



2016

▶ **Year End
Report**



BARBADOS STOCK EXCHANGE INC.

'building a better market'

2016 Year End Report

The following report reviews the overall performance of the companies listed on the Barbados Stock Exchange for the year ended December 31, 2016. Additionally, in an effort to provide greater detail on the market performance, fourth quarter market statistics has been included. General discussion was also given to the overall economic situation of the country and its impact on the general performance of the market. The report has been structured as follows:

- Overall Performance
- Economic Factors
- Trading activity by Market
- Indices and Market Capitalization
- Advancers/Decliners for 2016
- Historical Company Trading statistics
- Market Events
- Takeover Activity
- The Regulatory Roundup
- Concluding Remarks

Overall Performance

The year ending December 31, 2016 proved to be a challenging year for the Barbados Stock Exchange Inc (BSE). Overall trading volume and value decreased by 13% and 11% respectively. The Regular Market was the only market to record increases and there was no activity on the Junior Market; all other markets recorded decreases. There was an improvement in the total number of trades occurring as a result of transactions that took place subsequent to takeovers that would have been initiated in the last quarter of 2015. Activity in the Bond Market declined as both the number of trades occurring and the total face value traded during 2016 fell below their corresponding values in 2015. The extraordinary transactions occurring during 2016 were as follows:

- There were two (2) Block Trades which saw 369,769 shares in One Caribbean Media Limited trading at \$7.00 per share and 2,132,546 shares in Goddard Enterprises Limited trading at \$6.60 per share¹;
- There were three (3) Regular Market trades conducted related to Emera (Barbados) Holdings No.2 Incorporated's offer to repurchase all issued and outstanding shares of Emera (Caribbean) Incorporated and Emera (Caribbean) Incorporated 5.5% Preference ²;
- There were one hundred and thirty-one (131) Regular Market trades conducted as a result of SLU Beverages Limited offer to purchase all issued and outstanding shares of Banks Holdings Limited³.

Table 1 illustrates all activity occurring on the board of the BSE for the year ended December 31, 2016.

There was one new listing while four securities were delisted from the board of the BSE during 2016. On January 8th, 2016, Emera Deposit Receipt was listed on the board of the BSE ⁴. Royal Fidelity TIGRS A2 was delisted on February 12th, 2016 while Royal Fidelity TIGRS A3 Fund exited the board of the BSE on September 27th, 2016; it should be noted that both funds had completed the term of operations of five (5) years as indicated in their original prospectus documents. At the close of trading on December 30th, 2016, Emera (Caribbean) Incorporated and Emera (Caribbean) Incorporated 5.5% Preference were delisted from the board of the BSE⁵.

1 See Block Trade Market Section.
2 See Regular Market Section.
3 See Regular Market Section.
4 See Market Events Section.
5 See Market Events Section.

Table 1: Trading Activity Comparison by Market

Market	December				% Change	
	2016 Volume	2015 Volume	2016 Value (\$)	2015 Value (\$)	Volume	Value
Regular	34,312,211	24,803,107	215,671,880	189,776,184	38	14
Put - Through	644,887	4,872,460	1,602,099	19,905,540	-87	-92
Junior	-	-	-	-	NA	NA
Block Trade	2,501,315	13,170,728	16,656,187	52,682,912	-81	-68
Total	37,458,413	42,846,295	233,930,165	262,364,636	-13	-11

There were mixed results for the market measures in 2016 when compared to the closing figures for 2015. At year-end, the Local Index was the only index measure to record an increase (10.05%) while the Cross-listed and Composite Indices recorded decreases. All 2016 closing Market Capitalization measures recorded declines when compared to their December 31st, 2015 figures. The Local and Composite Market Cap recorded nominal decreases below 10% while the Cross-Listed Market Capitalization recorded the largest decrease of 21.65%. The Cross-Listed Market Cap performance can be attributed to a decrease in the share price of Massy Holdings Limited.

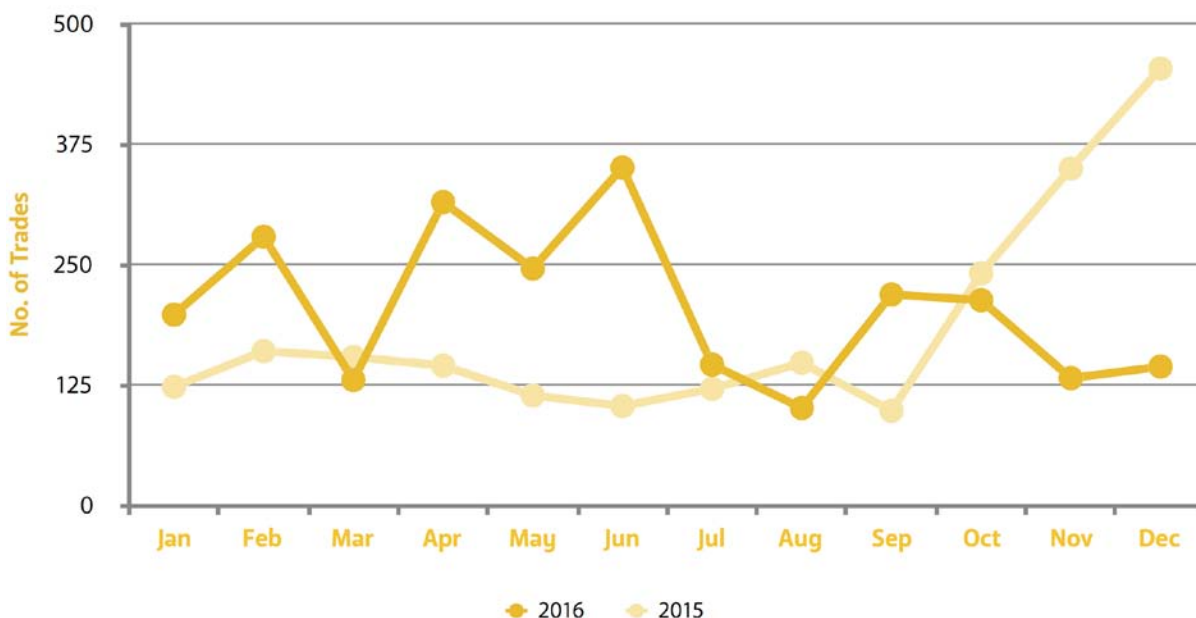
Table 2 below illustrates the Trading Statistics Comparison 2016 - 2015. Quarters I and III for 2016 were the most active in terms of both volume and value traded. Quarter I was characterized by heavy post take-over activity while a large volume of trades was traded on the Block Trade Market in Quarter III.

Table 2: Trading Statistics Comparison 2016 - 2015

Quarter	Number of Shares		Market Value (\$)		No. of Transactions	
	2016	2015	2016	2015	2016	2015
I	28,854,087	1,445,566	192,721,636	7,694,692	607	437
II	2,715,092	2,677,450	9,720,586	5,554,149	912	362
III	3,778,405	19,397,800	22,048,600	72,584,102	466	367
IV	2,110,829	19,325,479	9,439,343	176,531,693	489	1045
Total	37,458,413	42,846,295	233,930,165	262,364,636	2,474	2,211

There was an 11.9% increase in the number of trades occurring in 2016 when compared to 2015. There were 2,474 trades in 2016 as compared to 2,211 trades for 2015. **Figure 1: Total Trade Frequency Comparison**, illustrates graphically how the trade frequency has varied between 2016 and 2015.

Figure 1: Total Trade Frequency Comparison



As illustrated in **Table 3** below, there were large declines in both the volume and value traded for the fourth quarter of 2016 when compared to the corresponding period in 2015. The Regular Market recorded a decrease of 88% in terms of volume traded while the value traded decreased by 95% over its position in the corresponding period in 2015. It must be noted that fourth quarter 2016 activity did not match the level of extraordinary transactions which took place on the Regular Market during the fourth quarter of 2015. The Put Through Market suffered similar declines in activity, recording 97% decreases in terms of both volume and value respectively. There was no activity on the Junior or Block Trade Markets for the 4th Quarter of 2016.

For the 4th quarter, the Local, Cross-Listed and Composite Index measures all recorded increases of 1.24%, 0.43% and 1.02% respectively. Unfortunately, however, fourth quarter Market Cap measures did not match the performance of the index measures. The Local and Composite Market Cap measures recorded decreases of 8.35% and 6.02% respectively while the Cross-Listed Market Capitalization experienced an increase of 0.43%.

Table 3: Fourth Quarter Trading Activity Comparison

Market	Fourth Quarter				% Change	
	2016 Volume	2015 Volume	2016 Value (\$)	2015 Value (\$)	Volume	Value
Regular	2,037,228	16,505,609	9,284,788	171,153,713	-88	-95
Put - Through	73,601	2,819,870	154,555	5,377,980	-97	-97
Junior	-	-	-	-	NA	NA
Block Trade	-	-	-	-	NA	NA
Total	2,110,829	19,325,479	9,439,343	176,531,693	-89	-95

Economic Factors

This segment of the report was compiled from the Review of Barbados' Economic Performance for 2016 dated December 2016 and published by the Central Bank of Barbados (CBB).

In its report, the CBB estimated expansion in the Barbados economy to be 1.6% during 2016. The CBB also reported that there was no inflation and a 0.8% reduction in the retail price index as at June 2016; at the close of September 2016, the level of unemployment decreased to 10%. The Tourism industry continued to be a major contributor to positive economic performance and the CBB noted "The diversity of countries from which we attract visitors has been central to the success of our tourism industry. During 2016, long-stay arrivals increased by 6 percent, with arrivals from the U.S up by 14 percent, and Caribbean arrivals 13 percent higher."

Non-Tourism Related Service Inflows were reported to have "held their own", however, there was a decline of 5% in the number of International Business Companies (IBCs) registered at the close of October 2016. The CBB reported that "the assets of international banks offering global services declined by 9 percent to \$69 billion." With the exception of Government, all large non-traded sectors recorded growth during 2016 most notable of which were Finance and Other Services, which increased by 2.6% and Construction that improved by 2.4%. Special mention was given to the production of renewable energy as the island's capacity has seen steady increases since its implementation in 2012. Total generating capacity increased to 23 megawatts a result that was boosted by the establishment of a 10-megawatt solar photovoltaic farm by the Barbados Light & Power Company Limited on the Trents Plantation site in the parish of St. Lucy.

Exports were up 5% increasing to \$511 million. The increase in activity was attributed to the improvements in the export of rum and other beverages, construction materials and printed labels. The importation of Consumer and Capital goods increased 6.8% and 6.5% respectively, fuel imports were down 21% to \$366 million while Retained Imports were "estimated to be on par with last year". The estimated net inflows of foreign finance of \$132 million was \$256 million lower than what was reported in 2015. Inflows from private sector entities (\$379 million) also declined falling \$90 million short of the reported inflows for 2015. The CBB noted that, "foreign financing for the public sector was also lower, because select project inflows did not materialize, due to administrative delays".

"The Central Bank's stock of international reserves at the end of December stood at \$681 million, equivalent to 10.3 weeks of imports." This as compared to \$927 million or 14 weeks of imports reported at the close of 2015. The CBB did note, however, that "inflows of over \$250 million were pending on December 31st." These include, "A disbursement of \$68 million on the Sam Lord's project was awaiting confirmation that all conditions had been met. Proceeds from the sale of BNTCL, an amount of \$100 million, were awaiting approval by the Fair Trading Commission. An amount of \$30 million for the pre-funding of scheduled projects was awaiting Parliamentary approval, as was a further \$12 million for an education loan. An amount of \$40 million is expected from the sale of Government's interest in the Four Seasons property."

With respect to revenues, the CBB reported a \$6 million decline "mainly due to a \$17 million decrease in revenue from personal income." Receipts from the newly implemented National Social Responsibility Levy totaled \$8.3 million while VAT receipts increased by \$48 million. Government's current expenditure was up \$25 million while transfers to state-owned enterprises declined by \$17 million, however, interest payments increased by \$53 million.

The CBB has projected economic growth of "about 2 percent" over the next five years and described the outlook as "encouraging". They cited "Barbados' highly regarded tourism services and construction projects with a total value of \$2.6 billion" as the engines for growth in the near term. Efforts to restore growth in the International Business and Financial Services sector and expansion of the Renewable Energy sector were also listed as factors that will contribute to growth over the five-year period.

Trading Activity by Market

Regular

Table 4 below, illustrates a year on year statistical comparison of Regular Market activity for the reporting period. There was a 38% increase in the volume traded and a corresponding increase of 14% in terms of the value traded for the year ended December 31, 2016. Increases were seen across the board as the Average Share Volume, Share Value and Share Price all rose above their respective December 31, 2015 figures, however, there was a reduction in the number of trades which occurred in 2016 when compared to those that occurred at the close of 2015.

As mentioned earlier there were several transactions that occurred on the Regular Market as a result of takeover offers made during 2015. As at the close of 2016, there were one hundred and thirty (130) transactions in Banks Holdings Limited which resulted in a volume of 26,284,117 shares trading with a corresponding value of \$186,617,230.70. Emera (Caribbean) Incorporated and Emera (Caribbean) Incorporated 5.5% Preference were the next two securities that recorded activity as a result of takeover offers made in 2015. Three (3) trades

Table 4: Regular Market Statistical Comparison

	December 31 2016	December 31 2015	% Change
Total Share Volume	34,312,211	24,803,107	38
Total Share Value	\$215,671,880	\$189,776,184	14
Average Daily Share Volume	137,800	99,212	39
Average Daily Share Value	\$866,152	\$759,105	14
Number of Trades	1,625	1,752	-7
Number of Trade Days	249	250	0
Average Share Price	\$5.96	\$5.76	4
Advance/Decline Ratio	10/5	11/5	N/A
Local Index	2,598.89	2,361.47	10
Cross-Listed Index	1,357.55	1,738.11	-22
Composite Market Index	651.85	656.56	-1
Local Market Capitalization	5,643,146,945	5,898,175,671	-4
Cross-Listed Market Capitalization	2,235,947,791	2,853,955,050	-22
Composite Market Capitalization	7,879,094,736	8,752,130,721	-10
Number of Listed Securities	21	24	-13

were conducted in the former resulting in 63,850 shares trading at \$33.30. The latter had one (1) trade of 69,365 shares with a corresponding value of \$416,190.00.

Figure 2 illustrates the breakdown of Regular Market trades which occurred during 2016. There was a 7.25% decrease in the number of trades occurring on the Regular Market as 1,625 trades occurred in 2016, while 1,752 trades occurred in 2015.

Figure 2: Trade Frequency Comparison (Regular Market)

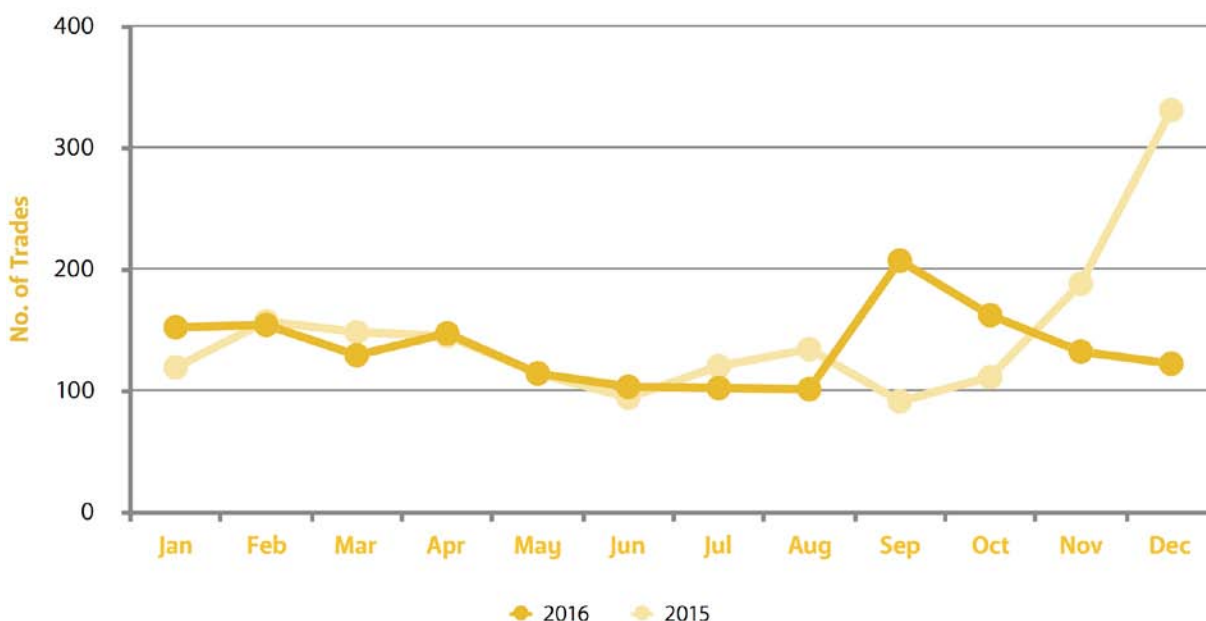


Table 5 and **Table 6** show the top traded companies for the year in terms of volume and value. Banks Holding Limited repeated its 2015 performance and was the top performer for 2016; it was the only security to exceed the 10 million shares traded mark for the year. Sagicor Financial Corporation Limited continues to be a strong performer being the second best performer in terms of volume traded. It must be noted that they were also the top traded security for 2016 accounting for 25.85% of trades crossing the board. Banks Holdings Limited was the top performer in terms of value traded; Massy Holdings Limited and Sagicor Financial Corporation Limited rounded out the top three.

For the fourth quarter, Fortress Caribbean Property Fund - Development Fund, Sagicor Financial Corporation Limited and Massy Holdings Limited were the top three performers in terms of volume traded; One Caribbean Media Limited and Fortress Caribbean Property Fund – Value Fund rounded out the top five volume performers. Massy Holdings Limited, Goddard Enterprises Limited, One Caribbean Media Limited, Sagicor Financial Corporation Limited and Banks Holdings Limited were the top performers in terms of value traded for the final quarter of 2016. **Table 7** and **Table 8** illustrate the top traded companies for the quarter by volume and value.

Table 5: Top Five Traded Companies by Volume – 2016

Company	2016	2015	2016	2015
	Volume	Volume	Value (\$)	Value (\$)
Banks Holdings Limited	26,287,932	12,715,628	186,639,791	83,546,115
Sagicor Financial Corporation	2,030,102	1,941,474	4,032,039	3,420,625
Insurance Corporation Of Barbados Limited	1,143,865	807,153	3,154,227	2,081,499
Firstcaribbean International Bank	1,034,523	941,511	2,029,474	1,772,624
Fortress Caribbean Property Fund - Dev Fund	953,315	711,199	169,020	161,782

Table 6: Top Five Traded Companies by Value – 2016

Company	2016	2015	2016	2015
	Volume	Volume	Value (\$)	Value (\$)
Banks Holdings Limited	186,639,791	83,546,115	26,287,932	12,715,628
Massy Holdings Limited	8,912,922	7,314,996	619,586	366,294
Sagicor Financial Corporation	4,032,039	3,420,625	2,030,102	1,941,474
One Caribbean Media Limited	3,446,845	571,624	504,958	82,470
Insurance Corporation Of Barbados Limited	3,154,227	2,081,499	1,143,865	807,153

Table 7: Top Five Traded Companies by Volume – 4th Quarter

Company	2016	2015	2016	2015
	Volume	Volume	Value (\$)	Value (\$)
Fortress Caribbean Property Fund - Dev Fund	536,458	3,781,334	88,276	2,120,627
Sagicor Financial Corporation	414,746	1,941,474	826,033	3,420,625
Massy Holdings Limited	356,529	366,294	4,829,943	7,314,996
One Caribbean Media Limited	181,350	82,470	1,258,447	571,624
Fortress Caribbean Property Fund - Val Fund	163,425	3,781,334	91,294	2,120,627

Table 8: Top Five Traded Companies by Value – 4th Quarter

Company	2016	2015	2016	2015
	Volume	Volume	Value (\$)	Value (\$)
Massy Holdings Limited	4,829,943	7,314,996	356,529	366,294
Goddard Enterprises Limited	1,326,452	1,693,442	148,898	259,152
One Caribbean Media Limited	1,258,447	571,624	181,350	82,470
Sagicor Financial Corporation	826,033	3,420,625	414,746	1,941,474
Banks Holdings Limited	456,175	83,546,115	64,250	12,715,628

Junior Market

There was no activity on the Junior Market for the year ended December 31, 2016.

Block Trade Market

For the period ended December 31st, 2016, there were two (2) block trade transactions. The first transaction occurred on June 10th, 2016 and saw 368,769 shares in One Caribbean Media Limited trading at \$7.00. This transaction was approved by the BSE as it was in accordance with Item 2(a), Section 7.01.20 - Block Trade Rule - of the Rules of the Barbados Stock Exchange Inc. which states, "the sale and purchase of a listed security between associates as defined under the Act". On September 8th, 2016, the Block Trade of 2,132,546 shares in Goddard Enterprises Limited at \$6.60 per share. The BSE approved this transaction in respect of Item 2(e) in Section 7.01.21 Block Trade Rules of the Rules of the Barbados Stock Exchange which states, "in any other case where in the opinion of the BSE a block trade transaction is deemed appropriate".

Put-through Market

The Put Through Market experienced a decrease of 87% in terms of volume traded and an associated 92% decrease in the value traded for the year ended December 31, 2016. The total volume and value traded in 2016 was 644,867 shares and \$1,602,099 respectively. This is compared to a total volume of 4,872,460 shares with a corresponding value of \$19,905,540 traded for the year ended December 31, 2015. **Table 9** below, illustrates the activity which occurred on this market for 2016.

Table 9: Put-through Market activity 2016

Company	No. of Trades	Volume	Value (\$)
Goddard Enterprises Limited	6	41,000	341,675
Massy Holdings Limited	5	1,736	27,068
Sagicor Financial Corporation Limited	835	602,151	1,233,356
Total	846	644,887	1,602,099

Fixed Income Market

As at December 31, 2016 thirty (30) Barbados Government Debentures and fifteen (15) Barbados Government Treasury Notes traded on the board of the Exchange as compared to twenty-eight (28) Barbados Government Debentures and fourteen (14) Barbados Government Treasury Notes trading for the corresponding period in 2015. There were a total of 210 trades occurring on the Bond Market resulting in a face value of \$44,339,000 trading as compared to 255 trades and a total face value of \$50,484,000 trading as at December 31st, 2015. **Table 10** summarizes all bonds traded for the period ended December 31, 2016.

Table 10: Fixed Income Market activity 2016

Security	No. of Trades	Amount Traded
Barbados Government Debenture 4.75% 2016	3	3,000
Barbados Government Debenture 5.875% 2018	1	250,000
Barbados Government Debenture 6% 2020	1	2,000
Barbados Government Debenture 6.125% 2021	4	523,000
Barbados Government Debenture 6.25% 2019	13	549,000
Barbados Government Debenture 6.25% 2022	4	1,584,000
Barbados Government Debenture 6.625% 2018	2	91,000
Barbados Government Debenture 6.625% 2020	8	442,000
Barbados Government Debenture 6.625% 2024	2	140,000
Barbados Government Debenture 6.75% 2016	1	4,882,000
Barbados Government Debenture 6.75% 2021	2	10,000
Barbados Government Debenture 6.75% 2022	2	1,725,000
Barbados Government Debenture 6.875% 2023	20	187,000
Barbados Government Debenture 6.875% 2024	7	24,000
Barbados Government Debenture 7% 2017	9	14,688,000
Barbados Government Debenture 7% 2023	17	1,624,000
Barbados Government Debenture 7% 2024	1	1,000
Barbados Government Debenture 7% 2028	7	19,000
Barbados Government Debenture 7.125% 2026	5	5,000
Barbados Government Debenture 7.25% 2026	2	2,000
Barbados Government Debenture 7.25% 2028	3	52,000
Barbados Government Debenture 7.25% 2029	4	37,000
Barbados Government Debenture 7.375% 2027	10	1,025,000
Barbados Government Debenture 7.375% 2029	5	5,000
Barbados Government Debenture 7.50% 2026	6	3,210,000
Barbados Government Debenture 7.75% 2016	1	1,607,000
Barbados Government Debenture 7.75% 2020	1	1,000,000
Barbados Government Debenture 7.75% 2025	8	3,267,000
Barbados Government Debenture 7.75% 2032	3	3,000
Barbados Government Debenture 8.50% 2018	1	150,000
Barbados Government T/Note 5.5% 2020	3	14,000
Barbados Government T/Note 6% 2016	11	40,000
Barbados Government T/Note 6% 2017	4	509,000
Barbados Government T/Note 6% 2018	2	3,000

Security (Continued)	No. of Trades	Amount Traded
Barbados Government T/Note 6% 2019	1	2,500,000
Barbados Government T/Note 6.125% 2020	2	70,000
Barbados Government T/Note 6.125% 2021	2	2,000
Barbados Government T/Note 6.25% 2018	8	46,000
Barbados Government T/Note 6.25% 2021	2	23,000
Barbados Government T/Note 6.25% 2024	4	23,000
Barbados Government T/Note 6.375% 2019	7	12,000
Barbados Government T/Note 6.5% 2016	1	1,500,000
Barbados Government T/Note 6.5% 2019	6	424,000
Barbados Government T/Note 6.625% 2019	3	2,006,000
Barbados Government T/Note 7.5% 2017	1	60,000
Total	210	44,339,000

Index & Market Capitalization Movement

For the year ended December 31, 2016, all market measures showed mixed results when compared to their closing positions at the close of 2015. The Local Index recorded an increase of 10.05% while the Cross-Listed and Composite Market Indices recorded decreases of 21.9% and 0.72% respectively. Local Index performance can be attributed to share price appreciation in ten (10) securities; nine (9) of which experienced increases in excess of 10%.

Market Capitalization measures recorded declines across the board as the Local, Cross-Listed and Composite Market Cap figures recorded decreases of 4.32%, 21.65% and 9.98% respectively when compared to their corresponding December 2015 figures. The Cross-Listed Market measure performance was due primarily to a substantial decrease in the year on year traded price of Massy Holdings Limited. **Table 11** illustrates the year on year changes in both index and market capitalization.

For the fourth quarter of 2016, all Index measures showed nominal improvements as the Local, Cross-Listed and Composite Indices recorded increases of 1.24%, 0.43% and 1.02% respectively. The Market Capitalization measures, however, recorded mixed results when compared to their September 30th, 2016 figures. The Cross-Listed Market Capitalization was the only measure to record an increase of 0.43% while the Local and Composite Market Capitalization measures recorded declines of 8.35% and 6.02% respectively. The Local, and subsequent Composite, Market Capitalization declines can be attributed to the delisting of two (2) securities at the close of 2016. **Table 12** illustrates the fourth quarter index and market capitalization performance.

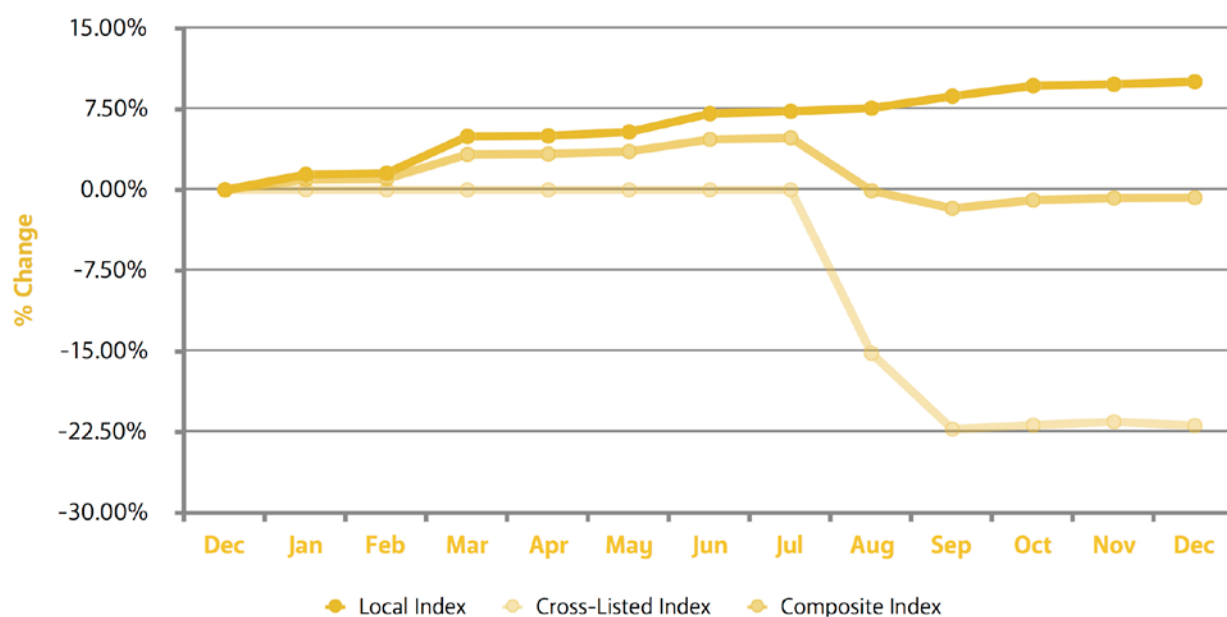
Figure 3 illustrates index movement over the one-year period 2015 – 2016. It clearly displays the sharp increase in both Cross-Listed and Composite Index performance during the last half of 2016 while the Local Index showed steady improvement over the twelve-month period. As previously stated, Cross-Listed Index movement can be attributed primarily to negative share price movements in Massy Holdings Limited which announced their intention to delist from the BSE at the close of the third quarter of 2016. This, however, was extended to the close of 2016. Massy Holdings Limited price fell from \$20.00 at the close of the second quarter to \$13.49 at the close of third quarter and closed 2016 at \$13.50.

Table 11: Index and Market Capitalization - Year on Year

Index	30-Dec-16	31-Dec-15	% Change
Local	2,598.89	2,361.47	10.05
Cross-Listed	1,357.55	1,738.11	-21.90
Composite	651.85	656.56	-0.72
Market Capitalization	31-Dec-16	31-Dec-15	% Change
Local	5,643,146,945	5,898,175,671	-4.32
Cross-Listed	2,235,947,791	2,853,955,050	-21.65
Composite	7,879,094,736	8,752,130,721	-9.98

Table 12: Index and Market Capitalization - 4th Quarter

Index	30-Dec-16	30-Sep-15	% Change
Local	2,598.89	2,566.98	1.24
Cross-Listed	1,357.55	1,351.78	0.43
Composite	651.85	645.24	1.02
Market Capitalization	31-Dec-16	30-Sep-15	% Change
Local	5,643,146,945	6,157,001,105.19	-8.35
Cross-Listed	2,235,947,791	2,226,455,047.17	0.43
Composite	7,879,094,736	8,383,456,152	-6.02

Figure 3: Index Movement for 2015 – 2016

Advancers Decliners

– 2016

For the year under review, of the twenty-one (21) securities listed at close, ten (10) advanced, five (5) declined, five (5) remained unchanged, one (1) did not trade; three (3) securities previously listed were de-listed during the course of the year under review (See **Table 13**). This is compared to twenty-four (24) securities listed at close, eleven (11) advanced, five (5) declined, five (5) remained unchanged, three (3) did not trade; two (2) securities previously listed were de-listed during the course of the year under review.

Insurance Corporation of Barbados Limited recorded the greatest share price appreciation for 2016 climbing 44.62% from \$2.60 at the close of 2015 to \$3.76 at the close of 2016. Goddard Enterprises Limited (36.31%), West India Biscuit Company Limited (22.69%), Barbados Dairy Industries Limited (18.75%) and Cave Shepherd and Company Limited (16.28%) were the only other securities that experienced share price appreciation greater than 15%. The five remaining securities that experienced share price appreciation were Sagicor Financial Corporation Limited, BICO Limited, FirstCaribbean International Bank, Trinidad Cement Limited and Fortress Caribbean Property Fund - Development Fund.

Three (3) companies experienced declines in excess of 10% in 2016. ABV Investments Incorporated suffered the largest decline as their share price fell by 93.75% by the end of 2016. Massy Holdings Limited (32.5%) and Barbados Farms Limited (22.5%) were the other companies to experience double digit declines (See **Table 13**).

For the fourth quarter of 2016, as illustrated in **Table 14**, eight (8) securities advanced, four (4) declined, six (6) remained unchanged and five (5) did not trade; two (2) of which were delisted on the last day of trading for the year. This is compared to nine (9) securities advanced, four (4) declined, four (4) remained unchanged and seven (7) did not trade.

Banks Holdings Limited (129.03%), Emera (Caribbean) Incorporated (29.57%) and West India Biscuit Company Limited (24.28%) were the only companies to register double digit share price appreciation for the last quarter of the year. Cable and Wireless Barbados Limited was the only company to record a double-digit decline for the quarter.

Table 13: Total Trading Activity by Company (Regular and Junior Market only)

Security	Year-End 2016		Closing Price (\$)		% Change
	Volume	Value (\$)	Dec 31 2015	Dec 31 2014	
ABV Investments Incorporated	75,000	1,500	0.02	0.32	-93.75
BICO Limited	30,519	57,249	2.05	1.85	10.81
Barbados Dairy Industries Limited	4,236	8,034	1.90	1.60	18.75
Barbados Farms Limited	24,337	10,767	0.31	0.40	-22.50
Banks Holdings Limited	26,287,932	186,639,791	7.10	7.10	0.00
Fortress C'bean Property Fund - Dev Fund	953,315	169,020	0.20	0.19	5.26
Fortress C'bean Property Fund - Val Fund	563,753	329,121	0.55	0.60	-8.33
Cave Shepherd & Co. Limited	76,855	260,322	3.50	3.01	16.28
Cable & Wireless Barbados Limited	299,910	788,179	2.60	2.60	0.00
Firstcaribbean International Bank	1,034,523	2,029,474	2.10	1.90	10.53
Goddard Enterprises Limited	356,544	2,945,772	9.01	6.61	36.31
Insurance Corporation Of Barbados Limited	1,143,865	3,154,227	3.76	2.60	44.62
Jmmb Group Limited	9,000	1,350	0.15	0.15	0.00
Emera (Caribbean) Incorporated (DI)	63,910	2,128,185	33.30	33.30	0.00
Emera (Caribbean) Incorporated 5.5% Pref (DI)	69,365	416,190	6.00	3.11	92.93
Emera Deposit Receipt	0	-	16.55	-	NA
Massy Holdings Limited	619,586	8,912,922	13.50	20.00	-32.50
One Caribbean Media Limited	504,958	3,446,845	6.94	7.00	-0.86
Sagikor Financial Corporation 6.5% Pref	5,945	12,336	2.26	2.26	0.00
Sagikor Financial Corporation	2,030,102	4,032,039	2.01	1.79	12.29
Trinidad Cement Limited	143,285	117,530	0.85	0.80	6.25
West India Biscuit Co. Limited	14,326	203,467	15.95	13.00	22.69
The West Indies Rum Distilleries Limited	945	7,560	8.00	8.00	0.00
Royal Fidelity Tigrs A2 Fund (J, DI)	0	-	10.00	10.00	0.00
Royal Fidelity Tigrs A3 Fund (J, DI)	0	-	10.00	10.00	0.00
	34,312,211	215,671,880			

*(J) Denotes Junior Market; (DL) Denotes Delisted Security

Table 14: Fourth Quarter Trading Activity by Company (Regular and Junior Market only)

Security	4th Quarter 2016		Closing Price \$		
	Volume	Value (\$)	Dec 31 2015	Sept 30 2015	% Change
ABV Investments Incorporated	0	-	0.02	0.02	0.00
BICO Limited	0	-	2.05	2.05	0.00
Barbados Dairy Industries Limited	3,524	6,696	1.90	1.88	1.06
Barbados Farms Limited	1,978	613	0.31	0.50	-38.00
Banks Holdings Limited	64,250	456,175	7.10	7.10	0.00
Fortress C'bean Property Fund - Dev Fund	536,458	88,276	0.20	0.19	5.26
Fortress C'bean Property Fund - Val Fund	163,425	91,294	0.55	0.58	-5.17
Cave Shepherd & Company Limited	5,600	19,469	3.50	3.50	0.00
Cable And Wireless Barbados Limited	37,529	96,427	2.60	2.60	0.00
Firstcaribbean International Bank	30,581	67,857	2.10	2.10	0.00
Goddard Enterprises Limited	148,898	1,326,452	9.01	8.30	8.55
Insurance Corporation Of Barbados Limited	48,149	178,091	3.76	3.40	10.59
Jmmb Group Limited	5,500	825	0.15	0.15	0.00
Emera (Caribbean) Incorporated (DL)	0	-	33.30	33.30	0.00
Emera (Caribbean) Incorporated 5.5% Pref (DL)	0	-	6.00	6.00	0.00
Emera Deposit Receipt	0	-	16.55	17.78	-6.92
Massy Holdings Limited	356,529	4,829,943	13.50	13.49	0.07
One Caribbean Media Limited	181,350	1,258,447	6.94	7.00	-0.86
Sagicor Financial Corporation 6.5% Pref	0	-	2.26	2.26	0.00
Sagicor Financial Corporation	414,746	826,033	2.01	1.94	3.61
Trinidad Cement Limited	38,361	32,607	0.85	0.80	6.25
West India Biscuit Company Limited	350	5,583	15.95	14.20	12.32
The West Indies Rum Distilleries Limited	0	-	8.00	8.00	0.00
	2,037,228	9,284,788			

(DL) Denotes Delisted Security

Historical Company Trading Statistics

As illustrated in **Table 15** below, ten (10) securities increased in price while eight (8) declined over the last five years.

Table 15: Historical Five Year Price Range

Security	Closing Price December 31						% Change
	2016	2015	2014	2013	2012	2011	
ABV Investments Incorporated	0.02	0.32	0.32	0.32	0.50	1.25	-98
BICO Limited	2.05	1.85	1.65	1.80	1.60	1.86	10
Barbados Dairy Industries Limited	1.90	1.60	1.50	3.00	3.00	5.29	-64
Barbados Farms Limited	0.31	0.40	0.50	0.50	1.00	1.50	-79
Banks Holdings Limited	7.10	7.10	2.90	3.03	3.00	3.29	116
Fortress C'bean Property Fund - Dev Fund	0.20	0.19	0.22	0.11			
Fortress C'bean Property Fund - Val Fund	0.55	0.60	0.50	0.40			
Cave Shepherd And Company Limited	3.50	3.01	3.00	2.70	4.68	4.60	-24
Cable And Wireless (Barbados) Limited	2.60	2.60	3.00	3.40	5.00	5.34	-51
Firstcaribbean International Bank Limited	2.10	1.90	1.80	2.98	3.05	2.90	-28
Goddard Enterprises Limited	9.01	6.61	6.34	6.15	5.40	6.00	50
Insurance Corporation Of Barbados Limited	3.76	2.60	2.41	2.60	2.60	2.50	50
Jamaica Money Market Brokers Limited	0.15	0.15	0.15	0.15	0.15	0.10	50
Emera (C'bean) Incorporated (DI)	33.30	33.30	25.70	25.70	25.70	25.70	30
Emera (C'bean) Incorporated 5.5% Pref (DI)	6.00	3.11	3.30	3.11	3.11	3.11	93
Emera Deposit Receipt	16.55						
Massy Holdings Limited	13.50	20.00	20.00	17.25	14.05	13.60	-1
One Caribbean Media Limited	6.94	7.00	6.20	4.80	4.75	2.95	135
Sagicor Financial Corporation 6.5% Pref	2.26	2.26	2.26	2.26	2.08	2.00	
Sagicor Financial Corporation	2.01	1.79	1.80	2.24	2.23	2.87	-30
Trinidad Cement Limited	0.85	0.80	0.80	0.80	0.80	0.80	6
West India Biscuit Company Limited	15.95	13.00	10.46	10.03	10.01	10.01	59
The West Indies Rum Distilleries Limited	8.00	8.00	8.00	8.00	8.00	8.00	0
Royal Fidelity TIGRS A1 Fund (J,DL)	10.00	10.00	10.00	10.00	10.00	-	-
Royal Fidelity TIGRS A2 Fund (J)	10.00	10.00	10.00	-	-	-	-
Royal Fidelity TIGRS A3 Fund (J)	10.00	10.00	10.00	-	-	-	-

(DL) Denotes Delisted Security

Market Events – 2016

The BSE made the following announcements during 2016:

January 8, 2016:

Emera Deposit Receipt - The Barbados Stock Exchange Inc. (BSE) wishes to advise that, effective January 8th, 2016, the BSE has listed 5,129,581 Emera Deposit Receipts. The listing price for this new security is \$14.82 and the trading symbol for this security is EMABDR.

February 11, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Royal Fidelity TIGRS A2 Fund will be delisted from the Board of the BSE on February 12th, 2016.

February 12, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Royal Fidelity TIGRS A2 Fund were delisted from the Board of the BSE on February 12th, 2016.

March 10, 2016:

The Barbados Stock Exchange (BSE) wishes to advise that, as a result of the approved amalgamation of Emera (Caribbean) Incorporated and Emera (Caribbean) (2016) Incorporated, trading in the security - Emera (Caribbean) Incorporated - has been suspended with immediate effect.

March 15, 2016:

International Securities Market - The Barbados Stock Exchange wishes to advise that it launched its new International Securities Market (ISM) on March 15th, 2016 at a Breakfast Meeting held at the Hilton Barbados resort. The Rules of the International Securities Market can be obtained by visiting our website - www.bse.com.bb.

July 1, 2016:

Sagicor Financial Corporation Pref 6.5% - Notice is hereby given that in accordance with the terms of their issuance Sagicor Financial Corporation

("the Company") will redeem on July 18, 2016 all of its outstanding unconverted Convertible Redeemable Preference Shares in the capital of the Company ("Preference Shares"). The amount to be paid on redemption is one dollar per share United States currency (US\$) or where applicable its equivalent in local currency (the "Redemption Price") and this will be paid to the Convertible Redeemable Preference Shareholders of record at the close of business on July 8, 2016.

July 18, 2016:

Sagicor Financial Corporation Pref 6.5% - Notice is hereby given that in accordance with the terms of their issuance Sagicor Financial Corporation ("the Company") has redeemed, on July 18, 2016, all of its outstanding unconverted Convertible Redeemable Preference Shares in the capital of the Company ("Preference Shares"). As a result, 120,000,000 shares in Sagicor Financial Corporation Pref 6.5% have been removed from the Local Market Capitalization of the BSE.

July 22, 2016:

Sagicor Financial Corporation - Sagicor Financial Corporation ("the Company") hereby announces that further to the grant of approval by its shareholders at a meeting held on June 8, 2016 the Company has continued as an exempted company under the laws of Bermuda with effect from July 20, 2016 under the name Sagicor Financial Corporation Limited.

September 26, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Royal Fidelity TIGRS A3 Fund will be delisted from the Board of the BSE on September 27th, 2016.

September 27, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Royal Fidelity TIGRS A3 Fund were delisted from the Board of the BSE on September 27th, 2016.

October 11, 2016:

Centurion ISM Services Inc. - The Barbados Stock Exchange Inc. (BSE) is pleased to announce that, effective September 14th, 2016, Centurion ISM Services Inc. was duly registered as a Listing Sponsor in good standing of the International Securities Market (ISM). As a Listing Sponsor, Centurion ISM Services Inc. is authorized to engage International Business Companies (IBCs), both domiciled in Barbados and abroad, which may be seeking a primary or secondary listing of securities. The Listing Sponsors primary role is to conduct the necessary due diligence on a company (Issuer) to ensure that it is fit and proper for listing on the ISM and act as liaison between the Issuer and the BSE. The Listing Sponsor is also responsible for ensuring that, once listed, the Issuer is in compliance with its continued obligations under the Rules of the ISM.

October 20, 2016:

FGC Services Limited - The Barbados Stock Exchange Inc. (BSE) is pleased to announce that, effective September 29th, 2016, FGC Services Limited was duly registered as a Listing Sponsor in good standing of the International Securities Market (ISM). As a Listing Sponsor, FGC Services Limited is authorized to engage International Business Companies (IBCs), both domiciled in Barbados and abroad, which may be seeking a primary or secondary listing of securities. The Listing Sponsors primary role is to conduct the necessary due diligence on a company (Issuer) to ensure that it is fit and proper for listing on the ISM and act as liaison between the Issuer and the BSE. The Listing Sponsor is also responsible for ensuring that, once listed, the Issuer is in compliance with its continued obligations under the Rules of the ISM.

December 23, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Emera (Caribbean) Incorporated 5.5% Preference will be delisted from the Board of the BSE on December 30th, 2016.

December 29, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Emera

(Caribbean) Incorporated will be delisted from the Board of the BSE on December 30th, 2016.

December 30, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Emera (Caribbean) Incorporated 5.5% Preference were delisted from the Board of the BSE on December 30th, 2016.

December 30, 2016:

Pursuant to the Rules of the Barbados Stock Exchange Inc. (BSE) and the Order of the Financial Services Commission, the shares of Emera (Caribbean) Incorporated were delisted from the Board of the BSE on December 30th, 2016.

The Regulatory Roundup – 2016

International Securities Market

The International Securities Market was officially opened on March 15, 2016, by The Honourable Donville Inniss, Minister of Industry, International Business, Commerce and Small Business Development during the opening ceremony held at Hilton Barbados. The market welcomed Centurion ISM Services Inc. and FGC Services Limited as Listing Sponsors on September 14, 2016 and September 29, 2016 respectively.

Listings/De-listings

- Emera Deposit Receipts were listed on the board of the Exchange effective January 8, 2016.
- Royal Fidelity TIGRS A2 and TIGRS A3 funds were de-listed from the board of the Exchange on February 12, 2016 and September 27, 2016 respectively.
- The Common and 5.5% Preference shares of Emera (Caribbean) Incorporated were de-listed on December 30, 2016.

Demutualization of the BSE

A post demutualization Organizational meeting of the board of directors of the BSE was held on March 31, 2016. At this meeting all members who were previously seat holders of the BSE became shareholders of the BSE.

Stamp Duty Adjudication

The adjudication process continues to function smoothly and was utilised during the Emera (Caribbean) Incorporated transaction for both its common and preference shares.

Inspections

An onsite inspection was carried out on one of our Trading Participants, Capita Financial Services Inc. to ensure compliance with the rules of the BSE.

Major Regulatory Objectives for 2016

- Review and amend the Rules of the BSE to ensure that they are meeting the needs of our developing capital market, as well as IOSCO standards and the requirements of governing legislation.
- Provide regulatory oversight for the re-launch of the Junior Market.
- To conduct Compliance Reviews on at least two member-brokers

The BSE is now a fully demutualized organization operating for profit and seeking to increase its revenue streams to maximize the satisfaction of its shareholders, by providing the general public with more investing and wealth creating opportunities.

Conclusion

An examination of the index performance of some exchanges across the globe (Table 17) showed all exchanges, with the exception of the BSE, have seen improvements in performance over the twelve-month period. On the international stage the FTSE 100 and Dow Jones Industrial Average recorded increases of 14.43% and 13.42% respectively. However, in the region, and indeed the world, the Jamaica Stock Exchange (JSE) continued to record marked improvements as its JSE Market Index rose more than 27%. The Eastern Caribbean Stock Exchange (ECSE) recorded an increase of 17.27%, Trinidad and Tobago Stock Exchange (TTSE) recorded an increase of 4.06% while the BSE recorded a nominal decrease of 0.72%.

Table 17: Year on Year Index Comparison

Index Name	Region/Exchange	Closing Dec 31 2016	Closing Dec 31 2015	% Change
Nasdaq 100	NASDAQ	4,863.62	4,593.27	5.89
Dow Jones Industrial Average	NASDAQ and New York Stock Exchange	19,762.60	17,425.03	13.42
S&P 500	New York Stock Exchange	2,238.83	2,043.94	9.54
FTSE 100	London Stock Exchange	7,142.83	6,242.32	14.43
Nikkei 225	Tokyo Stock Exchange	19,114.37	19,033.71	0.42
Hang Seng	Stock Exchange of Hong Kong	22,000.56	21,914.40	0.39
BSE Composite Index	Barbados Stock Exchange	651.85	656.56	-0.72
JSE Market Index	Jamaica Stock Exchange	192,276.64	150,692.13	27.60
TTSE Composite Index	Trinidad and Tobago Stock Exchange	1,209.53	1,162.30	4.06
ECSE Index	Eastern Caribbean Stock Exchange	156.13	133.14	17.27

Market performance for 2016 was characterized by marked declines in activity in the negotiated markets. Although Regular Market activity showed improvements when compared to 2015 activity, the absence of both negotiated transactions and extraordinary transactions, occurring either pursuant to a takeover or in a takeover environment, led to an overall decline in performance. While there was one new listing, there

were also four delistings from the board of the BSE; two of which were the last Junior Market listings on the board.

During 2016, the BSE was able to attain specific milestones to allow it to transition from being a local/regional stock exchange to becoming an internationally recognized stock exchange. The BSE is now a fully demutualized organization operating for profit and seeking to increase its revenue streams to maximize the satisfaction of its shareholders, by providing the general public with more investing and wealth creating opportunities. The International Securities Market (ISM), established on March 15th, 2016, solidifies the BSE's commitment to the International Business and Financial Services (IBFS) sector. It serves as yet another excellent reason for choosing Barbados as a choice destination for doing business, providing another tool for International Business Companies (IBCs) to raise capital and be traded in another jurisdiction and finally affording local, regional and international practitioners, experienced in the incorporation of businesses in Offshore Financial Centers (OFCs), with the opportunity to add another revenue stream to their organizations.

As we look towards 2017, we will continue our efforts to improve our product offering, focusing specifically at revitalizing our Junior Market initiatives to improve the number of local listings by giving smaller companies the opportunities to raise capital through the listing of shares on the board of the BSE. We will also concentrate our collective efforts to support the continued growth of the ISM.