value to clients and solve the major challenges that market participants face.

In 2023, we rolled out a new system to streamline how work processes are allocated. It allows us to manage and observe productivity across various areas and distribute workflow to those areas with more capacity. This is making a significant difference in smoothing the peaks and troughs we experience in our business. We also increasingly use artificial intelligence (AI) to improve our efficiencies, automate manual back-office tasks and ultimately offer our clients a better service. Here, AI is intended to support our teams rather than reduce headcount.

There are risks associated with any technology. We manage the records of over 2.5 million shareholders, and we also hold shareholders' shares and funds in safe custody. With this responsibility, we are vigilant to the risks of fraud and cyber hacking. In 2023, we invested in enhancing our cybersecurity protocols. This includes spending time to upskill employees on the risks involved when processing shareholder information.

? What are the biggest untapped opportunities in your marketplace

We see significant opportunity in solving industry-wide challenges. For example, FSCA estimates there are R88.56 billion in unclaimed assets across the financial sector, with the majority being retirement funds. JIS is supporting the JSE in spearheading a major new asset reunification project to support our issuers in proactively locating missing shareholders. We will leverage our expertise in facilitating unclaimed dividends and register clean-up campaigns. We have successfully returned more than R420 million in unclaimed funds to approximately 71 000 shareholders over the last five years.

We also aim to grow in the BBBEE share scheme space, and we can remove much of the hassle of administrating these types of schemes. We have vast experience in BBBEE verification and are the appointed transfer secretary and BBBEE verification agent for some of the largest listed and unlisted BBBEE schemes.

In March 2023, JIS launched a centralised BBBEE verification platform. The platform provides a streamlined process for individual shareholders to verify themselves on a once-off basis, eliminating the need for multiple verification of BBBEE purposes when buying and selling BBBEE shares. In addition, the platform also affords stockbrokers and listed companies the ability to search the platform database for BBBEE verifications of shareholders to enable trade on various BBBEE share schemes on offer on the JSE.

We also see a growing need for shareholder communications and credible investor education. We want to deepen the JSE's connection to retail shareholders through ShareHub and other channels. In 2023, we automated all communications to shareholders using ShareHub. We have 56 people in our call centre and interact with shareholders in all 11 official languages. We also offer a walk-in centre at the JSE's premises for shareholders. We are passionate about making investing in the JSE more accessible and understandable for retail shareholders.



“ Our employees are at the centre of what we do. As our representatives, they build trust and create a human connection with our stakeholders. ”

Itumeleng Monale
Chief operating officer

Human capital and remuneration outcomes

Our overall employee experience is aligned with our strategy, values and culture. We empower employees with the skills and capabilities to work in cross-functional initiatives that place us at the forefront of our industry. We believe in the power of diversity and have strategies in place to attract and develop diverse talent.

Our progressive policies and hybrid working approach consider the evolving work landscape and the employee experience. We continue to invest in our culture, employee engagement and wellbeing initiatives to support employees. Our learning and development initiatives have a strong focus on leadership development.

Focus areas for 2023	Focus areas for 2024
<ul style="list-style-type: none"> o Leadership development and talent management. o Diversity and inclusion to drive transformation. o Wellness drive to support employee mental wellbeing. o Transitioning to a new job grading methodology. o Introducing an HR bot. o Enhancing the hybrid working model. o Launching the medical insurance benefit to JIS employees. 	<ul style="list-style-type: none"> o Culture and leadership alignment and enhancement linked to the values and strategy. o Further enhancement of our Hybrid working model to elevate social cohesion between teams and improve knowledge transfer. o Career pathing to support growth and development. o Implement new HR automation. o Continue to reduce the time taken to hire candidates. o Enhance the new employee onboarding process.

In conversation with Itumeleng Monale, the chief operating officer

? What is the JSE's employee value proposition

The primary job of the JSE's HR practitioners is to ensure our employee value proposition is strong and sustainable in a highly competitive marketplace. This means providing employees with increased choice and meeting their needs. Employees want different things, and we must cater for that. Our proposition is rooted in employee wellbeing and ensuring that our hybrid working model is supportive of our teams and employees' productivity.

The type of skills required as a financial market infrastructure are unique, and the complexity of the Exchange offers employees an intellectual stretch. The JSE appeals to people who enjoy a fast pace and a constant drumbeat of delivery. Typically, our employees enjoy being creative and developing solutions within a constrained environment. We allow employees to be themselves, and everyone's idiosyncrasies are respected, as we all have different roles to play. We are proud to be a highly inclusive Group.

? How is the JSE's employer brand perceived in the marketplace

The JSE has an aspirational employer brand by virtue of the critical role we play in the economy. As a JSE employee, you have influence over the development of South Africa's capital markets and have an opportunity to contribute to economic growth. This makes working at the JSE meaningful, and we appeal to people with more altruistic value sets.

In addition, JSE employees can gain global exposure, interact with international counterparts, and become recognised in the highly specialised markets infrastructure industry. This allows for an accelerated learning path and ample room to grow internationally relevant skills.

? What were your diversity and inclusion highlights for 2023

In November 2023, the JSE received the "Business of the Year" as well as "Gender Icon Award" at the Topco and Standard Bank Top Women Awards. This award acknowledges the JSE's pioneering role in gender equality in South Africa.

? Why was leadership development such a key focus in 2023

We believe that developing leadership capabilities is essential to moving the Group forward during both favourable and challenging times. Many of our learning interventions focus on leadership skills, including managing oneself and leading others. We value human-centric leadership styles. This requires looking beyond traditional strategies for management development and cultivating the skills most important for success. One of those skills, perhaps unexpectedly, is empathy. This is a vital leadership competency. Leaders who lead with empathy value the input of their team members, consider diverse perspectives, and align decisions with the needs and values of the team. This ensures they make more thoughtful and informed decisions.

Since COVID-19, and with new hybrid ways of working, different leadership skills are now required that we must support our employees to develop. Leaders need to be better equipped to maintain and nurture a strong connection in their teams, even while working remotely.

Many of our people were initially deep specialists before opting to be leaders of people. It is important to support these middle managers to grow while also empowering them to lead.

Our employee complement



¹ Includes JSE (384); JIS (132), JSEC (23) and JPP (3). There are 542 full-time employees and 122 part-time employees. There were 113 ACI part-time employees and 57 female part-time employees.
² Fixed-term contract employees are at JIS. 44 fixed-term contract employees are ACI, and 30 were female.
³ JIS: 2; JSE: 1.
⁴ This includes all employees that had a grade adjustment either via job re-evaluation or internal appointment into a new role.

Attracting, retaining, and developing our skills

We believe that attracting and retaining top talent is a sign of success. In 2023, the JSE spent significant executive time on talent conversations to map the Group's talent and determine which propositions will retain critical skill sets and support our people. We hired 58 new employees (2022: 51), of which 54 were ACI employees and 29 were female. In 2024, we will prioritise our talent management capabilities, including career pathing. This will result in highly customised development plans aligned to the career paths of each employee.

In 2023, we initiated our journey to automate the HR environment. We successfully introduced the first HR bot, called "Karabo", to handle general queries from employees on HR topics. In time, Karabo will be used Group-wide to answer employee questions on various topics. We plan to further automate HR processes to enhance efficiencies and free up time for HR practitioners to focus on higher value tasks, including talent management. We will also prioritise internal talent management to empower existing talent by identifying, unlocking, and nurturing the inherent potential of our people. Due to our relatively limited headcount, and flat structure, our methods of talent development focus more on purpose-driven meaningful work, interesting projects and attractive learning and development opportunities.

Post-COVID-19, there is increased mobility in the marketplace as employees seek new opportunities that were unavailable to them during the pandemic. Despite this trend, we experienced an acceptable level of resignations, with an employee turnover of 10.9% (2022: 14.4%), with a higher exit rate among employees with tenure between two and five years. The total turnover of ACI employees was 7.3%, while the turnover for female employees was 2.7%. The average turnover rate within financial services is approximately 18.5%¹.

The move to the Paterson grading methodology

A notable project was moving from the Hay methodology of job grading to Paterson. The project was completed in January 2024. This is a foundational transition as it helps us establish a base for future initiatives, including setting career paths and recognising specialists. It means we can initiate very specific learning interventions for job families to ensure a future fit employee base. It also gives employees comfort that their roles can be, appropriately and more accurately, internationally benchmarked.

The Paterson methodology offers the JSE simplification and efficiency benefits. It aligns with the preferred grading method used by local financial services companies.

¹ Remchannel research.

Most salary benchmarking and salary surveys use Paterson. This makes it easier for us to interpret and use this research data in our environment, instead of first correlating the data back to Hay.

Feedback sessions were held with employees to discuss the outcomes of the new grading process. In December 2023, employees received a letter confirming their grading outcome and explaining any salary adjustments. A positive outcome of the change was the recognition that employees' roles have grown and evolved during their tenure at the JSE. 36% of employees were graded at a higher level than anticipated. This indicates that our learning and development interventions, over the past few years, have been successful.

The project also allowed the JSE to re-evaluate our role documentation so that job profiles accurately reflect what different roles entail and reflect the job as it is today. This allows for improved recruitment to better match candidates to roles.

Fair and responsible remuneration

In 2022 and 2023, the JSE completed an internal pay parity exercise covering JSE Limited, JSE Clear and JPP. This was to ensure a comparable employee ratio of comparable employee groups in terms of job grade, performance rating and tenure. In 2022, we created JIS job profiles aligned to Hay, and in 2024, we will align these profiles to Paterson. We will continue to monitor pay parity in support of fair and responsible remuneration across the Group.

Hybrid working model

The JSE's hybrid working policy was implemented in 2022. Employees work from their homes, or the office based on their work day. Different teams have been given the autonomy to decide how they make use of the office.

In 2023, we enhanced the policy with standardised practices that have been observed as being effective. We have guidance on how to manage new recruits and transfer skills within a hybrid environment. Here, the focus is on enhancing connection, cohesion and belonging within the Group. We are proud that our productivity levels have remained high throughout this transition to hybrid working.

In addition to the weekly, team-driven, in-office days, every second month, there are mandatory organisation-wide full-day in-office sessions hosted by leaders and attended by all employees. These sessions involve strategic conversations and give our leaders a sounding board to test new ideas. The day is closed off with an employee social event. We also host bigger town halls where employees are updated on pertinent matters. These meetings give employees an opportunity to connect across teams and divisions.

We recognise that the need for increased flexibility, work-life fit and a customised approach to the employee experience is a major global HR trend. In 2024, we will continue exploring further hybrid models of flexibility and different ways of working to enhance our culture, expand our talent pipeline and improve the employee experience and quality of life.

Attracting young talent

The JSE offers internship and graduate programmes to provide high potential young employees with practical experience and insights into the JSE. In addition, we collaborate with universities to showcase the JSE at career fairs. In 2023, we ran video campaigns to highlight our work environment to young talent. We have found that offering flexibility in work schedules and our hybrid working model has been a strong differentiator when attracting young talent.

In 2024, in collaboration with Deloitte, we will kickstart the JSE Digital and Data Factory Programme. This learnership programme will develop future-fit skills, including data analytics, business acumen and communication skills.

The programme is structured with theoretical and practical learning outcomes combined with mentoring and coaching. The programme's first intake will be in June 2024, with a cohort of 15 people. This will include a mix of graduates and current employees seeking to pivot in their careers.

Learning and development

The JSE's investments in the skills, knowledge and capability of its employees included 575 learning interventions, which included short courses, sponsored education (tertiary studies), coaching, on-the-job training and leadership training.

R10.3 million
Group learning and development interventions
(2022: R8.4 million)

We subscribe to Udemy to provide employees with access to online short courses and Bookboon to allow employees to download learning content, including business books, textbooks and audiobooks. In 2023, employees completed 704 Udemy courses and downloaded 231 books and audiobooks from Bookboon.

The JSE has a deliberate approach to improving its cyber resilience through employee training. In 2023, the Group rolled out modules covering the JSE's cyber risks, which were attended by 94% employees. This focus on improving employee's competence and awareness of cyber risks will continue into 2024. Read more about our cyber resilience on page 114.

The JSE aspires to high ethical standards. We underwent the GIBS Ethics Barometer survey for the third year with good participation. Our HR practices ensure we address the ethics gaps identified.

The JSE is developing a cohort of future leaders to take the Group forward. We facilitated the following learning and development interventions in 2023:

<p>66 employees participated in the programme for young professionals, targeted at people between the ages of 25 and 35. It aims to provide tools for a resilient mindset and healthy state of mind.</p>	<p>2 young leaders attended the One Young World Summit in Ireland. This programme aims to build a new base of leadership for South Africa for accelerated social impact. The annual event brings young leaders and global figures from more than 190 countries together over four days to develop solutions to the world's most pressing challenges.</p>
<p>3 high-potential women employees completed the FASSET-funded Executive Development programme.</p>	<p>The International Women's Federation South Africa partnered with FASSET and the Duke Corporate Education Institution for the Women in Leadership Programme to sponsor a leadership programme. We had 6 women leaders attend the programme.</p>
<p>Novia One facilitated two leadership programmes for 97 senior managers and middle managers. The programmes focussed on managing oneself and managing teams for future success.</p>	

Our enabling culture

In 2022, the JSE facilitated a series of workshops and surveys where employees identify and rank elements that enable or prevent the JSE from achieving success. Enabling elements are those that support the strategy and strengthen our culture, while disabling elements erode the positive impact of the enabling elements. The outcome was a unique culture formula that encapsulates the top-line enablers and bottom-line disablers.

Our culture promotes inclusion, open communication and collaboration. This supports productivity, performance and the execution of our strategy.

All business units have action plans to foster the enabling elements and minimise or eliminate disabling elements. The culture formula will evolve over time so that the enabling elements will be amplified. The objective is to build a culture that is resilient and sustainable, where employees are ethical and doing the right thing is rewarded.

In 2023, the JSE hired an organisational development specialist to assist with embedding the JSE's culture post-COVID-19. The specialist, supported by other HR team members, focussed on identifying culture enablers and solving for the disablers through:

- o Employee grade alignment.
- o Employee wellness initiatives.
- o A focus on embracing diversity, inclusion and belonging.
- o Enhancing the hybrid working model.
- o Leadership and employee development.

Employee wellbeing

Our wellness strategy is a significant employee experience differentiator as the capital markets environment can be demanding. In addition, a higher cost of living and inflation negatively affect employee stress levels. We use the data provided by our benefit partners to better understand employee's overall wellbeing and address common wellness issues. In 2023, statistics from our medical aid partners indicate the JSE's overall health profile compares favourably to other companies within the financial services industry. However, the financial stress levels of JSE employees are slightly higher than our employee wellness provider's average.

Panda Mental wellbeing app

All permanent JSE employees and their dependents can access the Panda Mental wellbeing app. This app allows the JSE to track stress and anxiety levels of our teams to address issues before they become real problems.

Employees can access professional support at any time via their mobiles. Support includes assessments, anonymous group sessions, one-on-one consults with a therapist and text-based chat support. In addition, employees can access support for their family members.

The app has a 44% adoption rate among JSE employees, which is exceptional in comparison to the average adoption rate of employee assistance programmes of between 3% and 5%.

The JSE encourages exercise and healthy lifestyles by offering physical wellbeing activities such as hiking. In addition, we have hosted a wellness day whereby employees were able to do their health checks, celebrated Men's Mental Health Month in November and hosted interventions around wellbeing. We also equipped managers with care and empathy workshops.

Employees have the option of selecting one of two medical aid scheme providers. This gives employees the choice to select the best healthcare for them at a price point they can afford. In 2023, we added an additional employee benefit by offering medical insurance for lower income employees at JIS. These are employees who are not on medical aid, but now have better access to private healthcare. This includes an accident benefit and doctor's visits.

Employee engagement and experience

The JSE strives to be an attractive employer, and we measure employee sentiment and engagement through employee surveys. Research indicates that companies that prioritise employee engagement are more likely to have better retention rates and increased productivity.

In 2022, we completed the bi-annual employee engagement survey. The participation rate was 72%, and the overall scores were positive for the business. In 2023, we focussed on improving the problem areas identified, including workload, growth and elements that determine reward. We will conduct the next employee engagement survey in 2024.

In 2023, we equalised the leave policy across all members of the Group. This means employees of acquired subsidiaries enjoy the same leave allocation as the rest of JSE's employees.

Celebrating the JSE

Kopano Days aim to ensure all business units are kept abreast and aligned on the key aspects of our business, celebrate divisional successes, recognise individual achievements, and celebrate key milestones in the lives of employees.

Strengthening diversity and fostering equality

The JSE is committed to transformation objectives and redressing historical inequality. Our employment equity policy and targets aim to create a workforce that is demographically representative in knowledge, skills and experience, race, gender and disability. This is demonstrated by our commitment to achieving our employment equity targets. At the end of 2023, there were 429 ACI and 297 female permanent employees. Refer to the transformation chapter on page 110.

Female representation at top management level¹ (%)

	2019	2020	2021	2022	2023
Board	67	73	67	64	60
Total management (Exco)	56	57	75	80	78

ACI representation as at 31 December 2023 (%)



Employees attend mandatory diversity, inclusion, equality and belonging workshops and training sessions while management participates in specific ones for our leadership group. These aim to provide a platform for discussion and a common understanding of the importance of diversity and the JSE's transformation imperative.

The JSE subscribes to the Code of Good Practice on the Prevention and Elimination on Harassment in the Workplace (Code on Harassment), introduced in 2022. In addition, the JSE has a harassment policy aligned with this code. The policy aims to address and prevent antagonistic situations that violate employees' dignity. The policy covers incidents of intimidation, humiliation, bullying and other undesirable conduct towards one person or a group of people. The JSE provides anti-harassment training to socialise the Group on the different types of harassment, which is much broader than sexual harassment.

Performance and remuneration outcomes

The JSE's remuneration philosophy and policy governs the remuneration of executive management (executive directors and prescribed officers) and all staff across the Group. We are committed to observing the concept of fair and responsible remuneration for executive management in the context of overall employee remuneration.

Remuneration philosophy

Remuneration is structured in a fair and reasonable manner, recognising individual contributions and collective results. There is a clear differentiation between executives and employees based on line-of-sight responsibility, accountability, competencies, work performance and scarcity of skills.

Inherent in this philosophy is the linkage between performance and short- and long-term remuneration (both at an individual and corporate level).

In order to drive a pay-for-performance approach, there is also an increasing element of variable pay at senior management levels.

We aim to:

- o Align pay to performance against corporate strategy
- o Promote a culture that supports innovation, enterprise and the execution of Group strategy
- o Align the interests of employees with attaining profitable (and sustainable) long-term growth of the business for the benefit of all stakeholders
- o Offer an equitable remuneration mix that attracts, motivates and retains the appropriate calibre of executives and employees

Our remuneration philosophy accounts for:

- o Reality of the JSE's size and its significant role in the South African financial sector
- o Nature of the business, its risk profile, the competitive environment and financial affordability
- o Balancing of rewards with the funding of capital to maintain and grow the JSE, dividend payments to shareholders and payments to wider society (through taxation and corporate social responsibility)

Our philosophy creates sustainable value as it is:

Aligned with **stakeholder interests**

Congruent with strategic **priorities and values**

Linked to corporate and individual **performance**

Competitive with market norms and benchmarks

Transparent and understandable

The Group has produced strong financial results in 2023 with headline earnings per share (HEPS) growing by 12.2% and return on equity (ROE) increasing to 19.4% in line with our long-term targets.

Despite a challenging operating environment with macro-economic headwinds and lower trading activity in the equity market, the JSE has reported growth of 6.9% in operating income to R2.9 billion. This performance was supported by diversification across asset classes and by our focus on expanding non-trading revenues lines, in line with our strategic intent to diversify Group revenue. Non-trading income of R954 million and margin income of R128 million together contribute 36.8% of total operating income, up from 29% just three years ago. Higher interest rates have supported growth in net finance income. The Group's return on equity continues to trend positively, to 19.4% from 17.8% in 2022. The average ROE for the past four years is now 18.4%.

The Group remains strongly cash generative and continues to maintain a robust balance sheet. To meet regulatory capital requirements, the Group holds R987.7 million in cash / near cash which is classified as non-distributable. A further R480.8 million is held in investor protection and other funds. Net available cash amounts to R1.09 billion, which is earmarked for capital expenditure, distributions to shareholders by way of dividends, working capital and investments.

The strong level of earnings has enabled the Board to declare an ordinary dividend of 784 cents per share for 2023 which equates to an ordinary dividend pay-out ratio of 82% (2022: 89%) and a distribution to shareholders of R681 million (2022: R668 million).

12.2% Headline earnings per share	11.0% Net profit after tax	29.5% NPAT margin
19.4% Return on equity	18.4% Average ROE over four years	5.3% Increase in PBITI to R989 million (2022: R939 million)
36.8% Non-trading income (including margin income) as % of total operating income	13.6% % Cash generated from operations	2% Dividend declared at 784 cents per

Balanced scorecard

The corporate scorecard was introduced to capture both financial and non-financial measures in the assessment of overall corporate performance. Stakeholder interests are not defined solely by financial outcomes. Group Remco requires executives and management to ensure operational performance is robust and resilient, longer-term strategies are delivered and to build a sustainable organisation that offers societal and environmental benefits to a wider group of stakeholders. Incorporating these perspectives into a corporate scorecard ensures a balanced view of annual performance, where executives and management are judged on the overall delivery of the Group's strategy, to the ultimate benefit of shareholders.

This solid financial performance is reflected in Pillar 1 of the Group's balanced scorecard for 2023. Pillar 1 carries a 45% weighting on the annual scorecard reflecting the importance of financial outcomes to the overall assessment of corporate performance. For 2024, Group Remco has increased this weighting to 50%.

The Group has also performed strongly on the other pillars of the 2023 scorecard.

Pillar 2 (weighted at 20%) measures performance against core operational metrics. Operational strength and market stability are the stand-out features of performance in 2023. With no shortage of volatility events locally and abroad – from conflict in Europe and the Middle East to political uncertainty and Stage 6 load shedding – the JSE has been able to improve on multiple metrics which measure operational performance against both service level agreements (SLA) and our own historic performance.

Pillar 3 (weighted at 20%) relates to transforming the business by delivering the agreed growth strategies for JIS, Information Services and new markets. All four on-target deliverables and four of five above target objectives were delivered in 2023, with an excellent contribution from JIS where revenue increased by 20% driven by the growth in new customers, elevated corporate action activity and improvements in margin income due to a favourable interest rate environment. JIS now contributes 7% to Group revenue. The growth strategy for Information Services is starting to gain traction with 16% growth in revenue and the segment representing 17% of Group revenue. This is a critical phase in the strategic vision for Information Services as it lays the groundwork for monetisation and improving our data capabilities.

Key highlights from 2023 include substantial progress on transitioning market data to the cloud and the launch of big xyt ecosystems, a business that will offer analytics-as-a-service capabilities to global exchanges and their ecosystems.

Pillar 4 (weighted at 15%) relates to the organisational health of the business including the sustainability initiatives being pursued by the JSE. Performance against this pillar in 2023 was solid with five of the six on-target deliverables and three of the five above-target objectives achieved. Notable achievements include reaching Level 1 on the BBBEE scorecard for the first time and an all-time high score on the NPS customer satisfaction survey. Competitive differentiation is to be found in the quality-of-service delivery which depends on a consistent, high-quality staff performance, and the results of the NPS survey are therefore particularly pleasing.

Balanced scorecard outcomes for 2023

PILLAR 1: Generate sustained high-quality earnings

Assessed by Group Audit Committee

- ✓ 4 / 4 On-target objectives
- ✓ 3 / 4 Above target objectives

PILLAR 2: Protect our core business

Assessed by Group Risk Management Committee

- ✓ 5 / 5 On-target objectives
- ✓ 2 / 2 Above target objectives

PILLAR 3: Transform our business

Assessed by Group Investment Committee

- ✓ 4 / 4 On-target objective
- ✓ 4 / 5 Above target objectives

PILLAR 4: Partner for a sustainable marketplace

Assessed by Group Sustainability Committee

- ✓ 5 / 6 On-target objectives
- ✓ 3 / 5 Above target objectives

Read more about the Group performance for 2023 on pages 61 to 66.

Translating performance into pay

The Group's remuneration model comprises three elements – total guaranteed pay, annual incentives and long-term incentives. These are linked to corporate and individual performance over the relevant measurement periods to ensure high levels of pay are awarded only for high performance and where there is sustained value creation for shareholders.

Total guaranteed pay

Group Remco approved a 5% increase to total guaranteed pay (TGP) for 2023 (2021: 5%), inclusive of a pay parity adjustment of 0.94% of payroll (R3.9 million in aggregate) to address parity adjustments where merited.

In 2023, total guaranteed pay for the Group amounted to R589 million (2022: R542 million) an increase of 8%. This incorporates the 5% annual salary adjustment for staff across the Group (with Group Exco increases limited to 4%) and costs of fixed-term contractors.

Annual incentives

Annual corporate and individual performance is rewarded via a discretionary bonus pool. The Group operates a single bonus pool linked to the overall outcomes on the balanced scorecard.

During 2022, Group Remco redesigned the performance measurement approach for the Group and the associated bonus pool methodology.

Remuneration outcomes for 2023

TGP for 2023



TGP for 2024



Discretionary bonus for 2023



Long-term incentives for 2023



Bonus pool methodology

The bonus pool methodology was also refined in 2022 and is now based on a percentage of profit before interest, tax and incentives (PBITI) and linked to specific performance outcomes: 8% – 10% of PBITI for on-target performance and +10% of PBITI for above target performance.

Performance against each pillar of the scorecard is formally assessed by the relevant Board Committee which submits a formal recommendation to Group Remco. These Board Committee assessments are evaluated by Group Remco which then exercises its discretion as to the quality of the overall corporate performance for the year. Group Remco translates its overall assessment into a discretionary bonus pool that represents a fair reward for the effort and delivery in each financial year.

Performance assessment and bonus pool outcome for 2023

For 2023, Group Remco reviewed each of the Board Committee assessments of performance against Pillars 1 – 4 of the scorecard. Group Remco considered the overall quality of the Group's financial performance and the solid quality of the operational and strategic performance in Pillars 2 and 3. Remco noted the achievement of most of the above target objectives across all four pillars of the scorecard, and the fact that executives, management and staff have worked hard to deliver these results in a difficult trading environment.

Group Remco also noted that the Group bonus pool for 2023 would incorporate JIS staff (~130 employees) for the first time (previously only JIS Exco and senior staff were eligible for inclusion), and the importance of ensuring the pool was sufficient to address retention and motivation imperatives. Given the overall quality of corporate performance, and the above target delivery, Group Remco was of the view that a bonus pool in excess of 10% of PBITI ought to be awarded for the first time (2022: 8.7% of PBITI).

Group Remco therefore awarded a Group discretionary bonus pool of 10.8% of PBITI amounting to R107.3 million (2022: R82 million).

Long-term incentives

The Group operates a restricted equity incentive scheme for senior staff intended to create an "ownership culture" among senior employees by aligning performance to shareholder interests. The LTIS 2018 scheme therefore serves to attract and retain high-performing talent and critical and scarce skills.

For the allocation vesting in 2023, Group Remco assessed long-term performance as a below-target level. Two tranches vested in March 2023, these being LTIS allocation 2(2) at 43.3% and LTIS allocation 3(1) at 44%.

The vesting of both these LTIS allocations is significantly below the on-target vesting level of 70%. The balance of the shares that did not vest are forfeited by all scheme participants.

Areas of future focus

During 2024, Group Remco will focus on:

- o Continued oversight of the JSE's implementation of pay parity in support of fair and responsible remuneration across the Group, particularly in our subsidiaries JSE Clear and JIS.
- o Enhancing the JSE's key staff retention model and continuing to oversee the JSE's talent management plans and pipeline, and employee value proposition.
- o Reviewing the effectiveness of the corporate scorecard model as a driver of performance.
- o Reviewing the total reward framework and any additional enhancements that might be required post the AGM vote on the remuneration policy and implementation report.
- o Maintaining the dialogue with our institutional shareholders on remuneration matters to promote alignment with stakeholder requirements.



Sam Nhlengethwa





“ Transformation is a moral and strategic business imperative as we want to be a progressive and inclusive Group. ”

Vuyo Lee

Director of Marketing and Corporate Affairs

Transformation

The JSE has made significant progress on its transformation strategy, internally and externally, over the past five years. Notably, it has diversified the profile of its top management and senior management teams, increasing its representation of ACI and female employees.

Our transformation initiatives, focussed on measurable impact, are aligned to the JSE's priority United Nations Sustainable Development Goals. These aim to support stakeholders in our value chain and contribute to addressing key national agenda issues. This includes our financial support of Black-owned stockbrokers, our CSI spend, the annual SA Tomorrow Conferences to attract foreign investors, and engagements with government and regulators to support their programmes.

Some of our highlights this year includes:

- o Achieved a Level 1 BBBEE status.
- o Passed on R8.5 million in fee rebates to Black-owned stock broking firms.
- o Achieved most of the targets of our three-year employment equity plan; with 93% of new appointments and 100% of promotions in 2023 being ACI candidates.
- o Celebrated the JSE Investment Challenge 50th year anniversary with more than 170 000 learners participating since 1973.

We are proud of the strides we have made towards building an economically inclusive society and remain committed to building prosperity for our people and the communities where we operate.

Independent BBEE status verification

The JSE is measured under the Amended Financial Sector Code, which evaluates our performance against the six BBEE pillars. AQRate Proprietary Limited (AQRate), an independent South African National Accreditation System (SANAS)-accredited verifier, reviewed the JSE scorecard and related supporting documents in accordance with the requirements of SANAS R47-02 and the gazette verification manual.

In 2023, JSE Group achieved a Level 1 rating, improving on our 2022 position from Level 2. Our scorecard summary from 1 January 2023 to 31 December 2023 is below, with further detail provided on each pillar. This accreditation is valid until March 2025.

Scorecard element

	2023	2022
Equity ownership	18.27	16.97
Management control	18.60	18.91
Skills development	17.40	15.56
Preferential procurement	22.35	20.88
Enterprise development/supplier development	13.03	11.13
Socio-economic development and consumer education	8.00	8.00
Total	97.65	91.45



Helen Sebidi



Focus areas for 2023

Enterprise development and supplier development
Grow the number and size of sustainable businesses in South Africa.

The JSE's Black Stockbroker programme supports emerging Black stockbroking firms to grow and scale their businesses. This is done through cash rebates from equity trading fees and application programme interface connectivity fees.	R8.5 million was spent towards supporting 12 Black stockbrokers, equating to 1.14% of NPAT (2022: R8.3 million; 1.15% of NPAT).
Our Black-owned suppliers are provided grants to sustain their businesses and support their operations.	R5.9 million in supplier development financial support to 14 SMEs (0.8% of 2023 NPAT).

Preferential procurement
Increase the support of Black-owned vendors in our supply chain.

Our procurement policy promotes preferential procurement practices. Over the years, the number of suppliers that meet the BBBEE criteria for preferential procurement has increased, including Black-owned and Black Female-owned businesses.	R844 million spent in preferential procurement, 78% of total measured procurement spend (TMPS) (2022: R703 million; 74% of TMPS).
We are always looking for opportunities to onboard and support Black-owned micro and small enterprises.	

Consumer education
Drive for improved financial literacy among South African individuals.

The JSE Investment Challenge, which commemorated its 50th anniversary in 2023, is our flagship financial literacy initiative.	The number of high school participants increased from 20 361 to 25 295, and the number of university participants increased from 4 049 to 4 610.
The challenge is an interactive, online trading game that introduces South African high school learners and university students to investing on the JSE.	Spend: R3.9 million (2022: R3.4 million). The 2023 school participation included 573 schools, 25 295 learners competing in 7 537 teams. The university participation included 83 universities, 4 610 students competing in 1 813 teams.

Socio-economic development
Contribute towards positive social outcomes for disadvantaged communities through initiatives that focus on education, social welfare, gender equality and conservation.

Our categories for CSI are financial education, education, environment, gender-based empowerment and social welfare, and are aligned with six of the SDGs.	CSI spend: R9.85 million (2022: R9.8 million)
The JSE enabled 24 chartered financial analyst (level 1 and 2) students to attend revision classes through Novia One Group.	JEF Trust Spend: R10.3 million (2022: R10 million). Beneficiaries: 53 (2022: 57).
26 not-for-profit organisations were supported in the categories of investment prioritised in the JSE's CSI strategy.	Since the trust's inception in 2009, it has supported 815 students with total disbursements of R107 million.
The JSE Empowerment Fund (JEF Trust) provides academically deserving Black South African students with the finance and support to acquire appropriate tertiary qualifications for entering the financial services sector.	

Skills development
Implement strategic talent management initiatives and develop skills for unemployed learners and people with disabilities.

24 Black learners with disabilities completed their learnership at the end of August 2023. A new cohort of 25 Black learners with disabilities commenced a learnership in September 2023. On completion of the learnerships, 100% of learners were placed in full-time employment. Our employees participate in various skills programmes, including FASSET-funded initiatives.	49 Black learners participated in learnership programmes. R9.17 million (87% of our 2023 training spend) was allocated to ACI employees. R3.02 million was spent on disabled learners' training and salaries.
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Employment equity
Promote diversity and demographic representation through the Group's people practices.

The JSE met most of the targets of our three-year employment equity plan. A five-year plan has been submitted to the Department of Employment and Labour.	We achieved 100% of the target at the skilled technical occupational level. We achieved 91% of the target at the professionally qualified occupational level (7% away from target (2022: 16% away)). We made good progress at the senior (55% (2016: 17%)) and top management occupational levels (67% (2016: 33%)) for ACI representation.
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Management control
Build a transformed Board and Exco with diverse backgrounds and skills.

We focus on employment equity appointments at Exco level.	The Board comprises 60% ACI and 60% female members. Representation at Exco level is at 70% ACI and 78% female members.
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Ownership
Increase Black ownership of the JSE to drive economic participation.

Improvements have been noted in the number of Black people owning JSE shares.	2023	2022	
	Voting rights of Black people	26.93%	20.37%
	Voting rights of Black women	12.48%	8.93%
	Economic interest of Black people	15.58%	14.85%
	Economic interest of Black women	6.05%	5.63%

Transformation priorities for 2024

- The JSE's transformation strategy has the following focus areas:
- o Establish an enterprise and supplier development fund to provide zero-interest loans to qualifying SMEs.
 - o Launch a graduate internship programme to build our pipeline of Black professionals for our business.
 - o Review our employment equity plan to align with changes in legislation.
 - o Improve our preferential procurement pillar through focussed spending on smaller empowered suppliers.



“Market availability and performance remain our highest priority and 2023 was no exception. We exceeded our committed resilience and availability SLA to the markets for the third year in a row, averaging 99.89% availability.”

Tebalo Tsoaeli

Chief information officer

Resilience and technology

Resilient operations

The JSE seeks to achieve business resilience, innovation and growth while protecting and enhancing its value. Our ability to continue delivering the core products and services at a predetermined level in the event of material business disruption, is paramount in ensuring the creation and preservation of value for all stakeholders, including maintaining our trusted brand.

Our operational resilience approach is led by executive leadership working alongside senior management and is part of our overall Group culture. The ERM function is the custodian of the policies and frameworks to ensure an effective process. The GRMC provides oversight as to the efficacy of management strategies and actions to ensure an operationally resilient business. GAC evaluates the effectiveness of these processes through the internal audit function.

The key policies, frameworks and standards that guide our approach include the following:

Robust business continuity management (BCM) programme	BCM policy	Sets out the strategic governance framework that directs the BCM as an integral part of day-to-day business operations. Business continuity is a core management competency and responsibility.
	Standards and guidelines that guide the BCM policy	<ul style="list-style-type: none"> o The Business Continuity Institute's Good Practice Guidelines (GPG2018). o The FMA. o ISO 22301: 2019 Security and resilience – Business continuity management systems – Requirements. o King IV. o IOSCO guidelines and/or requirements.
Crisis management is critical to business continuity	Crisis management policy	Provides guidance on the processes and procedures for a coordinated response to unexpected circumstances that have negative strategic implications. It ensures the JSE brand, credibility and stakeholder confidence are protected and managed.

We consider six operational resilience pillars when developing response plans – people, systems, data, facilities, external dependencies, and suppliers. These pillars are key to our operational resilience and ability to provide critical business functions. For this reason, these are factored in to all our resilience processes, risk assessments, response planning and testing activities. This ensures we anticipate how each pillar is likely to be impacted by any crisis event and deliver appropriate interventions to ensure business continuity and swift recovery of operations. Value chain analysis identifies critical business functions and processes, which are mapped against the resilience pillars to identify single points of failure, develop mitigation plans and inform scenario-based testing.

Business continuity activities

We continued to mature various elements of our business continuity programme and this will remain a focus in the coming year. These efforts delivered positive results as demonstrated through efficient disaster recovery and business continuity testing processes and outcomes, in addition to swift resolution of outages. Our strong and above SLA market availability bears testament to this. Three disaster recovery and business continuity tests were conducted in 2023, including a mandatory market-facing test where clients had to test their ability to connect to the JSE's secondary site.

We also conducted an independent business continuity maturity assessment and received a maturity level of 4 out of 5. The overall score of 4 indicates that the JSE can recover all mission critical functions within agreed recovery time objectives – this is in line with industry standards for the financial sector.

The sector's maturity level has an average scoring of between 61% and 94% across all success factors. The JSE's average maturity at 76.70%.

The JSE's BCM policies, plans and crisis management structures played an essential role in responding to the impact of the Russia-Ukraine conflict on our markets and the heightened load shedding. They will continue to be important as the JSE addresses the systemic impacts of these types of events in the medium to long term.

As part of our mandate to provide safe and secure markets, JSE representatives and market participants, collaborate in the Financial Sector Contingency Forum. One of the forum's key focus areas is preparing for a potential Eskom blackout. While this is considered a remote risk, the JSE has plans to oversee an orderly shutdown and restart of the capital markets should the risk materialise. Additionally to the blackout scenario, the JSE has developed appropriate, scenario-based responses for higher levels of load shedding which could impact market continuity.

Future focus

The JSE is committed to a robust BCM programme to ensure the recovery of critical services/systems in the event of disruptive events and incidents. We ensure we learn from disruptive events and continue to mature our BCM programme and optimise our testing capabilities and the processes that govern them.

During 2024, the outcomes of the maturity assessment will be a key reference point for continued improvement, along with lessons learned from recent crises, scenario testing and simulations.

Technology and information

The JSE provides a secure, resilient, and highly available marketplace for trading, post-trade clearing, settlement, and market data to the broader capital markets in South Africa. Acutely aware of our responsibility as a financial market infrastructure, we focus on providing appropriate, secure, and robust technologies that fulfil the expected levels of service.

Strategy

The primary focus for 2024 will be executing the technology strategy that was approved by the Board in 2023. The Group's strategy views technology as a primary lever in achieving multiple strategic pillars and initiatives. In addition, a combination of drivers, including regulatory, market forces, emerging digital models, and the COVID-19 pandemic response, are contributing to a shift in the technology and data demands of market infrastructures.

The technology strategy was developed to address the following key imperatives:

- o Align with the JSE's corporate strategy.
- o Simplify and modernise the technology and data estate to ensure growth, meeting customer needs, and creating a robust infrastructure across asset classes.
- o Further enhance operational resilience by maturing the Group's cybersecurity capabilities.
- o Drive the automation and digitisation agenda.
- o Keep up with emerging market infrastructure technology trends.
- o Address technology related risks pertinent to the JSE and South African financial market infrastructures.
- o Future proof the JSE through future-fit technology and skills.

The technology strategy has five primary focus areas as set out below.

1. Modernise and simplify the core technology and data estate

Modernisation and simplification of the technology and data estate to drive cost optimisation, reduce risk, enable efficiency, and create the foundation for future fit platforms. This includes cloud, AI, modern APIs, digital, and micro-service architecture.

2. Future-fit data foundations and platforms

Create a scalable modern data platform to enable simplified, seamless distribution and consumption of data.

Unlock opportunities to democratise and commercialise data.

3. Drive the automation and digitisation agenda

Transform to digital, automated, paperless, and simple processes and journeys.

4. Resilience and operational excellence

Provide a secure, resilient, and highly available marketplace for trading, post-trade clearing, settlement, and market data to the broader capital markets in South Africa. Enable resilience and operational continuity through:

- o Driving operational excellence and a seamless service experience.
- o Protecting JSE information and operational continuity.
- o Delivering trusted internal data and reporting transparency.
- o Building an agile and secure technology estate.

5. Invest in our people (attract, retain, and upskill)

Revitalise talent management to build a differentiated employee value proposition, drive engagement, and equip teams with the competencies and future skills required to support JSE's success.

Invest in strategic workforce transformation to prepare for competing in the future digital and data era.

Notable system upgrades and implementations

The significant projects for the year are detailed below.

Colo 2.0 launch

The JSE launched Colo 2.0 in September 2023. This is an advanced managed infrastructure as a service (IaaS) solution that provides JSE clients with cloud-based colocation services. This was done through an international tech collaboration with Beeks Group and IPC Systems.

Clients can access on-demand private cloud computing and low-latency analytics; utilising the industry-leading private portal to self-manage and configure infrastructure. Colo 2.0 provides on-demand computing and analytics capabilities, allowing the JSE to provide clients with a cutting-edge IaaS solution with a fully configured, pre-installed environment.

The multi-tenant solution reduces time to market and total cost of ownership, while offering precision time protocol time stamping, improved flexibility and scalability, a built-in analytics server, and a single point of contact for support and invoicing.

Securities trading and technologies (STT) technical upgrade

The technology that underpins the market trading and clearing platforms for the Interest Rate, Commodity Derivatives and Bonds Markets underwent a major system upgrade in August 2023.

This mitigated the risk relating to underlying software that reached end-of-life and support in October 2023. It also increased processing capacity capabilities and enhanced resilience for anticipated market activity volumes.

Azure cloud foundations

Significant progress was made to further progress the development of foundations for a scalable modern data platform on Microsoft Azure.

- o Data lake: Automation of the ingestion of data from source systems to the data lake in the cloud.
- o Data lake: Hydration using Denodo which is reusing the JSE's data models (Denodo) to populate the new data lake.
- o Marketplace: Developed a configurable data API that allows data consumers to consume various datasets using multiple channels over the internet.

Market data to the cloud

The SENS to XBRL product enables clients to consume financial statements digitally without having to re-capture the PDF document.

XBRL is a structured file format used to capture financial statements. An AI/machine learning tool processes the SENS PDF financial statements document after it is published and convert it automatically to a XBRL file. Clients can then perform their own straight-through-processing.

Securities collateral

The JSE went live with the securities collateral solution in October 2023. It provides the market with the service offering/functionality to utilise non-cash collateral (South African government bonds) to cover for initial margin requirements, using Strate as the collateral agent.

Challenges experienced

For the third year in a row, we exceeded our committed resilience SLA to the markets, with a 99.89% market availability this year. We encountered 10 priority 1 incidents of which three were material in nature, impacting the availability of market trading and clearing systems. Additional enhancements and controls were implemented to mitigate the risk of subsequent reoccurrences. In total, the priority 1 incidents were lower than our internal SLA commitment to the market.

Three material priority 1 incidents

3 April: Data incident.

24 August: Commodities Market halted post major system upgrade impacting the ability to book expiry contracts.

25 August: Commodities Market halted due to performance degradation.

With the increased levels of load shedding, we increased our proactive maintenance schedules to ensure the JSE's backup power generation capabilities remain effective to manage the risk to market availability.

Cybersecurity

We maintain strong cyber resilience through proactive focus and investment. We continued to enhance the cybersecurity defences by completing the network segmentation initiative, which introduced a further layer of defence within the JSE's network, and the first phase of backup to the cloud was successfully tested.

Through the introduction of new cloud capabilities, the JSE continues to enhance resilience capabilities in a quest to achieve a "zero-trust" security posture with backups to the cloud.

To further advance and mature the Group-wide cybersecurity posture, the JSE will be aligning its cybersecurity programme to the National Institute of Standards and Technology (NIST 800-53) cybersecurity framework as its primary framework. It will be supported by IOSCO and other regulatory standards. The NIST Cybersecurity framework will assist the JSE to better understand, manage, and reduce its cyber risk, and protect its network and data. The benefits of adopting NIST 800-53 are (not limited to):

- o Long-term alignment of the JSE's cybersecurity practices with an internationally accepted framework.
- o Flexibility and adaptability of the framework specific to the JSE.
- o The current approved guideline (IOSCO) is underpinned by NIST.
- o Available support and blueprints exist for guidance, mapping and alignment.
- o Allows for an unbiased and independent maturity assessments by third parties.

Driving PoPIA compliance

Data protection regulations are evolving rapidly around the world, with new laws and frameworks introduced to address the increasing risks of data breaches and security threats. Information protection risk remains a top 10 JSE risk (page 48). The Group continues to improve data protection, instilling a culture of protection, security, and compliance.

There were five data incidents that were reported to either the Information Regulator or the FSCA or both. One data incident was categorised as a material data incident due to its impact and severity.

There is no materiality hurdle for regulatory reporting and any unauthorised access to confidential or personal information is reportable – meaning that not all reported incidents were considered material in nature.

The JSE has a mature incident response protocol, and all data incidents are assessed and classified based on their severity, impact, and regulatory reporting requirement – internally we consider four pillars:

1. Incident leads to a fine or sanction from a regulator.
2. Data is broadly published, or disseminated to a significant number of recipients.
3. Data incident is likely to create an exploitable benefit for the recipient.
4. Data incident likely to cause harm to the data subject(s).

Part of the incident response protocol requires the JSE to define the root cause of each incident and implement the necessary controls to prevent a recurrence. This can take the form of process automation, process improvements or training and awareness.

As the JSE processes limited amounts of direct retail and individual client data, personal information is a lower risk compared to the management of confidential information, which the JSE processes due to its licensed function. The JSE continuously assesses incidents and the effectiveness of its security controls and implements corrective actions to avoid these types of incidents from recurring. This includes:

- o Continuous training and awareness with employees' direct engagement with JSE clients and vendors and review of their bilateral contracting arrangements.
- o Automation of manual processes relating to the provision of confidential data and personal information to clients.
- o A focus on proactive monitoring and reporting with the appropriate technology support.

The data incident management team has the ability and capacity to respond to data incidents rapidly and effectively, with a systematic and rigorous approach to privacy management. Data incidents in 2022 and 2023 have helped to further refine and mature the process and capability of the data incident management team.

Future focus areas

Modernisation and simplification of the technology estate will be a key focus area aimed at addressing the legacy and complexity challenges. Some of our technology and data platforms are not geared adequately to cater for new expectations and the multiple strategic shifts facing the Group. Therefore, significant investment and effort will be put into the modernisation of core platforms to enable the transition to more future fit platforms.

In partnership with AWS, the JSE will be embarking on an initiative focussing on the BDA mainframe modernisation. The modernisation of the BDA platform will entail transitioning BDA from its current technology stack to a modern technology running on Java, and transitioning from mainframe infrastructure to the AWS cloud infrastructure. The modernisation seeks to decrease the total cost of ownership, provide a richer interface and improved user experience, while ensuring alignment with technological advancements and our strategy.

Cybersecurity will continue to be prioritised as we embark on a journey to revise our existing cybersecurity strategy and implement a refreshed cybersecurity strategy. This strategy will see us adopt enhanced frameworks as we continue to strive for further improved cybersecurity posture.

The adoption of a multi-cloud strategy will gain focus as we establish key strategic partnerships to enable us to realise increased business value. With the Colo 2.0 solution gaining popularity during its first year of launch, we plan to implement additional value add services in 2024.

The information governance team, in collaboration with legal, compliance, IT and the privacy champions, will continue to focus on the privacy programme in line with available capacity. The primary focus for 2024 is education, training and awareness campaigns, and improving the privacy controls. A focus on information security is important for all employees, given various processes relating to confidential or personal information, and the role of the JSE as a financial market infrastructure.

We will launch our digital and data factory, a rapid future skills development initiative, in 2024. It aims to address skills shortages by creating new talent through an external learnership programme, and an internally focussed programme to cross-skill existing talent teams.



William Kentridge



Additional information

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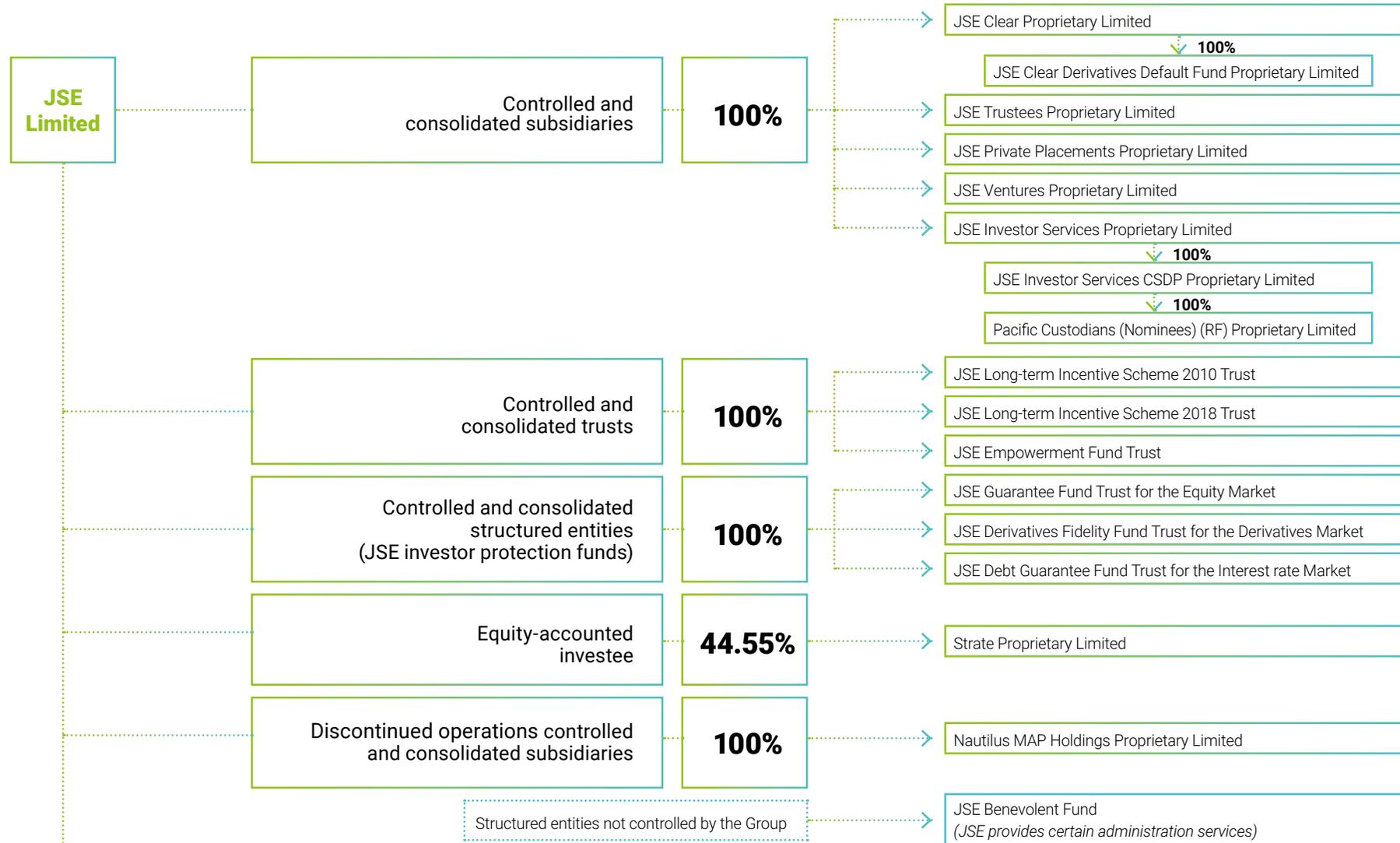
JSE Group structure

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JSE Group structure



Group structure correct as at 31 December 2023.

Share information

The JSE has a primary listing on the Johannesburg Stock Exchange. There are no secondary listings.

Share code:	JSE
ISIN:	ZAE000079711
LEI:	231800MZ1VUQEBWRF039
Sector:	Financial Services
Sub-sector:	Investment Services

	Authorised share capital (Shares)	Nominal value (Rand)	Number of shares in issue (Shares)	Nominal value (Rand)	Closing price (Rand per share)	Market capitalisation (Rand billion)
31 December 2022	400 000 000	40 000	86 877 600	8 620	108.47	9.4
30 June 2023	400 000 000	40 000	86 877 600	8 620	91.00	7.9
31 December 2023 ¹	400 000 000	40 000	86 877 600	8 620	92.44	8.0

¹ The JSE has one class of shares: ordinary shares with a par value of 10 cents per share. The total number of treasury shares held by the Group at as 31 December 2023 was 5 478 333 shares (2022: 4 823 009 shares). Further details of the stated capital for the period under review are disclosed in note 19 of the Company's audited consolidated annual financial statements, available at <https://group.jse.co.za/investor-relations/reporting-suite>.

Shareholder spread as at 31 December 2023

	Number of shareholders	Shares held	%
Public			
Institutional shareholders	320	70 593 352	81.26%
Non-institutional shareholders	6 851	8 240 931	9.49%
Total	7 171	78 834 283	90.75%
Non-public			
JEF Trust	1 ¹	2 129 639	2.45%
JSE LTIS Trust	61	3 114 733	3.59%
Directors and company secretary	4	59 579	0.06%
Total identified shares		84 138 234	
Miscellaneous (below threshold)		2 739 366	3.15%
Total share capital		86 877 600	100%
Geographic ownership			
South Africa		57 379 581	66.05%
United States		9 330 518	10.74%
United Kingdom		8 884 537	10.23%
Rest of world		11 282 964	12.98%
Total		86 877 600	100%

¹ Historically, we have reported on the number of beneficiaries of the JEF Trust, however, for FY2023 we are reporting the Trust as the shareholder.

Major shareholders

Pursuant to the Companies Act, the following beneficial shareholdings equal to or exceeding 4% as at 31 December 2023 were disclosed or established from enquiries:

Names	% of total issued ordinary shares	Number of ordinary shares held
Ninety One SA Pty Limited	14.79	12 847 545
Public Investment Corporation (SOC) Limited	14.17	12 314 133
PSG Asset Management (Pty) Limited	9.77	8 491 466
Allan Gray Proprietary Limited	6.76	5 870 555
Goldman Sachs Asset Management, L.P.	5.55	4 825 905
Sasol Pension Fund	4.29	3 727 844

No individual shareholder's beneficial shareholding in any of the JSE employee incentive scheme is equal to or exceeds 5%.

Fund managers

The directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers. As at 31 December 2023, the following fund managers were responsible for managing investments of 2.5% or more of the share capital of the JSE:

Names	% of total issued	Number of ordinary shares held
Ninety One SA Pty Limited	14.79	12 847 545
Public Investment Corporation (SOC) Limited	14.17	12 314 133
PSG Asset Management (Pty) Limited	9.77	8 491 466
Allan Gray Proprietary Limited	6.76	5 870 555
Goldman Sachs Asset Management International	5.55	4 825 905
The Vanguard Group, Inc.	3.51	3 051 505
Sasol Pension Fund	4.29	3 727 844
JSE LTIS Trust	3.59	3 114 733

Shareholder diary

Release of summarised annual financial statements with the declaration of a dividend	Monday, 18 March 2024
Annual results presentation	Tuesday, 19 March 2024
Record date to determine which shareholders are entitled to receive the AGM notice	Friday, 22 March 2024
Publication of 2023 integrated annual report and posting of AGM notice	Thursday, 28 March 2024
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 23 April 2024
Record date to determine the registered holders of JSE shares to participate in the AGM	Friday, 26 April 2024
Forms of proxy for the AGM to be lodged for administrative purposes by 16:00	Friday, 3 May 2024
AGM at 16:00 SAST on	Tuesday, 7 May 2024
Release of results of AGM	Wednesday, 8 May 2024
Release of summarised interim report for the six months ended 30 June 2024	Wednesday, 7 August 2024

Declaration of ordinary cash dividend

The Board has declared an ordinary cash dividend for the year ended 31 December 2023, as follows:

Dividend	Annual gross amount per share	Withholding tax %	Net amount per share
Ordinary	784 cents	20%	627.20000 cents

The JSE's practice has been to return distributable cash to shareholders after ring-fencing cash for regulatory capital requirements and investments (both capital expenditure and inorganic opportunities) as well as working capital.

The ordinary dividend of 784 cents per share represents 2% on the 769 cents per share paid in 2022. The ordinary cash dividend has been declared from retained earnings. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The dividends are payable to shareholders recorded in the register of members of the JSE at close of business on Friday, 15 April 2024. In compliance with the Companies Act, 71 of 2008 (as amended) (the Companies Act), the directors confirm the JSE will satisfy the solvency and liquidity test immediately after completion of the dividend distribution. In compliance with the requirements of Strate, the following salient dates for the payment of the ordinary cash dividends are applicable:

Dividend paid in year in respect of financial year ended	31 December 2023	31 December 2022
Ordinary dividend per share	784 cents	769 cents
Total rand value	R681 million	R668 million
Declaration date	Monday, 18 March 2024	Wednesday, 8 March 2023
Last date to trade JSE shares cum dividend	Tuesday, 9 April 2024	Tuesday, 28 March 2023
JSE shares commence trading ex-dividend	Wednesday, 10 April 2024	Wednesday, 29 March 2023
Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on	Friday, 12 April 2024	Friday, 31 March 2023
Dividend payment date	Monday, 15 April 2024	Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised from Wednesday, 10 April 2024 to Friday, 12 April 2024, both days inclusive. On Monday, 15 April 2024, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their central securities depository participant or broker) will be credited on Monday, 15 April 2024.

The issued share capital of the JSE as at the declaration date was 86 877 600 ordinary shares.

The tax number of the JSE is 9313008840.

Glossary

Financial measures

CAGR	compound annual growth rate
CAPEX	capital expenditure
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EPS	earnings per share
HEPS	headline earnings per share
NPAT	net profit after tax
OPEX	operating expenditure
PBITI	profit before interest, tax and incentives
ROE	return on equity

Job titles and committees

CEO	Group Chief executive officer
CFO	Group Chief financial officer
CIO	Chief information officer
EXCO	Group Executive Committee
GAC	Group Audit Committee
GIC	Group Investment Committee
GNGC	Group Nominations and Governance Committee
GRC	Group Remuneration Committee
GRMC	Group Risk Management Committee
GSC	Group Sustainability Committee
GSROOC	Group SRO Oversight Committee
GTAC	Group Technology Advisory Committee

Group entities

JEF	JSE Empowerment Fund
JIS	JSE Investor Services Proprietary Limited
JPP	JSE Private Placements Proprietary Limited
JSE Clear	JSE Clear Proprietary Limited
JSE/the Group	JSE Limited

Other

ABS	asset backed securities
ACI	African, Coloured, Indian
AGM	annual general meeting
AGOA	African Growth and Opportunity Act
AI	artificial intelligence
AMC	actively managed certificates
AMETF	actively managed exchange-traded funds
BAU	business as usual
BBBEE	Broad-based Black Economic Empowerment
BCM	business continuity management
BDA	broker dealer accounting back-office services
CCP	central counterparty
CSI	corporate social investment
ERM	Enterprise risk management
ERMF	enterprise-wide risk management framework
ESG	environmental, social and governance
ESMA	European Securities and Markets Authority
ETF	exchange-traded funds
ETN	exchange-traded notes
ETP	exchange traded products
FASSET	Finance and Accounting Services Sector Education and Training Authority

FATF	Financial Action Task Force
FSCA	Financial Sector Conduct Authority
FTSE	global provider of benchmarks, analytics, and data solutions with multi-asset capabilities. FTSE Russell provides a comprehensive range of indexes
HR	human resources
IaaS	infrastructure as a service
IFRS	International Financial Reporting Standards
IOSCO	International Organization of Securities Commissions
IT	information technology
LTIS	Long-Term Incentive Scheme
MOI	memorandum of incorporation
NIST	National Institute of Standards and Technology
NPS	net promoter score
PoPIA	Protection of Personal Information Act
SAFE	Simple Agreement Future Equity
SARB	South African Reserve Bank
SLA	service level agreement
SME	small and medium enterprise
SRO	self-regulatory organisation
STT	securities trading and technologies
WFE	World Federation of Exchanges

Corporate information and directorate

JSE Limited

(Incorporated in the Republic of South Africa)
Registration number: 2005/022939/06
Share code: JSE
ISIN: ZAE000079711
LEI: 213800MZ1VUQEBWRF039

Registered office

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Sandown, 2196

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Investor relations: ir@jse.co.za
Group company secretary: GroupCompanySecretary@jse.co.za

Directors as at 31 December 2023

P Nhleko (Chairman)
ZBM Bassa
MS Cleary
VN Fakude¹
SP Kana (Lead Independent Director)
FN Khanyile
IM Kirk
BJ Kruger
L Fourie (Group CEO)²
F Suliman (Group CFO)²

¹ Retired 5 January 2024.

² Executive director.

Changes to the Board

Ms F Suliman joined the JSE on 9 January 2023 as Group CFO. Her appointment to the Board as executive director was confirmed by shareholders at the annual general meeting (AGM) held on 9 May 2023.

Dr MA Matooane retired as an independent non-executive director at the AGM held on 9 May 2023, having served for a consecutive term of ten years on the Board.

Subsequent to the 2023 reporting period, and as previously announced, Ms VN Fakude, independent non-executive director, retired from the Board effective 5 January 2024.

Group company secretary

GA Brookes

Transfer secretary

JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown, 2196

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place
Corner Fredman and Rivonia Road
Sandton, 2196

AGM scrutineers

The Meeting Specialist Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown, 2196

Auditors

Ernst & Young Inc.
102 Rivonia Road
Sandton, 2196

Bankers

First National Bank of SA Limited
4 First Place
Bank City
Simmonds Street
Johannesburg, 2001

Investor queries should be directed to ir@jse.co.za and will be redirected, where necessary, to the appropriate Board member or executive for a response.

Governance and secretarial queries should be directed to GroupCompanySecretary@jse.co.za

www.jse.co.za