JSE LIMITED

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS AND ORDINARY AND SPECIAL CASH DIVIDEND DECLARATIONS

FOR THE YEAR ENDED 31 DECEMBER 2018

JSE

1

Notes:

Operating environment for 2018

GLOBALLY

- US trade policy and dollar strength put pressure on global financial markets
- Uncertainty increased as global growth became less synchronised following slowdown from China and Eurozone
- Shifting market sentiment and contagion effects had a greater impact on emerging markets, affecting bonds, currencies and cash equities
- UK continues to feel strain of unresolved Brexit negotiations

IN SA

- Inter – quarter disparity in market activity
- Intra year technical recession, with SA ending the year lagging EM peers
- Foreigners were net sellers of equities and bonds
- Low business confidence, fears of further ratings downgrade and uncertainty of SA policy on land reform
- Raised lending rate due to increased inflation and weaker exchange rate

2

Notes:

What 2018 meant in our business

- Launched Bond ETP
- Focused on pricing and implementation of tiered billing model
- On target to meet committed cost savings through robust cost-cutting initiatives and headcount management
- Increased stakeholder engagement as a result of local corporate governance failures
- Increased activity in bond, currency and commodity markets compared to muted activity across equity markets
- Fewer listings on the JSE than prior year however higher market capitalisation (11 main board, 1 AltX)
- Decision to wind-up Nautilus business (discontinued operation)

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Notes:

2018 market activity drivers

Mixed market performance

12
Number of IPOs
(2017: 21)

3%
Equity transactions
(2017: -5%)

Flat
Billable equity value traded*
(2017: -4%)

3%
Equity derivatives value traded
(2017: -11%)

11%
Bond nominal value
(2017: Flat)

Flat
Interest rate derivatives contracts
(2017: 30%)

9%
Currency derivatives contracts
(2017: 45%)

14%
Commodity derivatives contracts
(2017: -12%)

* Central order book published statistics ↑ 3%

4

Notes:

How this translated in our business

Resilience in revenue diversity

1%
R2.20bn
Operating revenue
(2017: R2.22bn)

1%
R1.35bn
Operating expenses
(2017: R1.36bn)

3%
R932m
EBIT
(2017: R909m)

8%
R904m
NPAT
(2017: R836m)

6%
R913m
Net cash flow from operations
(2017: R977m)

5%
1 056.5 cents
EPS
(2017: 1 006.0c)
From continuing operations

6%
1 056.2 cents
HEPS
(2017: 996.5c)
From continuing operations

R174m
Total capital investment
(2017: R187m)

- Ordinary dividend: 655 cents per share (2017: 605 cents per share). Special dividend: 185 cents (2017: nil)

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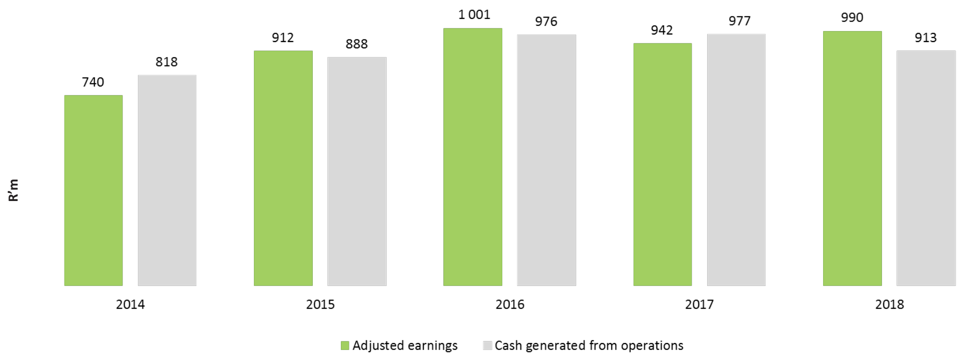
Notes:

Quality of earnings

Business remains highly cash generative - timing differences on finance income and tax



- Earnings have been adjusted for non cash items (depreciation, amortisation, forex profit/loss, impairments, goodwill write down)

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Notes:

Financial performance

(Rm)	2018	2017*
Revenue	**2 199**	2 215
Other income	**82**	52
Total revenue	**2 281**	2 268
Personnel expenses	**(506)**	(544)
Other expenses	**(843)**	(815)
Total expenses	**(1 349)**	(1 359)
EBIT	**932**	909
EBIT %	**41%**	40%
Net finance income	**239**	233
Share of profit from associate (net of income tax)	**56**	35
Profit before income tax	**1 228**	1 176
Income tax expense	**(323)**	(316)
Profit for the year from continuing operations	**904**	860
Loss after tax for the year from discontinued operations	**(1)**	(24)
NPAT	**904**	836
NPAT %	**40%**	37%
EPS (cents)	**1 056.5**	1 006.0
HEPS (cents)	**1 056.2**	996.5

Figures contain rounding differences

**Comparative figures have been restated due to the discontinued operations*

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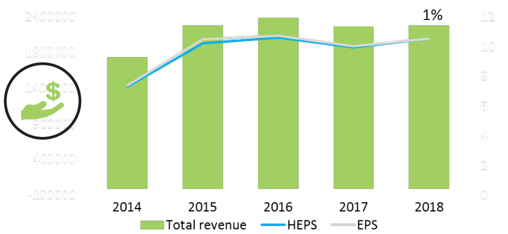
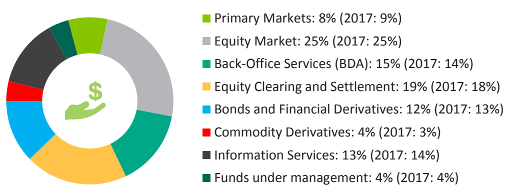
Notes:

Trends

Total revenue

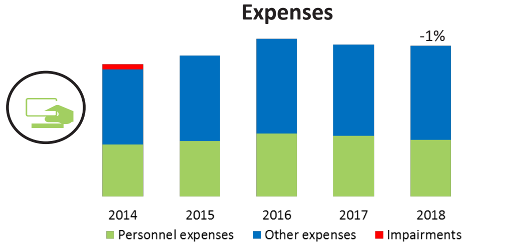


Revenue composition*

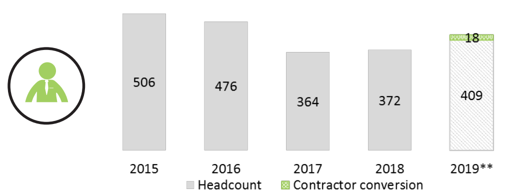


* Excludes Strate

Expenses



Headcount



4 year CAGR to 2018: -10%

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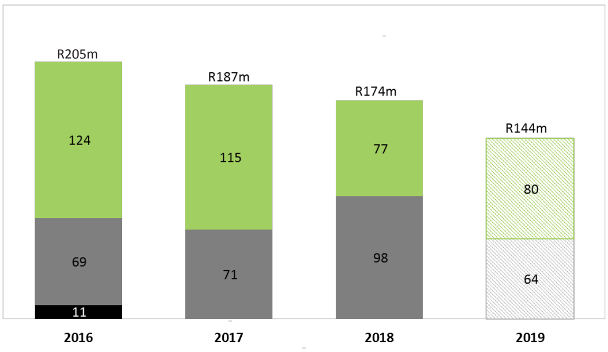
** Planned capacity

Notes:

Total capital expenditure

Whilst 2018 shows lower spend, BAU capex was accelerated to enable faster delivery of strategic growth initiatives



Grow the business

- Integrated Trading and Clearing project 1 - 2016, 2017, 2018, 2019
- ETP for government bonds - 2016, 2017, 2018
- Colocation - 2018
- New initiatives - 2019

Maintain the business

- Business as usual (BAU) largely infrastructure (including revenue generating kit) – 2016, 2017, 2018, 2019

Regulatory

- T+3 Phase 3 - 2016

Total capex spend on the Integrated Trading and Clearing project 1 is expected to be in the range of R450m by planned go live date 8 April 2019

Figures contain rounding differences

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Notes:

Operating expenditure

Second consecutive year of cost contraction

Total operating expenses down **1%** to R1.35bn (2017: R1.36bn)

Personnel costs ↓ 7% or R38m to R506m (2017: R544m)

- Average headcount ↓ 16% to 362 (2017: 430). Gross remuneration ↓ 7%. Contributed -5 percentage points
- LTIS ↓ R13m to R32m (2017: R45m). This includes an accounting change in the critical skills scheme and a lower proportion of LTIS vesting in 2018. Contributed -2 percentage points
- One off 2017 severance packages paid in 2017 (R23m) contributed -4 percentage points
- Discretionary bonus pool of R83m or 9.2% of NPAT (2017: R60m or 7.2% of NPAT). Contributed 4 percentage points

Technology costs down ↓ 5% or R12m to R241m (2017: R253m) as we realised committed savings related to software licences; and hardware maintenance and support

Depreciation ↑ 1% or R1m to R110m (2017: R109m), largely owing to the R10m annualised impact of project functionality gone live (largely components of ITaC) and hardware refreshes. This is offset by fully depreciated assets (R9m)

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Notes:

Operating expenditure (continued)

Total operating expenses down 1% to R1.35bn (2017: R1.36bn)

General expenses ↑ 9% or R40m to R492m (2017: R452m)

- Spend to support growth, operational resilience and new ways of work. Contributed 6 percentage points
  - R23m for professional fees (2017: R17m) to enhance post trade operational resilience and GDPR compliance
  - Internal audit and compliance up to R16m (2017: R11m) as we applied an enhanced co-sourced model
  - Learning and development at R10m (2017: R5m) and includes Agile training, sponsored education and a new sponsored learnership program for people with disabilities
  - R8m financial assistance to ITaC members (2017: Nil)
  - Recruitment fees increased by R4m to R6m (2017: R2m)
  - R2m spend to outsource training consultants for Company Services (2017: R1m) and is supported by revenue earned
- Ex gratia payments and operational losses of R16m (2017: R6m). Contributed 2 percentage points

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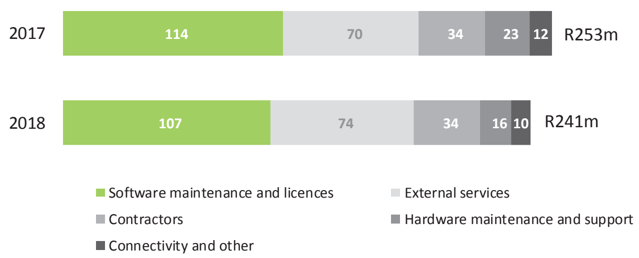
Notes:

Technology cost composition and growth

Technology costs ↓ 5% to R241m (2017: ↓ 11% to R253m)

Realised committed cost savings in software licences; and hardware maintenance support spend. Contractor spend flat



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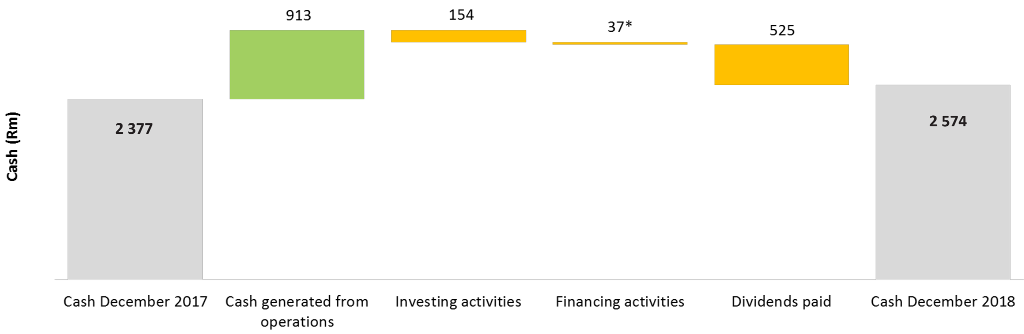
Notes:

Cashflow view

Exit cash balance enabling ordinary dividend growth and a special dividend



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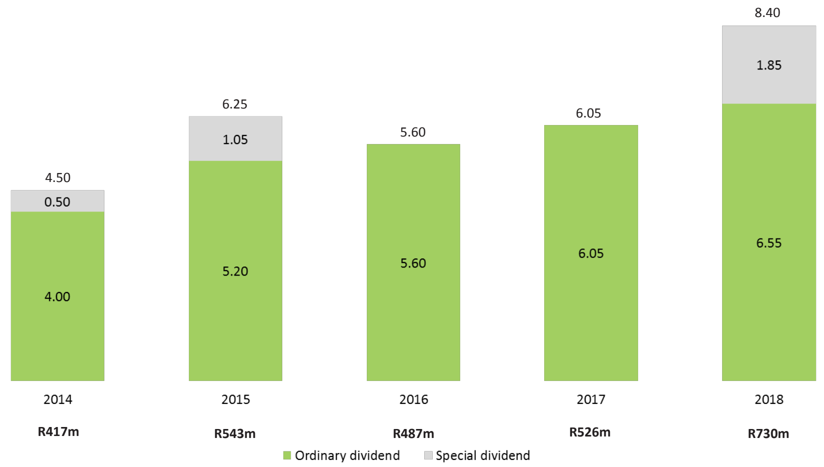
Figures contain rounding differences ** Includes the effect of exchange rate fluctuations on cash held*

Notes:

Increased return to shareholders



- Ordinary dividend growth of 8% (2017: 8%) at a cover of 1.61 (2017: 1.55). Special dividend of 185c (2017: Nil)

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Notes:

Capex external spend

Timeline change with ITaC and acceleration of BAU initiatives to support future growth

	2017	2018	2019
Integrated Trading and Clearing project 1	100	61	13
ETP for government bonds	1	1	-
Colocation	-	3	-
Internal systems	4	1	-
Project capex	**105**	**67**	**13**
Business as usual	67	89	32
New initiatives	-	8	87*
Total external capex spend	**172**	**163**	**132**

* Allocated for initiatives yet to be quantified

Figures contain rounding differences

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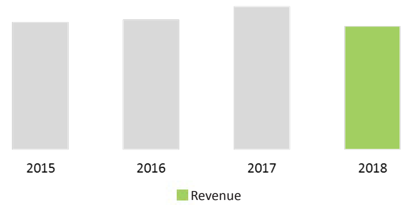
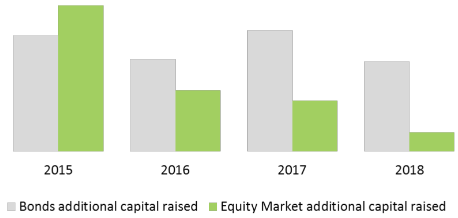
Notes:

Notes:

Capital Markets: Primary Market





8% of total revenue (2017: 9%)

Revenue ↓ 15% to R155m (2017: R181m)

12 new company listings, **12** new ETFs, **12** new ETNs, **236** new warrants and structured products (2017: 21 listings; 15 ETFs; 2 ETN; 253 warrants and structured products)

1 new listings on AltX in 2018 (2017: 8)

Delistings: 16 (2017: 32)

539 new bonds listed (2017: 629). Total nominal value of listed bonds was R2.7tr (2017: R2.9tr)

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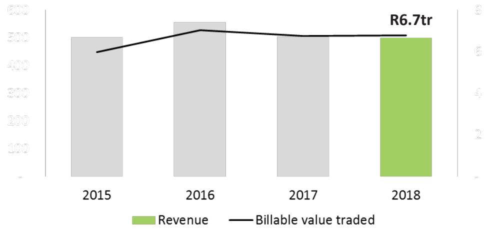
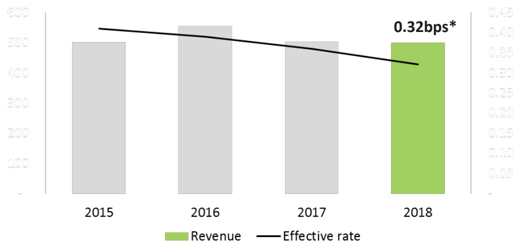
Revenue % changes calculated on unrounded figures

Notes:

Capital Markets: Equity Market





25% of total revenue (2017: 25%)

Revenue ↓ **2%** to R499m (2017: R507m)

Billable value traded flat

Trades ↑ **3%** to 70m (2017: 68m)

Colocation racks ↑ to 32 (2017: 23) and 37% of value traded (2017: 31%)

*Effective rate post implementation of the new billing model

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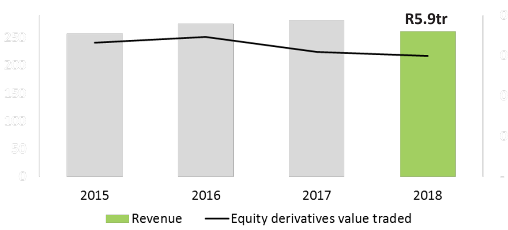
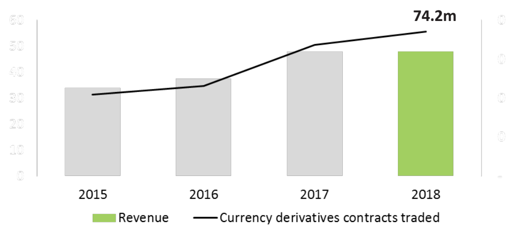
Revenue % changes calculated on unrounded figures

Notes:

Capital Markets: Bonds and Financial Derivatives





12% of total revenue (2017: 13%)

Revenue ↓ 7% to R261m (2017: R281m)

Equity derivatives revenue ↓ 16% to R143m (2017: R170m)

- Contracts traded ↓ 64% to 113m (2017: 312m)
- Value traded ↓ 3% to R5.9tr (2017: R6.2tr)

Currency derivatives revenue flat to R48m (2017: R48m)

- Contracts traded ↑ 9% to 74.2m (2017: 67.3m)
- Value traded ↑ 18% to R1.116tr (2017: R947bn)

Interest rate market revenue ↑ 11% to R70m (2017: R63m)

- Bond Market volumes increased to a nominal value of R31tr (2017: R28tr)
- Interest rate derivatives contracts traded ↓ 0.3% to 12.2m (2017: 12.3m)
- Bond ETP nominal traded of R192bn

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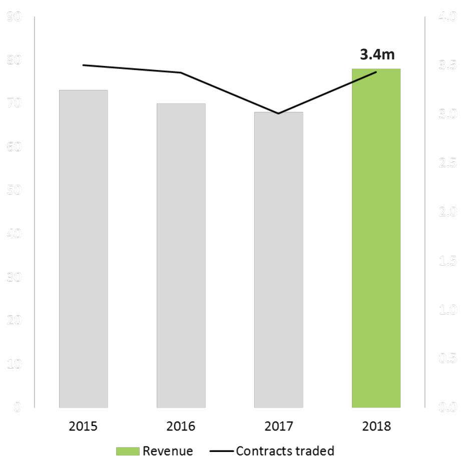
Revenue % changes calculated on unrounded figures

Notes:

Capital Markets: Commodity Derivatives



4% of total revenue (2017: 3%)

Revenue ↑ 15% to R78m (2017: R68m)

Value traded ↑ 19% to R678bn (2017: R569bn)

Contracts traded ↑ 14% to 3.4m (2017: 3.0m)

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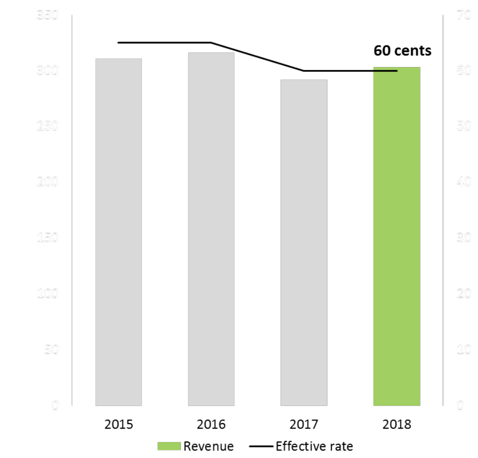
Revenue % changes calculated on unrounded figures

Notes:

Post-Trade Services: Back-Office Services (BDA)



15% of total revenue (2017: 14%)

Revenue ↑ 3% to R303m (2017: R292m)

Follows Equity Market transaction volumes

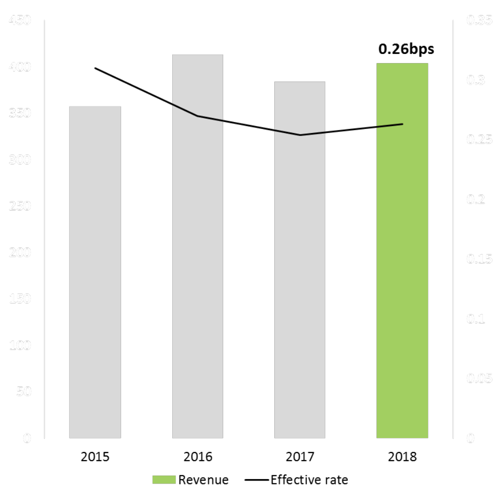
Trades ↑ 3% to 70m (2017: 68m)

Revenue % changes calculated on unrounded figures

21

Notes:

Post-Trade Services: Clearing and Settlement



19% of total revenue (2017: 18%)

Revenue ↑ 5% to R404m (2017: R384m)

Follows Equity Market value traded

Reflects only Equity Market clearing fees

Revenue % changes calculated on unrounded figures

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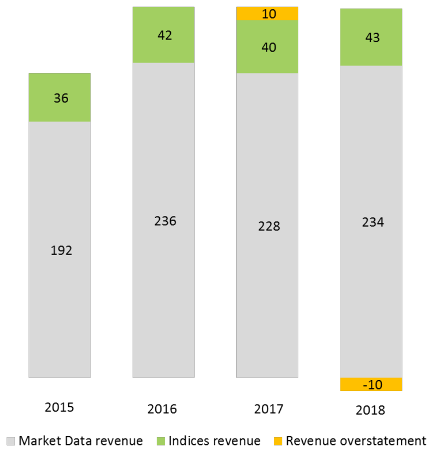
Notes:

Information Services: Includes market data sales



13% of total revenue (2017: 14%)

Revenue ↓ 2% to R267m (2017: R272m)

- Revenue was impacted by a 2017 overstatement, with a resultant 2018 understatement. Allowing for the adjustment, adjusted revenue ↑ 5% to R277m (2017: R262m)
- 27 new clients have signed up for Market Data products: (11 local clients and 16 international clients). 8 clients cancelled all market data subscriptions and licenses
- Forex impact negligible across full year
- Net new passive tracking products ↑ 8. Passive assets under management fell by 17% to R512bn (2017: R604bn)

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Notes:

Notes:

2019 strategic priorities

- Implement ITaC, upgrade and refresh base technology
- Drive growth through new revenue streams
- Embed the Agile, client-led culture embodied in the JSE Way, and invest in and retain top talent
- Maintain strong cost controls and close out on committed cost savings
- Lead by example on the national agenda and pursue the visible transformation of the business

2022 strategy

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Notes:

QUESTIONS

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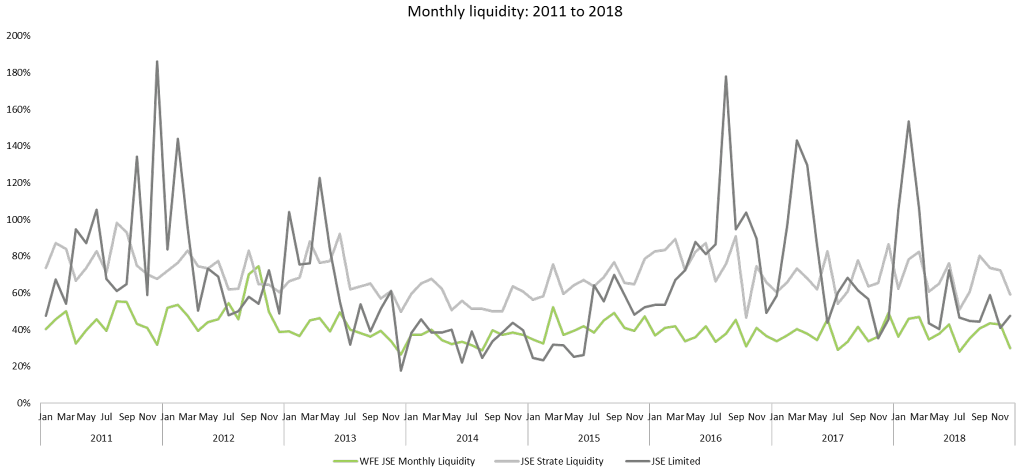
Notes:

JSE liquidity



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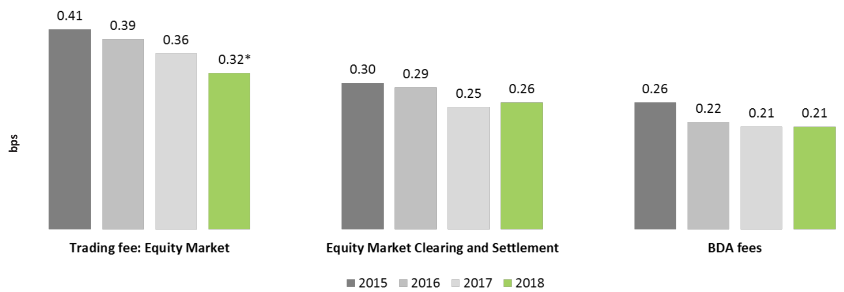
Notes:

Equity Market: JSE effective pricing trend

Deliberate declines in fees over time, heightened impact on trading



- 2015 BDA fee reduced by 20%
- 2016 Option Delta(OD) fee reduced to zero
- 2017 BDA fee reduced by 8%
- 2018 New tiered billing model resulted in a 12% reduction of trading fee effective rate. 2018 above is post the reduction

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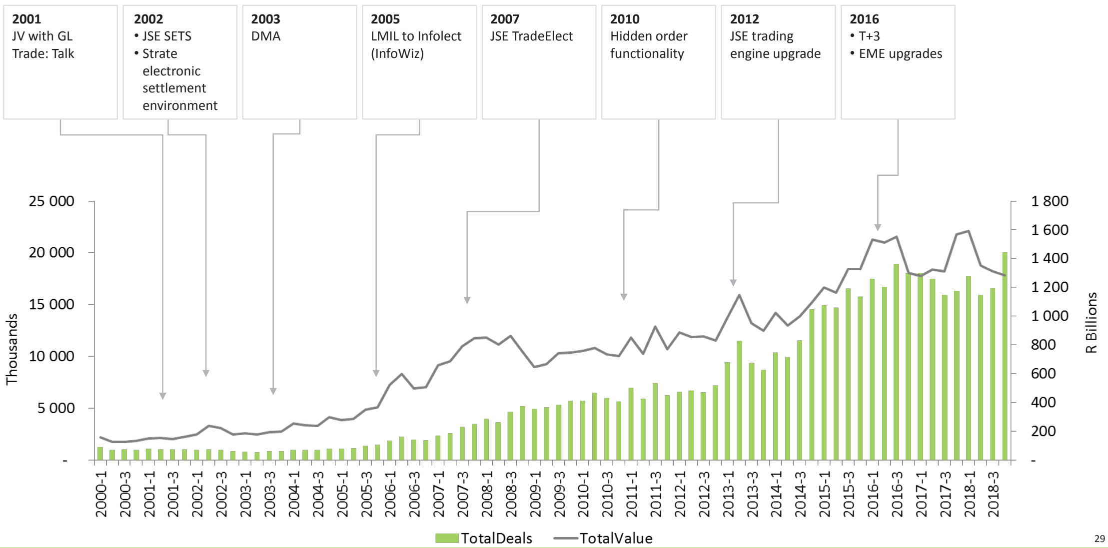
*Effective rate post implementation of the new billing model

Notes:

Technology development drives trade



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Notes:

Financial metrics

Ratios	2018	2017	2016	2015	2014
Operating margin	**41%**	40%	41%	45%	38%
EPS	**1 056.5**	1 006.0	1 074.8	1 051.0	742.4
HEPS	**1 056.2**	996.5	1 063.2	1 026.3	735.0
PE	**15.7**	15.4	15.3	12.2	16.3
Dividend yield (ordinary)	**4.0%**	4.0%	3.4%	4.1%	3.3%
Dividend yield (total)	**5.1%**	4.0%	3.4%	4.9%	4.0%
EBITDA	**1 042**	993	1 074	1 123	803
EBITDA Margin	**46%**	44%	45%	49%	44%
ROE	**23%**	23%	28%	30%	26%

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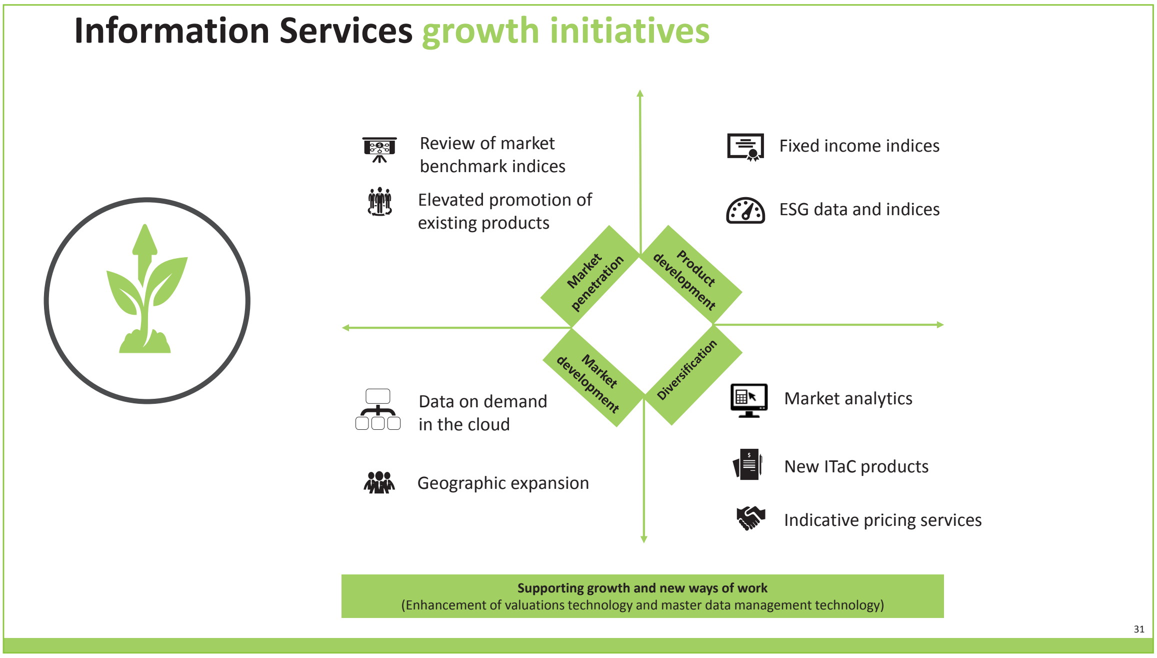
Notes:


Information Services growth initiatives
Review of market benchmark indices
Elevated promotion of existing products
Fixed income indices
ESG data and indices
Market penetration
Product development
Market development
Diversification
Data on demand in the cloud
Geographic expansion
Market analytics
New ITaC products
Indicative pricing services
Supporting growth and new ways of work
(Enhancement of valuations technology and master data management technology)
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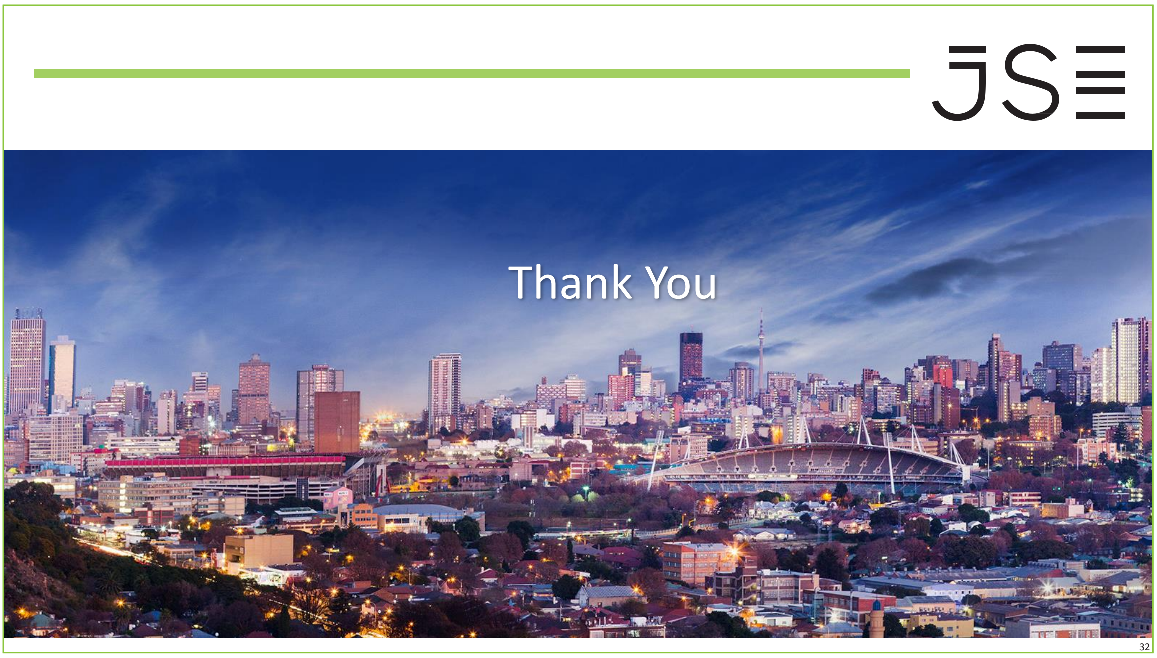
Notes:


Thank You
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Notes:

JSE Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2005/022939/06)
Share code: JSE ISIN: ZAE000079711
("JSE" or "the Group")

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS AND ORDINARY AND SPECIAL CASH DIVIDEND DECLARATIONS

FOR THE YEAR ENDED 31 DECEMBER 2018

The JSE is a self-regulatory, multi-asset class stock exchange operating as a market place for the trading of financial products for 131 years. The JSE offers deep liquidity across a wide range of tradeable products, as well as post-trade, technology and information services.

The JSE is uniquely positioned:

- as a critical product and service provider to South Africa's financial market (which is globally recognised as a centre of excellence); and
- as an interface between those who provide capital, those who need capital to fund their businesses and those who rely on returns for short-, medium- or long-term purposes, whether that interface is of a regulatory, service provision or influencing nature.

This announcement covers the summarised consolidated annual financial results of the Group based on International Financial Reporting Standards for the year ended 31 December 2018.

The preparation of these annual results has been supervised by the chief financial officer, Aarti Takoordeen CA(SA), in terms of section 29(1)(e) of the Companies Act 2008, as amended (the Companies Act). This report is extracted from the audited information, but is not itself audited. The directors take full responsibility for the preparation of this report and warrant that the financial information has been correctly extracted from the underlying audited annual financial statements.

FINANCIAL HIGHLIGHTS

	Group		
	2018	2017*	% change
Revenue (R billion) (including other income)**	2.28	2.27	1%
Earnings before interest and tax (R million)**	932	909	3%
Net profit after tax (R million)	904	836	8%
ROE (%)	23%	23%	flat
Basic earnings per share (cents)**	1 056.5	1 006.0	5%
Headline earnings per share (cents)**	1 056.2	996.5	6%
Ordinary dividend per share (cents) – declared	655	605	8%
Special dividend per share (cents) – declared	185	NIL	–

* *Following a review of the strategic fit to the Group, the Board decided to discontinue the Nautilus business within the Group. Refer to notes 6 and 13 in the Summarised Consolidated Annual Financial Statements.*
** *From continuing operations.*

OVERVIEW OF RESULTS

In a year that was not without its macroeconomic challenges, we are pleased to report group earnings growth of 8% to R904 million (compared to a 9% decline in 2017 to R836 million). These results demonstrate the resilience of our multi-asset class business model, achieving a 1% increase in revenue to R2.28 billion (compared to a 5% decline in 2017 to R2.27 billion) and a 1% contraction in operating costs to R1.35 billion (compared to a 4% contraction in 2017 to R1.36 billion).

We remained focused on building better markets and providing value to clients by, amongst others, launching the Government Bonds electronic trading platform (ETP) and implementing the new tiered billing model in July 2018.

REVENUE

The year was characterised by inter-quarter disparity in market activity which impacted most of our asset classes in the following ways:

Primary Markets:

- Revenue declined by 15% to R155 million (2017: R181 million) due to significantly lower additional capital raising activity. Although the number of IPOs for the year was lower (with 12 IPOs versus the 21 IPOs in 2017) the capital raised was higher.

Capital Markets:

- Equity Market revenue was 2% lower at R499 million (2017: R507 million). This follows flat billable value traded for the full year although central order book activity improved in the last quarter following an increase in colocation service activity. Colocation activity contributed 37% to value traded (2017: 31%). The implementation of the tiered billing model resulted in an aggregate discount to clients of approximately R21 million or 12% year-on-year.

- As the main index continued to lose appeal as an effective hedge in current market conditions, Equity Derivatives value traded declined by 3%. Coupled with the 11% decline in the value of the main index Equity Derivatives revenue declined by 16% to R143 million (2017: R170 million).
- Currency Derivatives Market revenue was flat at R48 million (2017: R48 million) and can be attributed to a 9% increase in the number of contracts traded, offset by a dilution in the effective price.
- Record physical deliveries contributed to a 15% increase in Commodity Derivatives revenue to R78 million (2017: R68 million).
- Interest Rate Market revenue grew 12% to R56 million (2017: R50 million) as bond nominal value reached a record high, up 11% on the back of global uncertainty and foreign sales of emerging market assets. However, expectation of lower volatility in the local interest rate market decreased trading of Interest Rate Derivative contracts, with total contracts traded flat year-on-year. Revenue from the Bond ETP contributed R3 million.

Post-Trade Services:

- BDA revenue increased by 3% to R303 million (R293 million) following a similar increase in the number of transactions. This reflects smaller transaction sizes.
- Clearing and Settlement revenue increased by 5% to R404 million (2017: R384 million), benefiting from increased central order book activity and smaller transaction sizes.

Information Services:

- Revenue remained almost flat at R267 million (2017: R272 million). Normalised for a prior year overstatement, revenue increased in Market Data and Indices by 5% and 8% respectively.

Other income increased to R82 million (2017: R52 million). Revenue growth was positively impacted by a forex gain of R26 million (2017: R9 million forex loss) on foreign denominated assets. The JSE holds USD12 million in cash (2017: USD8 million).

OPERATING EXPENDITURE

The JSE continued its strong control of costs. As such, our operating costs decreased for the second consecutive year to R1.35 billion (2017: R1.36 billion):

- Personnel costs are 7% lower at R506 million (2017: R544 million) due to reduced headcount;
- Technology cost are 5% lower at R241 million (2017: R253 million) as a result of cost optimisation initiatives on software licences, and hardware maintenance and support;
- Depreciation and amortisation was almost flat at R110 million (2017: R109 million). This can be attributed to the annualised impact of project functionality that has been implemented offset by fully depreciated assets; and
- General expenses increased 9% to R492 million (2017: R452 million) as corporate resources were prioritised towards strengthening operational resilience and revenue enhancing initiatives

The overall reduction in the cost base allowed the JSE to absorb the impact of the tiered billing model without impacting profitability.

Group earnings before interest and tax (EBIT) improved by 3% to R932 million (2017: R909 million).

Group earnings after tax increased by 8%, bolstered by:

- the effective tax rate declining to 26% (2017: 27%) with the inclusion of a prior year tax credit of R26 million;
- a higher share of profit received from associate (Strate) of R56 million (2017: R35 million), as a result of their revenue growth and the absence of prior year one-off costs; and
- a lower loss from the discontinued operation at R1 million (2017: R24 million).

Basic earnings per share (EPS) and headline earnings per share (HEPS) for continuing operations increased by 5% and 6%, respectively, to 1 056.5 cents and 1 056.2 cents.

CASHFLOW AND INVESTMENT

The Group continues to be highly cash generative with net cash from operations of R913 million (2017: R977 million). Cash and cash equivalents on hand at 31 December was R2.6 billion (2017: R2.4 billion).

We reduced capital expenditure to R174 million (2017: R187 million). However, we were able to harness additional capacity within business, as the ITaC project reached the final stages (with go-live planned for 8 April 2019), allowing us to accelerate business-as-usual expenditure to enable faster delivery of strategic growth initiatives.

All currently planned investments and 2019 capital requirements can be funded from the Group's own resources.

REGULATION

The Group is now required by regulation to hold sufficient capital to cover relevant risks and unexpected losses for its exchange and central counterparty activities. The JSE meets these capital requirements and holds additional levels of capital to finance future growth opportunities.

STRATEGIC HIGHLIGHTS AND FUTURE FOCUS

As we deliver, we are focused on building better markets. In 2018 we were very pleased to have launched the Government Bonds electronic trading platform (ETP) after extensive collaboration with National Treasury and the Primary Dealers, on 29 August 2018.

A tiered billing model for the Cash Equities Market was introduced with effect from 30 July 2018. This decision followed extensive formal consultation with members, several rounds of internal reviews and global benchmarking exercises. Each of these steps resulting in more favourable pricing for the market as a whole.

In addition, we launched a number of other new products including: enhanced Cash Equities auction functionality; an AGM and electronic voting service in collaboration with one of our enterprise development suppliers, as part of our expanding issuer services business; ESG index futures contract; new racks in JSE Colocation centre; listed Project Bonds Framework; established a new JSE International Access Point at Telehouse in London; and launched a green bond segment, with two new issuers: City of Cape Town and GrowthPoint.

Our 2022 strategy articulates our vision which is to be the best global platform in emerging markets. The key elements underpinning our 2022 strategy are to:

- Put our clients at the centre of what we do;
- Operate, to global standards, South Africa's most trusted, stable, robust and competitive market infrastructure;
- Grow sustainably across the value chain;
- Invest in and retain world-class talent; and
- Lead by example on the national agenda.

Our 2022 strategy will continue to drive performance and shape our future. We are clear about our 2019 priorities and hence the issues that we need to tackle to improve our operational resilience and to achieve our 2022 strategy and to grow this business sustainably.

To this end our focus for 2019 will be to:

- implement our ITaC project 1b and 1c on 8 April 2019. This will provide clients with robust trading and clearing technology in our equity derivatives and currency markets and introduce more sophisticated trading and risk management functionality, enabling us to reduce the cost of transacting in those markets over time;
- deliver meaningful new operating revenue through business lines not currently a substantial part of the JSE income;
- maintain strong cost controls and deliver on committed cost savings by end-2019;
- embed the Agile, client-led culture embodied in the JSE Way; and
- lead by example on the national agenda and pursue the visible transformation of the business.

PROSPECTS

Our choices for 2019 commit us to the delivery of ITaC on 8 April 2019 and recognise that this gives us the opportunity to lift our heads and direct more of our corporate resources to new and innovative initiatives that both strengthen our operating platform and grow in a manner anticipated in our 2022 vision.

The JSE is a largely fixed-cost business. Therefore, we will maintain our focus on costs, while making the necessary capital investments in areas that will enhance the Group's sustainability and diversify revenue. Our revenues are variable and largely driven by activity on the various markets that we operate. For this reason, we make no projections regarding the Group's financial performance in 2019.

DECLARATION OF ORDINARY AND SPECIAL DIVIDEND

The Board has decided to declare an ordinary and special cash dividend for the year ended 31 December 2018, as follows:

Dividend	Annual gross amount	Withholding tax %	Net amount
Ordinary	655 cents	20	524 cents
Special	185 cents	20	148 cents

This is consistent with our dividend policy in terms of which we aim to grow nominal value of the ordinary dividend. In addition, now that the quantum of the capital requirements per the Financial Markets Act have been established and are in effect, surplus cash can be released.

The dividends have 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 the close of business on Friday, 22 March 2019.

In compliance with the Companies Act, the directors confirm that 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 and special dividend are applicable:

Dividend paid in year in respect of financial year ended	31 December 2018	31 December 2017
Ordinary dividend per share	655 cents	605 cents
Special dividend per share	185 cents	Nil
Total Rand value	R730 million	R526 million
Declaration date	Thursday, 28 February 2019	Wednesday, 21 February 2018
Last date to trade JSE shares cum dividend	Monday, 18 March 2019	Monday, 19 March 2018
JSE shares commence trading ex-dividend	Tuesday, 19 March 2019	Tuesday, 20 March 2018
Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on	Friday, 22 March 2019	Friday, 23 March 2018
Date of payment of dividend	Monday, 25 March 2019	Monday, 26 March 2018

Share certificates may not be dematerialised or rematerialised from Tuesday, 19 March 2019 to Friday, 22 March 2019, both days inclusive.

On Monday, 25 March 2019 the dividend will be electronically transferred to the bank accounts of certificated shareholders who use this facility. In respect of those who do not use this facility, cheques dated Monday, 25 March 2019 will be posted on or about that date. 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, 25 March 2019.

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. South African Reserve Bank approval has been obtained for the declaration of the special dividend.

CHANGES TO THE BOARD DURING THE PERIOD UNDER REVIEW

During 2018, and as previously announced, the following changes were made to the Board:

- At the annual general meeting held on 17 May 2018: Mr Anton Botha, Mr Andile Mazwai and Ms Nomavuso Mnxasana, independent non-executive directors, retired;
- Mr Nigel Payne stepped down from the Board as a non-executive director with effect from 3 August 2018, following his appointment as chairman of Strate (Pty) Limited;
- Mr Ben Kruger joined as a non-executive director, effective 1 June 2018, and serves on the Group Human Resources Committee and Group Risk Management Committee;
- Ms Fatima Daniels joined as an independent non-executive director, effective 1 October 2018, and serves on the Group Audit Committee, Group Human Resources Committee and Group Self-regulatory Organisation (SRO) Oversight Committee;
- Ms Faith Khanyile joined as an independent non-executive director, effective 1 November 2018, and serves on the Group Audit Committee and Group SRO Oversight Committee; and
- Ms Zarina Bassa joined as an independent non-executive director, effective 1 November 2018. She serves as the chairman of the Group SRO Oversight Committee and is a member of the Group Risk Management Committee.

We believe the Board is well diversified with an appropriate mix of skilled and experienced individuals. The new appointments specifically enhance our expertise in financial services, regulatory oversight, banking and global business.

The following changes were made to the executive committee:

- Mr Hendrik Kotze was appointed as Chief Information Officer with effect from 1 December 2018.

NOTICE OF ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the fourteenth AGM of shareholders of the JSE will be held at the JSE on Wednesday, 22 May 2019 at 16:00, to transact the business as stated in the AGM notice forming part of the annual financial statements. The AGM notice includes the proxy form.

Only persons physically present at the meeting or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

Forms of proxy should be lodged with **The Meeting Specialist** by 16:00 on Monday, 20 May 2019, for administrative purposes. Any proxy form not received by this time must be handed to the chairperson of the AGM immediately prior to the AGM.

SALIENT DATES FOR 2019 AGM

Record date to determine which shareholders are entitled to receive the notice of AGM	Friday, 15 March 2019
Publication of 2018 Integrated Annual Report and posting of Notice of Annual General Meeting	Monday, 25 March 2019
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Tuesday, 14 May 2019
Record date to determine which shareholders are entitled to attend and vote at the AGM	Friday, 17 May 2019
Forms of proxy for the annual general meeting to be lodged by 16:00	Tuesday, 20 May 2019

APPRECIATION

2018 was a demanding year for the JSE. As we tackle 2019, we would like to thank all our colleagues at the JSE for their hard work and dedication. We look forward to the next stage of our journey as we embed the agile, client-led culture, embodied in the JSE Way.

We extend our thanks to all our stakeholders for their interaction with the JSE team, and look forward to continuing our collaboration in the year ahead.

APPROVAL OF FINANCIAL STATEMENTS

The consolidated and separate audited annual financial statements of the JSE Limited, as identified in the first paragraph, were approved by the Board of directors on 28 February 2019 and signed by:

N Nyembezi
Chairman

N Newton-King
Chief Executive Officer

JSE Limited
One Exchange Square, 2 Gwen Lane, Sandown, South Africa
(Private Bag X991174, Sandton, 2146, South Africa)
Tel: +27 11 520 7000
Fax +27 11 520 8584

The Meeting Specialist Proprietary Limited
One Exchange Square, 2 Gwen Lane, Sandown, Johannesburg, 2196
(PO Box 62043, Marshalltown 2107)
or proxy forms can be sent to: proxy@tmsmeetings.co.za

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)

28 February 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	Group 2018 R'000	2017* R'000
Continuing operations			
Revenue	9	**2 198 479**	2 215 269
Other income		**82 288**	52 359
Personnel expenses	10	**(505 901)**	(544 087)
Other expenses	11	**(842 496)**	(814 598)
Profit from operating activities		**932 370**	908 943
Finance income		**2 824 795**	3 245 626
Finance costs		**(2 585 574)**	(3 012 846)
Net finance income		**239 221**	232 780
Share of profit from associate (net of income tax)		**55 910**	34 644
Profit before income tax		**1 227 501**	1 176 367
Income tax expense	12	**(323 219)**	(316 370)
Profit for the year from continuing operations		**904 282**	859 997
Discontinued operations			
Loss after tax for the year from discontinuing operations	13	**(700)**	(24 489)
Profit for the year		**903 582**	835 508
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Net change in financial instruments at fair value		**–**	23 028
Net change in financial instruments at fair value recycled to profit or loss		**–**	(12 249)
Change in financial instruments at fair value through other comprehensive income that will not be reclassified to profit and loss (net of tax)		**(11 280)**	–
Change in financial instruments at fair value through other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of tax)		**(89)**	–
Other comprehensive income for the year, net of income tax		**(11 369)**	10 779
Total comprehensive income for the year		**892 213**	846 287
Earnings per share for continuing operations			
Basic earnings per share (cents)	14.1	**1 056.5**	1 006.0
Diluted earnings per share (cents)	14.2	**1 048.1**	999.1
Other earnings for continuing operations			
Headline earnings per share (cents)	14.3	**1 056.2**	996.5
Diluted headline earnings per share (cents)	14.4	**1 048.0**	989.6

** Comparative figures have been restated due to the discontinued operations referenced in note 13.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

		Group	
	Notes	**2018 R'000**	2017 R'000
Assets			
Non-current assets		**1 403 265**	1 315 826
Property and equipment		**219 631**	186 730
Intangible assets	15	**518 473**	486 808
Investment in associate		**269 898**	232 822
Other investments		**303 473**	316 400
Loan to the JSE Empowerment Fund Trust		**25 136**	25 154
Deferred taxation		**66 654**	67 912
Current assets		**40 521 485**	37 372 143
Trade and other receivables		**490 303**	495 105
Income tax receivable		**29 997**	622
JSE Clear Derivatives Default Fund collateral deposits		**500 000**	500 000
Margin deposits		**36 766 624**	33 933 761
Collateral deposits		**160 625**	65 191
Cash and cash equivalents		**2 573 936**	2 377 464
Total assets		**41 924 750**	38 687 969
Equity and liabilities			
Total equity		**3 968 441**	3 626 381
Stated capital		**(18 378)**	11 614
Reserves		**511 739**	513 272
Retained earnings		**3 475 080**	3 101 495
Non-current liabilities		**133 055**	139 444
Employee benefits		**1 960**	9 844
Due to Safex members		**–**	1 347
Deferred taxation		**22 296**	16 087
Operating lease liability		**106 840**	104 084
Deferred income		**1 959**	8 082
Current liabilities		**37 823 254**	34 922 144
Trade and other payables		**375 430**	395 514
Income tax payable		**25**	9 294
Employee benefits		**120 550**	118 384
JSE Clear Derivatives Default Fund collateral contribution		**400 000**	400 000
Margin deposits		**36 766 624**	33 933 761
Collateral deposits		**160 625**	65 191
Total equity and liabilities		**41 924 750**	38 687 969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

Group	Stated* capital R'000	NDR R'000	Share-based payments reserve R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 1 January 2017	26 693	415 924	59 776	475 700	2 767 138	3 269 531
Profit for the year from continuing operations	–	–	–	–	859 997	859 997
Other comprehensive income	–	10 779	–	10 779	–	10 779
Total comprehensive income for the year	–	10 779	–	10 779	859 997	870 776
Loss for the year from discontinued operations	–	–	–	–	(24 489)	(24 489)
LTIS 2010 Allocation 4 – shares vested	15 565	–	(15 565)	(15 565)	–	–
LTIS 2010 Allocation 5 – shares vested	20 065	–	(20 065)	(20 065)	–	–
Distribution from the JSE Debt Guarantee Fund Trust[1]	–	(4 484)	–	(4 484)	4 484	–
Dividends paid to owners	–	–	–	–	(486 456)	(486 456)
Equity-settled share-based payment	–	–	47 728	47 728	–	47 728
Transfer of profit to investor protection fund	–	19 179	–	19 179	(19 179)	–
Treasury shares	(50 490)	–	–	–	–	(50 490)
Treasury shares – share issue costs	(219)	–	–	–	–	(219)
Total contributions by and distributions to owners of the Company recognised directly in equity	(15 079)	14 695	12 098	26 793	(525 640)	(513 926)
Balance at 31 December 2017	**11 614**	**441 398**	**71 874**	**513 272**	**3 101 495**	**3 626 381**
Profit for the year from continuing operations	**–**	**–**	**–**	**–**	**904 282**	**904 282**
Other comprehensive income	**–**	**(11 369)**	**–**	**(11 369)**	**–**	**(11 369)**
Total comprehensive income for the year	**–**	**(11 369)**	**–**	**(11 369)**	**904 282**	**892 913**
Loss for the year from discontinued operations	**–**	**–**	**–**	**–**	**(700)**	**(700)**
LTIS 2010 Allocation 5 – shares vested	**17 070**	**–**	**(17 070)**	**(17 070)**	**–**	**–**
LTIS 2010 Allocation 6 – shares vested	**9 819**	**–**	**(9 819)**	**(9 819)**	**–**	**–**
Distribution from the JSE Debt Guarantee Fund Trust[1]	**–**	**(4 427)**	**–**	**(4 427)**	**4 427**	**–**
Dividends paid to owners	**–**	**–**	**–**	**–**	**(524 999)**	**(524 999)**
Equity-settled share-based payment	**–**	**–**	**31 727**	**31 727**	**–**	**31 727**
Transfer of profit to investor protection fund	**–**	**9 425**	**–**	**9 425**	**(9 425)**	**–**
Treasury shares	**(56 494)**	**–**	**–**	**–**	**–**	**(56 494)**
Treasury shares – share issue costs	**(387)**	**–**	**–**	**–**	**–**	**(387)**
Total contributions by and distributions to owners of the Company recognised directly in equity	**(29 992)**	**4 998**	**4 838**	**9 836**	**(530 697)**	**(550 853)**
Balance at 31 December 2018	**(18 378)***	**435 027**	**76 712**	**511 739**	**3 475 080**	**3 968 441**

[1] *JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R4.4m (December 2017: R4.5m) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.*

* *Debit balance due to own shares held as part of the Long-Term Incentive Schemes.*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Group	
	2018 R'000	2017 R'000
Cash flows from operating activities		
Cash generated by operations	**1 045 193**	998 367
Finance income	**2 800 775**	3 326 655
Finance costs	**(2 587 269)**	(3 053 521)
Dividends received	**5 110**	3 696
Taxation paid	**(350 597)**	(298 673)
Net cash generated by operating activities	**913 212**	976 524
Cash flows from investing activities		
Proceeds on sale of other investments	**24 522**	30 296
Acquisition of other investments	**(22 906)**	(30 197)
Dividends from associate	**18 834**	24 972
Proceeds from disposal of property and equipment	**226**	150
Leasehold improvements	**(552)**	(1 683)
Acquisition of intangible assets	**(83 007)**	(115 958)
Acquisition of property and equipment	**(90 647)**	(64 259)
Net cash used in investing activities	**(153 530)**	(156 679)
Cash flows from financing activities		
Acquisition of treasury shares	**(56 881)**	(50 709)
Dividends paid	**(524 999)**	(486 456)
Net cash used in financing activities	**(581 880)**	(537 165)
Net increase in cash and cash equivalents	**177 802**	282 680
Cash and cash equivalents at 1 January	**2 377 464**	2 094 784
Effect of exchange rate fluctuations on cash held	**18 670**	–
Cash and cash equivalents at 31 December 2018	**2 573 936**	2 377 464

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Reporting entity

JSE Limited (the "JSE" or the "Company") is a company domiciled in South Africa. The registration number is 2005/022939/06. The JSE is licensed as an exchange in terms of the Financial Markets Act 2012 ("FMA"). The JSE has the following main lines of business: Capital Markets, Post-Trade Services and Information Services. The address of the Company's registered office is One Exchange Square, 2 Gwen Lane, Sandown. The consolidated financial statements of the Company as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries and controlled structured entities (collectively referred to as the "Group" and individually as "Group entities") and reflect the Group's interest in associates.

When reference is made to the "Group" in the accounting policies, it should be interpreted as referring to the Company, where the context requires, unless otherwise noted.

2. Basis of preparation

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), specifically referring to IAS 34, the SAICA financial reporting guides as issued by the Accounting Practice Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act 2008 ("Companies Act").

3. Changes in accounting policies

All accounting policies applied by the Group in these summarised consolidated financial statements are in terms of IFRS and are the same as those applied by the Group in the prior year and in its consolidated financial statements as at and for the year ended 31 December 2018.

4. Comparative figures

Unless otherwise indicated, comparative figures refer to the 12 months ended December 2017.

5. Use of estimates and judgements

The preparation of financial statements are in conformity with IFRS and requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

6. Discontinued operations

The Board has decided to discontinue the Nautilus business within the Group. The results of this business are classified as a discontinued operation.

All income and expense items are excluded from the individual statement of the comprehensive income line items and a single amount representing the post-tax profit or loss of discontinued operations is disclosed. Prior year figures relating to income and expenses have been restated.

Refer to note 13 for details regarding the discontinued operations.

7. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

8. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Costs, assets and liabilities, in the JSE are managed holistically across the Exchange and variances against budget are closely monitored. Information technology and other corporate overheads are not generally allocated to a particular segment.

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

	Group	
	2018	2017
	R'000	R'000
9. Operating segments and revenue		
Revenue comprises:		
Capital markets		
Bond ETP (Electronic Trading Platform)	**3 380**	–
Colocation fees	**16 016**	20 068
Commodity derivatives fees	**78 420**	68 365
Company service fees*	**10 294**	–
Currency derivatives fees	**47 931**	47 943
Equity derivatives fees	**142 930**	169 769
Equity market fees	**498 616**	506 692
Interest rate market fees**	**52 917**	50 076
Primary market fees	**154 522**	181 005
Post-trade services		
Clearing and settlement fees	**403 564**	383 794
Back-office services (BDA)	**303 012**	292 911
Funds under management***	**79 365**	81 960
Information services		
Index fees	**33 288**	50 021
Market data fees	**233 811**	221 702
Total revenue excluding Strate ad valorem fees – cash equities and bonds	**2 058 065**	2 074 306
Strate ad valorem fees – cash equities	**126 733**	128 132
Strate ad valorem fees – bonds**	**13 681**	12 831
	2 198 479	2 215 269

* *Company Services is now a core business line. As such, it is recorded in revenue. Prior year numbers are classified as other income*
** *Disclosed separately due to new billing process. Comparative figures have been restated.*
*** *Comparative figures have been restated due to the discontinued operations referenced in note 13.*

	Group	
10. Personnel expenses		
Remuneration paid	**474 386**	498 830
Gross amount paid	**485 784**	516 384
Less: Capitalised to intangible assets	**(11 398)**	(17 554)
Long-term incentive schemes	**31 515**	45 257
	505 901	544 087
11. Other expenses		
Other expenses	**601 796**	561 793
Technology costs	**240 700**	252 805
	842 496	814 598

12. Income tax expense

The Group's consolidated effective tax rate for the year ended 31 December 2018 was 26% (2017: 27%).

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

13. Discontinued operations

Following a review of their strategic fit to the Group, the Board decided to wind up Nautilus MAP RF (Pty) Limited and Nautilus MAP Operations (Pty) Limited. These subsidiaries have been classified as discontinued operations in terms of IFRS 5 Non-current Assets Held-For-Sale and Discontinued Operations.

	2018 R'000	2017 R'000
Statement of comprehensive income		
Revenue	**21 745**	13 777
Investment income	**404**	171
Total income	**22 149**	13 948
Operating expenses	**(22 849)**	(38 411)
Loss before taxation	**(700)**	(24 463)
Taxation	**–**	(26)
Loss after taxation	**(700)**	(24 489)*
Earnings per share for discontinued operations		
Basic earnings per share (cents)	**(0.8)**	(28.6)
Diluted earnings per share (cents)	**(0.8)**	(28.4)
Headline earnings per share for discontinued operations		
Reconciliation of headline earnings:		
Loss for the year	**(700)**	(24 489)
Adjustments for goodwill impairment	**–**	24 564
Headline earnings	**(700)**	75
Headline earnings (and diluted earnings) per share (cents)	**(0.8)**	0.09
Statement of cash flows		
Net cash flow from operating activities	**28 374**	21 756
Net cash flow from financing activities	**(21 146)**	(18 705)
Increase in cash and cash equivalent	**7 228**	3 051
Cash and cash equivalent at the beginning of the year	**2 844**	–
Cash and cash equivalent at the end of the year	**10 072**	3 051

** Total non-current assets (goodwill) relating to this business were impaired in the prior year.*

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

	Group 2018 R'000	Group 2017* R'000
14. Earnings and headline earnings per share		
14.1 Basic earnings per share for continuing operations		
Profit for the year attributable to ordinary shareholders	**904 282**	859 997
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**86 877 600**	86 877 600
Effect of own shares held (JSE LTIS Schemes)	**(1 283 102)**	(1 394 954)
Weighted average number of ordinary shares at 31 December	**85 594 498**	85 482 646
Basic earnings per share (cents)	**1 056.5**	1 006.0
14.2 Diluted earnings per share for continuing operations		
Profit for the year attributable to ordinary shareholders	**904 282**	859 997
Weighted average number of ordinary shares (diluted):		
Weighted average number of ordinary shares at 31 December (basic)	**85 594 498**	85 482 646
Effect of LTIS Share Scheme	**681 891**	598 795
Weighted average number of ordinary shares (diluted)	**86 276 389**	86 081 441
Diluted earnings per share (cents)	**1 048.1**	999.1
The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the year.		
14.3 Headline earnings per share		
Reconciliation of headline earnings:		
Profit for the year attributable to ordinary shareholders	**904 282**	859 997
Adjustments are made to the following:		
– Gross amount	**(114)**	4 140
Profit or loss on disposal of property and equipment	**(158)**	(105)
Share of investment in associate – system impairment	**–**	4 216
– Taxation effect on profit or loss on disposal of property and equipment	**44**	29
Net realised gain on disposal of financial instruments (no taxation effect)	**–**	(12 249)
Headline earnings	**904 168**	851 888
Headline earnings per share (cents)	**1 056.2**	996.5
Headline earnings per share for discontinued operations	**(0.8)**	0.09
Total headline earnings per share (cents)	**1 055.4**	996.59
14.4 Diluted headline earnings per share		
Diluted headline earnings per share (cents)	**1 048.0**	989.6
Diluted headline earnings per share for discontinued operations	**(0.8)**	0.09
Total diluted headline earnings per share (cents)	**1 047.2**	989.69

**Comparative figures have been restated due to the discontinued operations referenced in note 13.*

15. Intangible assets

Included in the intangible assets of R518m (2017: R487m), is software under development of R319m (2017: R283m), mainly in respect of the Integrated Trading and Clearing System.

16. Share-based payments

(i) Vesting of Allocation 5 Tranche 2 shares during the period under review

The fifth award ("Allocation 5") under LTIS 2010 was granted in May 2014 with the following vesting profile:

Tranche 2: 50% of the total award, vested on 1 June 2018 (Exercise date on 6 August due to vesting date falling within closed period).

In respect of Tranche 2, the Board assessed performance over the four-year vesting term against pre-set financial and strategic targets and determined that 95% of these Tranche 2 shares should vest for those participants still in the employ of the JSE on 1 June 2018. The remainder of the Tranche 2 (being 8 785 shares) were forfeited by participants. Details relating to the vesting is included in the Remuneration report.

As at 31 December 2018, details of Tranche 2 were as follows:

Tranche 2 – fully vested	
Original number of Tranche 2 shares awarded in May 2014	211 435
Forfeited by leavers to date	(35 735)
Tranche 2 shares forfeited for missing performance targets	(8 785)
Accelerated for good leavers to date	(55 100)
Tranche 2 shares vested on 1 June 2018	(111 815)
Tranche 2 shares outstanding	**–**

(ii) Vesting of Allocation 6 Tranche 1 shares during the period under review

The sixth award ("Allocation 6") under LTIS 2010 was granted in June 2015 with the following vesting profile:

Tranche 1: 50% of the total award, vested on 31 May 2018 (Exercise date on 6 August due to vesting date falling within closed period).

Tranche 2: 50% of the total award, vesting on 30 April 2019.

In respect of Tranche 1, the Board assessed performance over the four-year vesting term against the pre-set financial and strategic targets and determined that 59.36% of these Tranche 1 shares vested for those participants still in the employ of the JSE on 31 May 2018.

As at 31 December 2018, details of Tranche 1 were as follows:

Tranche 1 – fully vested	
Original number of Tranche 1 shares awarded in June 2015	151 170
Forfeited by leavers to date	(19 560)
Tranche 1 shares forfeited for missing performance targets	(53 486)
Accelerated for good leavers to date	(30 565)
Tranche 1 shares vested on 31 May 2018	(47 559)
Tranche 1 shares outstanding	**–**

The profit or loss charge for the period, calculated using the Black-Scholes valuation methodology, in respect of allocations granted under LTIS 2010 is as follows:

	2018	2017
Allocation 4 (granted in May 2013)	**–**	R2.6m
Allocation 5 (granted in May 2014)	**R6.3m**	R9.9m
Allocation 6 (granted in June 2015)	**R2.2m**	R5.5m
Allocation 7 (granted in October 2016)	**R9.5m**	R13.4m
Allocation 8 (granted in March 2017)	**R6.1m**	R7.6m
	R24.1m	R39.0m

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

16. Share-based payments (continued)

Allocation 1 under LTIS 2018

The first award ("Allocation 1") under LTIS 2018 was granted in September 2018 with the following vesting profile:

Senior members	
Share price at grant date (rands per share)	156.37
Total number of shares granted	203 650
Dividend yield (%)	3
Grant date	18 September 2018
Vesting profile:	
50% of the shares awarded vest on 31 August 2021 (Tranche 1)	101 825
50% of the shares awarded vest on 31 August 2022 (Tranche 2)	101 825

Executive Committee	
Share price at grant date (rands per share)	153.75
Total number of shares granted	175 820
Dividend yield (%)	3
Grant date	18 September 2018
Vesting profile:	
50% of the shares awarded vest on 31 August 2021 (Tranche 1)	87 910
50% of the shares awarded vest on 31 August 2022 (Tranche 2)	87 910

The profit or loss charge for the period, calculated using the Black-Scholes valuation methodology, in respect of allocations granted under LTIS 2018 is as follows:

	2018	2017
Allocation 1 (granted in September 2018)	**R4.6m**	–
	R4.6m	–

17. Contingent liabilities and commitments

17.1 Commitments

	Group	
	2018 R'000	2017 R'000
17.1.1 These payments relate to operating lease agreements in respect of buildings from which the JSE conducts its business.		
Total future minimum lease payments under a non-cancellable operating lease:		
Not later than one year	**56 991**	52 651
Between one and five years	**356 955**	331 168
Later than five years	**58 140**	140 918
	472 086	524 737
Note: The disclosure on the face of the statement of financial position represents the accrual from the straight-lining of the rental income.		
17.1.2 The JSE sub-leases areas of the building in which it operates.		
Total future minimum lease receipts		
Not later than one year	**252**	589
Between one and five years	**81**	333
	333	922

18. Fair value estimation

Financial instruments measured in the statement of financial position at fair value require disclosure. The following is the fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
2018				
Assets				
Other investments				
– Equity securities	**124 418**	**161 051**	**–**	**285 469**
– Debt investments	**–**	**18 003**	**–**	**18 003**
Total assets	**124 418**	**179 054**	**–**	**303 472**
2017				
Assets				
Other investments				
– Equity securities	146 294	154 450	–	300 744
– Debt investments	–	15 655	–	15 655
Total assets	146 294	170 105	–	316 399

The fair value of financial instruments traded in active markets is based on quoted market prices, which represent actual and regularly occurring market transactions between market participants at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group pricing market transactions on an arm's length basis and transactions occur regularly. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily FTSE 100 equity investments classified as fair value through OCI.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The investment in debt instruments is classified as level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For all other financial assets and liabilities, the carrying value approximates the fair value.

19. Events after reporting date

There have been no changes to the directors' interests in the ordinary share capital of the Group and no material events that would require adjustment or disclosure in the annual financial statements have occurred between 31 December 2018 and the date of this report.

20. Audit opinion

Ernst & Young Inc, the Group's independent auditor, has audited the consolidated annual financial statements of the JSE Limited from which the summarised consolidated results contained in this report have been derived, and has expressed an unmodified audit opinion on the consolidated annual financial statements. The summarised consolidated financial results comprise the statements of financial position at 31 December 2018 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes. A copy of the auditor's report is available for inspection at the JSE's registered office.

The auditor's report does not necessarily report on all of the information contained in the summarised consolidated annual results and ordinary and special cash dividend declaration. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the JSE's registered office.