



THE TRINIDAD AND TOBAGO
STOCK EXCHANGE
LIMITED



Empowerment
through
Partnership

ANNUAL REPORT 2018



CONTENTS



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STOCK EXCHANGE
LIMITED

ANNUAL REPORT 2018

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MISSION STATEMENT

To facilitate the efficient mobilisation and allocation of capital, fair and orderly secondary market trading in securities and the efficient clearing and settlement of transactions within a dynamic legal and regulatory framework that instills confidence in the integrity of the Exchange and related institutions.

The Trinidad & Tobago Stock Exchange Limited
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad, West Indies
Phone: (868) 625-5107/9
www.stockex.co.tt

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SECOND ANNUAL MEETING OF THE SHAREHOLDERS OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED ("the Exchange") will be held at the Kahuna Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair, Port of Spain on Thursday, April 11th, 2019 at 2.00p.m. for the following purposes:

ORDINARY BUSINESS

- (1) To receive and consider the Audited Consolidated Financial Statements for the financial year ended December 31, 2018, together with the Reports of the Directors and the Auditors thereon.
- (2) To elect four (4) persons as Directors under paragraph 4.5.1 of By-Law No. 1, from the following five (5) nominees, for the respective terms set out below:
 - (a) Mr. Anton Gopaulsingh, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (b) Mr. Subhas Ramkhelawan, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (c) Mr. Godfrey Gosein, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (d) Mr. Ian Narine, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (e) Mr. Ronald Carter, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
- (3) To re-appoint Messrs. PricewaterhouseCoopers as the Auditors of the Exchange to hold office until the close of the next Annual Meeting of the Shareholders of the Exchange.

SPECIAL BUSINESS

- (4) (4) To consider, and if thought fit, to pass an ordinary resolution to confirm amendments to By Law No. 1 of the Exchange adopted by the Directors at their meeting of July 16th, 2018 as outlined in the attached form of By Law No. 1 with the changes red-lined.
- (5) To consider, and if thought fit, to pass the following ordinary resolution to effect an increase in Directors' fees: "That, in accordance with paragraph 7 of By-Law No. 1 of the Exchange, with effect from January 1st, 2019:
 - (a) The maximum annual fee payable to the Chairman of the Board be increased from \$66,000 to \$120,000;



NOTICE OF ANNUAL MEETING (CONTINUED)

- (b) The maximum annual fee payable to the Deputy Chairman of the Board to be increased from \$45,000 to \$96,000;
- (c) The maximum annual fee payable to every other Director be increased from \$40,440 to \$72,000;
- (d) The attendance fee per Board meeting for the Chairman to remain at \$2,250, the attendance fee per Board meeting for the Deputy Chairman to remain at \$1,500 and the attendance fee per Board meeting for every other Director to remain at \$1,000.
- (e) The attendance fee per Committee meeting for the Chairman of a Committee to remain at \$1,500 and the attendance fee per Committee meeting for every other Committee member to remain at \$1,000.
- (6) To transact any other business which may be properly brought before the Annual Meeting.

BY ORDER OF THE BOARD

Fitzstone Services Limited
Secretary
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad, West Indies.
Dated: March 18th, 2019

- Notes:** (1) No service contracts were entered into between the Company and any of its Directors.
- (2) The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a) (i) of the Companies Act, Ch. 81:01, the statutory record date applies. Only shareholders on record at the close of business on the date immediately preceding the date of this Notice, are therefore entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Company's Registered Office at 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain during usual business hours and at the Annual Meeting.
 - (3) A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder. Attached is a Proxy Form for your convenience which must be completed and signed in accordance with the notes on the Proxy Form and then deposited at the Registered Office of the Company, 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, Trinidad at least 48 hours before the time appointed for the time appointed for the Meeting.
 - (4) A shareholder which is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its Directors or of its governing body to represent it at the Annual Meeting.

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO
 THE COMPANIES ACT, (CHAP. 81:01)
 (Section 144)

1. **Name of Company:** TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED Company No: T2595 (C)
2. **Particulars of Meeting:** Twenty-Second Annual Meeting of the Shareholders of the Company to be held at the Kahuna Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair, Port of Spain on Friday April 11th 2019 at 2:00 p.m.
3. **Solicitation:** It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of Resolutions (1), (3), (4) and (5) specified in the Proxy Form sent to the Shareholders with this Circular and with respect to Resolution (2), in the absence of a specific direction, it is intended that the Proxy hereby solicited by the Management of the Company will not be voted. In respect of any other resolution, in the absence of a specific direction, the said Proxy will be voted in the discretion of the Proxy-holder.
4. **Any Director's statement submitted pursuant to Section 76(2):** No statement has been received from any Director pursuant to **Section 76(2) of the Companies Act, Chap 81 :01.**
5. **Any Auditor's proposal submitted pursuant to Section 171(1):** No statement has been received from the Auditors of the Company pursuant to **Section 171(1) of the Companies Act, Chap 81 :01.**
6. **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):** No proposal has been received from any Shareholder pursuant to Section 116(a) and 117(2) of the Companies Act, Chap 81:01.

Date	Name and Title	Signature
March 18 th , 2019	Fitzstone Services Limited Company Secretary	

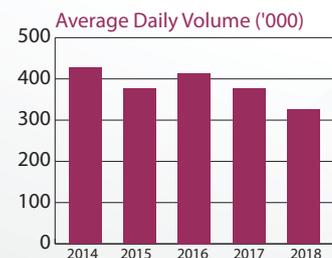
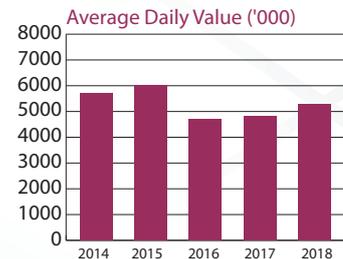
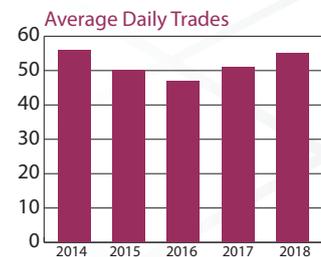
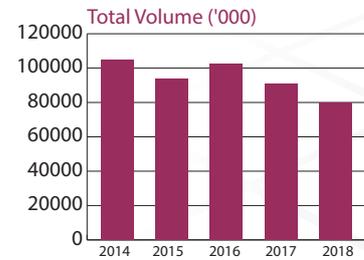
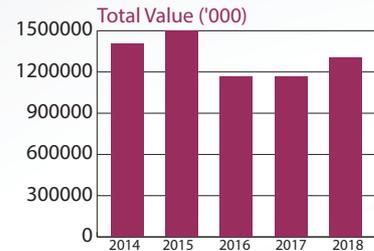
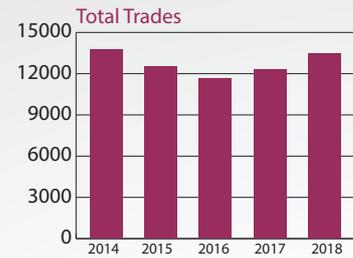


FINANCIAL AND STATISTICAL HIGHLIGHTS

TTSE OPERATIONAL HIGHLIGHTS		
	Dec. 31, 2018	Dec. 31, 2017
	(Million)	(Million)
Operating Revenues	36.04	20.96
Operating Expenses	(16.90)	(16.99)
Operating Profit/(Loss)	19.14	3.97
Investment Income	2.25	1.48
Profit Before Taxes	21.39	5.46
Taxation	(6.48)	(1.48)
Profit for the Year	14.91	3.98

TTSE STATISTICAL HIGHLIGHTS		
	Dec. 31, 2018	Dec. 31, 2017
Total Volume Traded	79,976,841	91,001,422
Average Daily Volume Traded	325,109	376,039
Total Value Traded	1,301,897,761	1,165,860,136
Average Daily Value Traded	5,292,267	4,817,604
Total Trades	13,480	12,280
Average Daily Trades	55	51
Composite Index	1,302.48	1,266.35
All T&T Index	1,705.17	1,728.75
Cross Listed Index	121.57	108.38
Member Organisations	6	6
New Listed Companies	-	-
Total Listed Companies	32	33
Market Capitalization	131,439,042,740	128,269,948,874

Statistics include the First Tier, Second Tier and Mutual Fund markets. Put Through statistics are not included.



CHAIRMAN'S REPORT

Introduction

2018 was a very good year for the Trinidad and Tobago Stock Exchange Limited (the Exchange) and its subsidiary, the Trinidad and Tobago Central Depository Services Limited (TTCD) as the Group saw better than average profitability.

Our commitment to the promotion of market development, building infrastructure and to institutional strengthening has resulted in successful opportunities for raising of capital and investor portfolio diversification.

During 2018, the market witnessed the largest ever IPO with a corporate bond offering of \$4 Billion from the National Investment Fund Holding Company Limited (NIFHCL), with this issue being oversubscribed by 82% as a wide cross section of investors displayed their confidence in the local securities market. In the equities market, for 2018 the value of trades increased by 11.7% to \$1.3 Billion and the Composite Index rose by 2.85%.

While we recognize that our Income in 2018 includes one-off items that occur from time to time, we are encouraged by our financial performance, and the potential this facilitates for future market development as Net Profit After Tax increased from \$4.0M in 2017 to \$14.9M in 2018. In view of the exceptional income earned for 2018, the Board decided to pay a dividend of \$5,965,103 or 40% of Net Profit After Tax and have declared a dividend of \$3.86 per share to our shareholders. The Board is cognizant of the fact that you, our key stakeholders have steadfastly supported the Exchange in its initiatives and have contributed to the Group's development and as such the Board felt very strongly and validated our recognition by way of this dividend payment.

Market and Institutional Development

The Exchange is pleased to have welcomed its first listing in the Small and Medium Enterprise (SME) Sector in 2018, with over 6.4 million shares of Cinema One Limited (CINE1) being listed with a value of \$64.1 Million. Having previously laid the foundation in anticipation of the need to facilitate the raising of equity capital by SMEs wishing to expand their reach, the Exchange views the current economic climate



Ray A. Sumairsingh - Chairman

conducive for the sector's development and looks forward to other listings in the short term.

The Government of Trinidad and Tobago continued to show confidence in the Exchange as a facilitator of efficient mobilization and allocation of capital by opting to raise funds through NIFHCL \$4 Billion IPO previously mentioned. The IPO offered three series of corporate bonds with maturities of five (5), twelve(12) and twenty (20) years and the extent of oversubscription attested to the depth of the local capital markets.

The level of equity market capitalization which stands at \$131.4 Billion (from \$128.3 Billion in 2017) is testimony to the strength of the Trinidad and Tobago as a major financial centre with its considerable investor capital and robust fund raising environment.

As we continue to refine aspects of our new IT System, we are appreciative for the collaboration with our regional partners and were pleased to strengthen our relationship with the Jamaica Stock Exchange (JSE). On a recent visit of a TTSE delegation to attend the JSE's 50th Anniversary Celebration, our team explored ways we can develop the local trading environment and accelerate an effort to grow the listings from SMEs.

We are firmly committed to market development as we seek to both improve liquidity and increase transparency. We view collaboration with all our stakeholders as imperative in this thrust and are pleased that in promoting Online Trading as a key



CHAIRMAN'S REPORT (CONTINUED)

element in increasing market liquidity, we have the support of member firms who form the bedrock of the investor trading experience. The launch of Online Trading Platform is an exciting prospect, one which we anticipate will materialize within 2019.

Legislation and Regulation

As a Self-Regulatory Organization (SRO), the Exchange is governed by the Securities Act and its By-laws, while having Rules by which it regulates its member firms and listed companies. The Exchange is continuing the process of updating its Rules and those of the TTCD to ensure they fully meet requirements of a market that has substantially increased in complexity over the years. As our market develops and as we roll out our exciting planned business initiatives, our compliance and risk management framework continues to evolve. These help shape our policies and procedures, and inform our guidance to member firms and listed companies as we seek to maintain a robust and well regulated environment, while fulfilling our role in facilitating efficient listings and trading within the securities market.

We continue to support our regulator, the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in their efforts in securities market regulation and are appreciative for their support as we fulfil our role as an SRO.

The Trinidad and Tobago Central Depository Limited (TTCD)

TTCD experienced a healthy performance over the past year, and successfully navigated its way through challenges to record a strong contribution to the overall Group's results. The TTCD's Registrar Service continues to expand as three (3) new company registers with five (5) new securities were added to its portfolio.

The TTCD sees its role as a custodian in the Repo Market as critical to protecting the integrity of what is a considerable sector in the financial services industry and having introduced the Euroclear facility three (3) years ago, has the capacity to fill the gap that previously existed with respect to the securing of foreign assets being offered under Repo.

We look forward to 2019 as TTCD seeks to improve on its efficiencies and the effectiveness of delivery of current services, while focusing on adding value through expansion of the range of services and support that can be offered in the sphere of financial services.

I would like to extend special thanks to the Board of the TTCD for their continued support and commitment, and to the staff for their diligent efforts and perseverance.

Outlook and Acknowledgement

The Board expects a continued challenging economic environment in 2019 while feeling a sense of optimism as we stand ready to play an active role in capital raising and provision of investment opportunities. We see 2019 as a watershed year as we roll out an Online Trading capability and increase our market collaboration with greater focus on outreach initiatives geared to the SME sector and to widening the base of investor participation, while increasing stakeholder partnership.

The Board Committees and their respective Chairmen have been providing unstinting support and valuable guidance in the continuing development of the Exchange and I extend my heartfelt appreciation for their unwavering commitment.

I wish to recognize the Management and staff for their dedication and enthusiasm throughout 2018 and I look forward to their recommitment for 2019, as the Group gets ready to roll out some noteworthy initiatives.

I also wish to thank Ms. Michelle Persad, our Chief Executive Officer (CEO), for her contributions over the last five (5) years and welcome Ms. Amoy Van Lowe, who assumes the position of CEO effective May 1st 2019, as we look forward to continued progress with our initiatives.

Ray A. Sumairsingh
Chairman

CEO'S REPORT

Market Review and Performance

Introduction

For 2018, the Trinidad and Tobago Stock Exchange Limited (the Exchange) and its subsidiary, the Trinidad and Tobago Central Depository Limited (TTCD) marked the highest Net Profit After Tax (NPAT) in history as record IPO and related transactions, combined with strong expense discipline, resulted in NPAT of \$14.9M for 2018, compared to \$4.0M in 2017. We are encouraged by the level of IPOs totaling over \$4 billion which attests to the value of the securities market as a source for raising capital.



Michelle Persad - CEO

Economic Environment

The global expansion experienced from mid-2016 has weakened with notable impacts arising particularly out of Europe and Asia. The World Economic Outlook Update by the International Monetary Fund (IMF) in January 2019 has maintained estimated global growth for 2018 to be 3.7 percent. This projection is comparable with 2017 as the global expansion has appeared to have peaked.

The Central Bank of Trinidad and Tobago, in its January 2019 Economic Bulletin, noted the solid growth outturns maintained for the United States and United Kingdom economies in 2018, while economic activity of other major Advanced Economies and Emerging Market and developing Economies showed some fragility.

There has already been a downward revision of forecasts by the IMF for 2019, with global growth expected to fall by 0.2 percent. The negative effects of tariff increases enacted in the United States and China along with the slowing momentum experienced in 2018 are partly responsible for the downward forecast. Additionally, the anticipated withdrawal of the United Kingdom from the European Union with potentially a "no-deal" trade agreement adds pressure to risk sentiments beyond trade tensions already incorporated in the forecast.

Within Latin America and the Caribbean, economic growth is forecasted to dip from 1.3 percent in 2017 to 1.1 percent in 2018. However, growth prospects are expected to recover during 2019 with a projection of 2.0 percent.

Local Market Review

In 2018, the Composite Index grew by 2.85% as the Cross Listed Index advanced 12.17% on traded value of \$191.2 million, while the All T&T Index declined 1.36% with trades valued at \$957.1 Million. The equity market displayed greater trading activity as the value of shares traded on the First Tier Market totaled \$1.148 billion, up 12% from 2017.

The Banking Sector Increased by 9.86%, buoyed mainly by a 36.04% return from NCB Financial Group Limited (NCBFG). The Energy Sector Index also showed a positive movement with 9.81% in Trinidad and Tobago NGL Limited.

There were declines in the Conglomerates Sector Index (-8.56%), Property Sector Index (-6.09%), Manufacturing Sector Indices (-5.09% and -26.73%), Trading Sector Index (-1.31%) and Non-Banking Finance Sector Index (-2.50%).

The 36.04% increase in NCBFG proved to be the highest among listed securities, followed by Sagicor Financial Corporation Limited (SFC) with an increase by 14.94% and Agostini's Limited, which advanced by 12.77%.

The top three listed securities by value traded were Republic Financial Holdings with \$151.5 million, WITCO with \$144.1 million and Massy with \$105 million.



CEO'S REPORT (CONTINUED)

Market Events 2018

Major market events in 2018 included:

Initial Public Offerings and Listings

- Initial Public Offering and listing of three series Bonds of National Investment Fund Holding Company Limited (NIF) in the Corporate Bond Market: \$4 billion
- Initial Public Offering and listing of ordinary Shares of CinemaOne Limited (CINE1) million in the Small and Medium Enterprises Market: \$64 million

TTD Mutual Fund Market

The TTD Mutual Fund Market experienced a 65.8% increase to 1,756 in the total number of trades in 2018. The volume of shares traded rose 18.41% to 7.37 million while the value of shares traded was \$153.48 million, up 8.74%. Two securities traded during 2018 with Clico Investment Fund leading with 98.9% of the volume of shares traded for a value of \$152.09 million.

The Corporate Bond Market

Subsequent to the listing of the three series NIF bonds, there were 25 transactions occurring in the Corporate Bond Market sector, where previously there were no securities listed. The face value of Corporate bonds traded was \$46.7 million.

The Government (GORTT) Bond Market

Trading activity in GORTT bonds declined, with the number of transactions falling from 114 in 2017 to 57 in 2018. The face value of the GORTT bonds traded fell 66.6 percent from 2017 to \$329 million in 2018.

The Trinidad and Tobago Central Depository Limited (TTCD)

The TTCD displayed improved financial performance with several exceptional items leading to an increase in income of 80.99% to \$15.04 million and an almost threefold increase in Net Profit After Tax to \$6.6 million. While the majority of the increase was related to the effect of items that may not recur from year to year, encouraging improvements were also noted in

For 2018, the Trinidad and Tobago Stock Exchange Limited and its subsidiary marked the highest Net Profit After Tax (NPAT) in history as record IPO and related transactions.

core lines of revenue such as Membership Fees and Registrar Fees.

TTCD continues to see the provision of the opportunity for local investors to custody their foreign assets through a local entity as a strategic and valuable offering, notwithstanding the small decline in assets held in custody declining by 1.45% to \$76.74 million after exceptional growth of 103% in the previous year. The Registrar business received three new Registers with five new securities. TTCD managed forty-seven (47) dividend payments totaling near \$4 billion, compared to \$3.55 billion in 2017. Bond interest payments made in our capacity as paying agent totaled near \$360 million, down from \$523 million in 2017 as a direct result of the reduction in Government bonds held.

Financial Highlights

For financial year 2018, the consolidated results of TTSE and TTCD showed substantial improvement over the 2017 results. A strong performance from our operations produced a 72% increase in Revenue to \$36.04 million with major increased contributions from Listing and Membership Fees, Customer Transaction charges and Other income as IPO related activity impacted these lines. There was however a small decline in Bond income from \$1.1 million to \$1 million. Operating expenses were fairly steady compared to the increase in Revenues with a small decline of \$0.88 million to \$16.9 million resulting in an Operating profit of \$19.44 million, up 382%. Income

CEO'S REPORT (CONTINUED)

from investments also increased, moving 51.8% to \$2.25 million as higher surplus funds were invested combined with an increase in portfolio yield. These movements combined to result in a 2.7 times increase from \$4 million to \$14.9 million in the bottom line.

Consolidated total assets closed the year at \$94.38 million, up 18.4% from the 2017 year-end. Retained Earnings grew by \$13.35 million to \$81.45 million as Shareholders' Equity was up 17% to \$ 89.78 million.

Going Forward

With growth prospects expected to improve in 2019, we believe the local stock market is poised to benefit from this regional growth expansion projection. With the groundwork having been laid, we look forward with great optimism to more SMEs taking the opportunity to raise capital and list their shares on the Exchange. The offering of online trading to investors is a major priority for delivery in 2019 as we view this initiative as a cornerstone of our market development thrust.

Acknowledgements

The excellent performance of the TTSE and TTCD is in no small part due to the contributions of its loyal and committed teams. As I move on from the organization from May 1st 2019, I take this opportunity to express my deep gratitude to staff for their diligence and hard work.

I wish to recognize the Chairman of the Board, Mr. Ray A. Sumairsingh as we note the progress over recent years and the position adopted by the Exchange in widening and deepening its role in the functioning of the securities market. All members of the TTSE and TTCD Boards are acknowledged for their valuable direction, oversight and deep commitment to the organisation.

I extend my appreciation to the member broker firms and listed companies of the Exchange and other Participants of the TTCD for their support and collaborative efforts in seeking to advance the interests of the securities market.

In closing, I remain confident that the key role played by the TTSE and TTCD in the financial services sector will consistently move from strength to strength as our market continues to be a major financial centre and continuing development remains at the forefront.



Michelle Persad
Chief Executive Officer



MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Management Discussion and Analysis aims to offer Management’s perspective on the Financial Statements and Operations of The Trinidad and Tobago Stock Exchange Limited and its subsidiary (the Group), for the year ended 31 December 2018. The information is provided to assist readers in understanding the Group’s financial performance during the specified period and significant trends that may impact the future performance of the Group. This analysis should be read in conjunction with the Consolidated Financial Statements.

Summary of Operations

The financial year ended December 31, 2018 was the most profitable year for the consolidated operations. The Group recorded a profit after tax of \$14.9 million, an increase of \$10.9 million or 275% growth from \$4 million earned in the previous year. This performance was mainly driven by large share transfer transactions related to Government’s restructuring of CLICO assets as well as new listings of National Investment Fund Holding Company Limited (NIF) Bonds. The Group continues to be profitable which demonstrates its ability to generate positive returns to its shareholders as well as fulfilling its function as a Self-Regulatory Organisation (SRO).

Total Revenue

The Group’s revenue is earned from listing and membership fees, transaction charges, broker commission rebates, repo fees, registrar services and bond market transactions.

Revenue for the year ended December 31, 2018 totalled \$36 million, representing an increase of \$15 million or 72% growth from 2017. The increase in revenue was mainly attributed to the Transaction Charges from the previously mentioned restructuring of CLICO assets as well as the new listings of NIF bonds on the Stock Exchange.

The Group continues to promote new listings on the Stock Exchange, expansion of its Registrar Function and increasing Custody Services for both local and foreign assets, thereby diversifying its revenues.

Diagram: Revenue and Profit

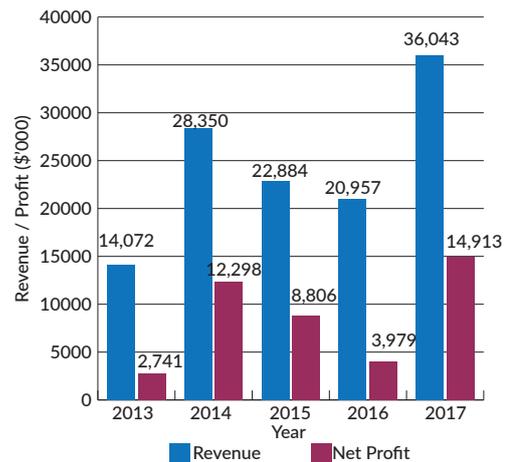
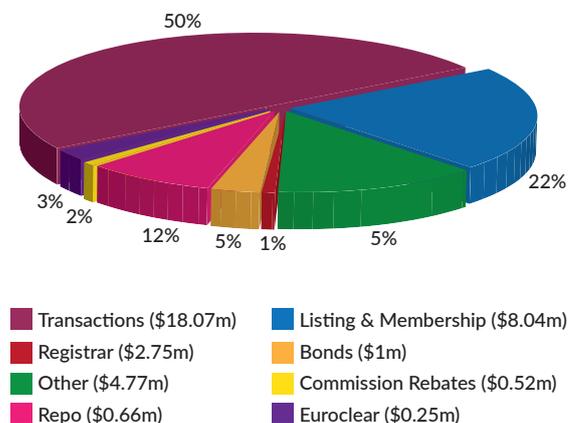


Diagram 2: Revenue Streams



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

while maintaining focus on market development with its launch of online trading capability targeted for 2019.

Investment Income

Investment income continues to be a key source of income for the Group. For the year ended December 31, 2018 investment income stood at \$2.3 million compared to \$1.5 million in 2017. This increase was mainly due increased funds available for investment as increased income was generated from early 2018 and due also to changes in the investment portfolio as the Group continues to maintain its portfolio in a manner that optimizes returns while pursuing the preservation of capital, in accordance with its investment policy. In 2018, 83% of Investment Income was derived from interest on both Government of Trinidad and Tobago (GOTT) Bonds and Corporate Bonds and the remaining 17% from investment in Money Market Funds. Overall the Group earned a return on investments of 2.82% for the year ended December 31, 2018.

Expenses

Expenses for 2018 totalled \$16.9 million, a decrease of just about \$0.1 million or 1% from 2017. In light of the higher increase in revenues, the Group's efficiency ratio (expenses / revenue) improved from 81% in 2017 to 47% in 2018.

Diagram 3: Investment Income

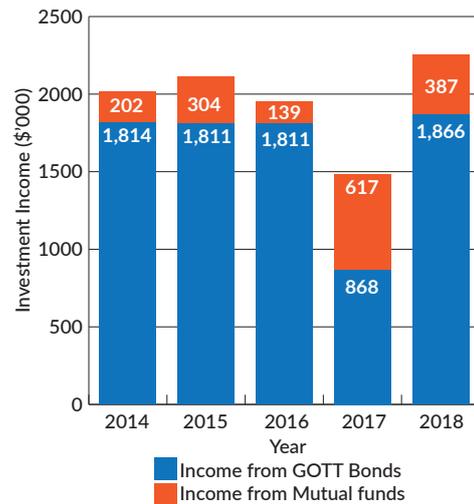
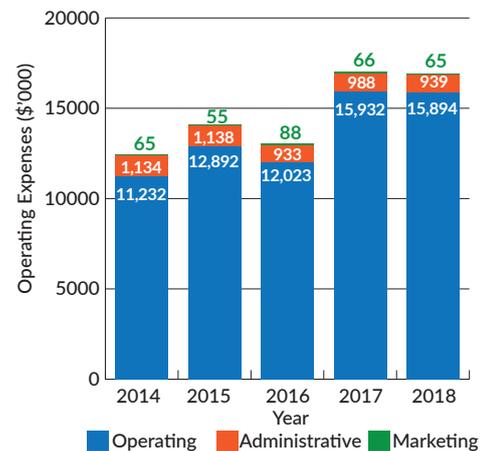


Diagram 4: Expenses





MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Diagram 5: Total Assets

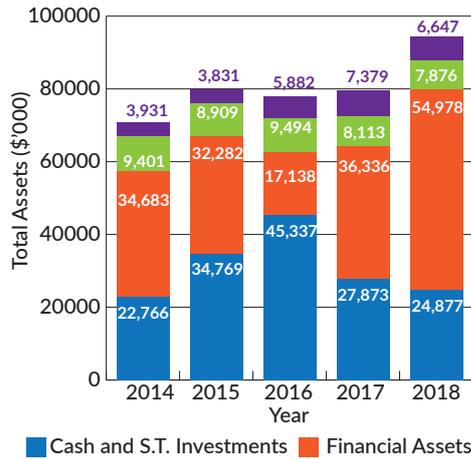
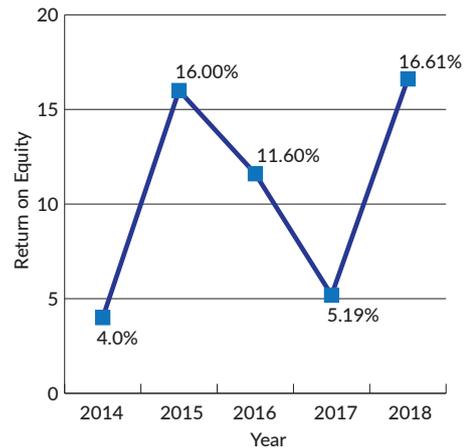


Diagram 6: Return on Equity



Total Assets

The Group continues to maintain a strong asset base and liquidity position to support its operation and associated risks. As at December 31, 2018 the Group total assets stood at \$94.4 million which represents an increase of \$15 million or 18% from 2018. Total assets of the Group mainly comprised of: Cash on Deposits (28%); Financial Assets (58%); and Property and Equipment (8%).

Return on Equity

The objective of the organization continues to be twofold as it seeks to maintain profitability while ensuring it is well-equipped to meet its responsibilities as an SRO. Despite the sporadic occurrence of new listings, combined with volatility in trading activity and high cost of operations, the Group is able to consistently generate a healthy Return on Equity (ROE).

Accounting Policies

The accounting policies of the Group conform to International Financial Reporting Standards (IFRS). Details on the Group’s accounting policies are disclosed in Note 2 “Summary of significant accounting policies” of the Consolidated Financial Statements.

2018 ANNUAL MARKET ACTIVITY REVIEW

MARKET OPERATIONS AND PERFORMANCE

Overview

The TT-Dollar Equity Market registered mixed results for the year ending December 31st, 2018 with the total number of transactions and total traded value increasing by 4.5% and 12.07%, respectively, while total traded volume decreased by 14.45% when compared to the previous year. Activity in the Mutual Fund Market was positive with the total number of transactions, total traded volume and total traded value registering notable improvements of 65.8%, 18.4% and 8.7% respectively over the previous year. Activity in the Government Bond Market for 2018 was lower with the number of trades and the total face value traded falling below their corresponding values realized in 2017.

The TTSE SME Market welcomed its first listing in 2018 while the TTSE Corporate Bond Market was re-opened on September 04th, 2018 with the listing of three (3) bonds totalling TT\$4.0 billion and issued by The National Investment Fund Holding Company Limited. Four (4) securities were delisted from the main board during 2018, namely Scotia Investments Jamaica Limited (SIJL), Bourse Brazil Latin Fund (BBLF), Sagicor Financial Corporation 6.5% US\$1.00 Convertible Redeemable Preference (SFCP) and Readymix (West Indies) Limited (RML).

Details relating to major market transactions and the performance of each respective TTSE Market during 2018 are provided below:

2018 Major Market Transactions

Berger Paints (Trinidad) Limited (BER) – Offer and Take-Over Bid and Compulsory Acquisition

On November 1st, 2017, ANSA Coatings International Limited (ACIL) made an Offer and Take-Over to the registered shareholders of BER to acquire all the remaining issued ordinary shares at a cash price of TT\$6.76 per ordinary share (the Offer), in accordance with the Securities and Industry (Take-Over) By-Laws 2005. The Offer closed on December 22nd, 2017 and resulted in ACIL owning approximately 94% of the outstanding ordinary shares in BER.

On February 20th, 2018, pursuant to By-Law 26 of the Securities and Industry (Take-Over) By-Laws, ACIL issued a notice to all remaining shareholders of BER to compulsorily acquire all outstanding shares in BER, in accordance with Section 202 of the Companies Act, Chap. 81:01.

NCB Financial Group Limited (NCBFG) – Offer and Take-Over Bid

On December 31st, 2018, NCBFG, through its wholly owned subsidiary NCB Global Holdings Limited (NCBGHL), launched a revised Offer to all shareholders of Guardian Holdings Limited (GHL) to acquire up to 74,230,750 GHL shares at a price of US\$2.79 per share. The Offer, if successful, would result in the Offeror holding not more than 62% of the issued and outstanding ordinary shares in GHL.

2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

First Tier Market Performance

Indices Performance

As at December 31st, 2018, the Composite Index advanced by 36.13 points or 2.85% over the previous year to close at 1,302.48 points while the Cross-Listed Index rose by 13.19 points or 12.17% year-on-year (YOY) to close at 121.57 points. The All T&T Index recorded a decline of 23.58 points or 1.36% over the same period to close at 1,705.17 points. (Refer to Table 1 and Diagrams 1, 2 & 3)

Table 1: Market Index Performance (YOY)

Index	Value	YOY (unit Δ)	YOY (% Δ)
Composite	1,302.48	36.13	2.85
All T&T	1,705.17	(23.58)	(1.36)
Cross Listed	121.57	13.19	12.17

Diagram 1:
Composite Index 2017 vs 2018

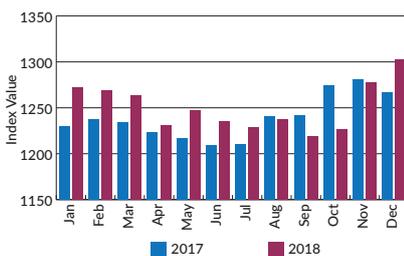


Diagram 2:
All T&T Index 2017 vs 2018

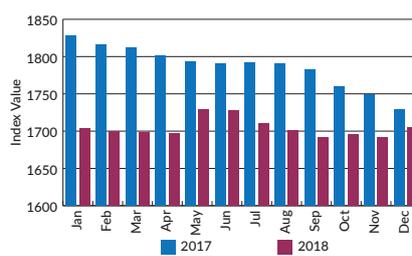
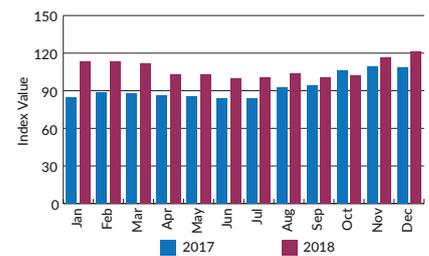


Diagram 3:
Cross-Listed Index 2017 vs 2018



Market Capitalisation

Market capitalisation of the First Tier Market at the end of 2018 was \$126.70 billion. This represented an increase of \$3.52 billion or 2.86% over the previous year, as shown in Diagram 4.

Traded Volume and Value

Total transactions for 2018 in the First Tier Market (exclusive of put-through transactions) was 11,721, representing an increase of 4.46% over the previous year. Total volume traded was 72.3 million shares valued at \$1.15 billion. This represented a decline of 14.45% in the volume of shares traded and an increase of 12.07% in the value of shares traded when compared to 2017, as shown in Table 2 (page 16).

Diagram 4:
First Tier Market Capitalisation 2017 vs 2018



Table 2: First Tier Market Performance (YOY)

	2018	2017	YOY (% Δ)
Number of Trades	11,721	11,221	4.46
Volume of Shares Traded ('000)	72,334	84,550	(14.45)
Traded Value (TT\$'000)	1,148,364	1,024,709	12.07

2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

Sectoral Performance

By sector, the Banking and Energy Sectors recorded positive YOY movements of 9.86% and 9.81%, respectively, over the previous year. The Manufacturing II Sector experienced the largest YOY decline of 24.46%, as shown in Table 3.

Table 3: Market Index Performance (YOY)

	2018	2017	YOY (% Δ)
Banking	1,110.10	1,010.48	9.86
Energy	145.50	132.50	9.81
Trading	186.92	189.42	(1.32)
Non-Banking Finance	1,063.52	1,091.14	(2.53)
Manufacturing I	2,204.14	2,322.46	(5.09)
Property	154.48	164.50	(6.09)
Conglomerates	2,529.33	2,766.06	(8.56)
Manufacturing II	313.20	414.63	(24.46)

Individual Share Performance

Volume of Shares Traded

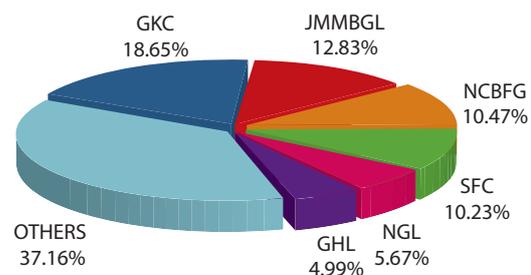
The three (3) most active securities for 2018, as measured by volume of shares traded were GraceKennedy Limited (GKC), JMMB Group Limited (JMMBGL) and NCBFG, (Refer to Diagram 5).

The most active sector by volume for 2018 was the Non-Banking Finance Sector with 22.19 million shares traded (or 30.68% of the market trades), followed by the Conglomerates Sector with 17.19 million shares traded (or 23.76%), (Refer to Diagram 6).

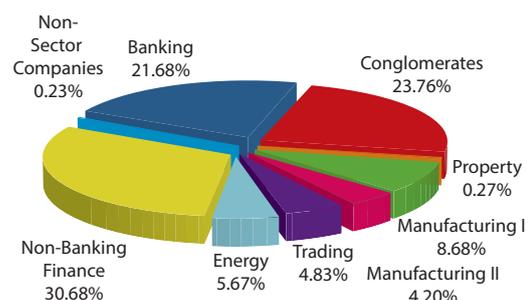
Value of Shares Traded

As measured by traded value, Republic Financial Holdings Limited (RFHL) recorded the highest value of shares traded for 2018 with a total traded value of \$151.50 million, representing 13.19% of the market's overall activity. This was followed by West Indian Tobacco Company Limited (WCO) with a total traded value \$144.13 million and Scotiabank Trinidad & Tobago Limited (SBTT) with \$129.15 million, representing 12.55% and 11.25% respectively, of the market's total trade value for the year, (Refer to Diagram 7).

**Diagram 5:
2018 Security Performance by Volume
as % of First Tier Volume Traded**



**Diagram 6:
2018 Sector Performance by Volume
as % of First Tier Volume Traded**





2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

On a sectoral level, the Banking Sector was the largest contributor with \$398.31 million accounting for 34.69% of the period's total traded value, followed by the Conglomerates Sector with \$228.32 million or 19.88% of the market's total activity, (Refer to Diagram 8).

Price Movement

Share price declines outpaced advances during 2018 by a ratio of 16:11. NCBFG led the advances for the year, registering an increase of \$2.26 (36.04%) over 2017, followed by Sagicor Financial Corporation Limited (SFC), Agostini's Limited (AGL) and Trinidad and Tobago NGL Limited (NGL) with increases of 14.94% (or \$1.17), 12.77% (or \$2.65) and 9.81% (or \$2.60), respectively.

Prestige Holdings Limited (PHL) was down 31.50% or \$3.37 while Trinidad Cement Limited (TCL), One Caribbean Media Limited (OCM) and Unilever Caribbean Limited (UCL) registered declines of 27.20% (or \$1.02), 21.21% (or \$2.77) and 20.72% (or \$6.01), respectively.

Diagram 7: 2018 Performance by Value as % of First Tier Trade Value

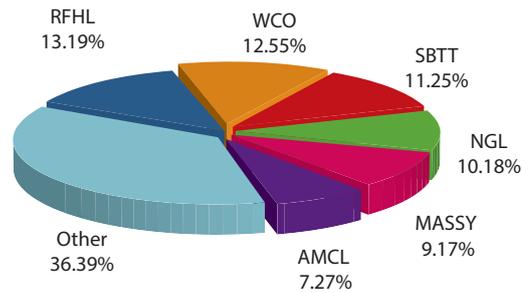


Diagram 8: 2018 Sector Performance by Market Value as % of First Tier Value Traded

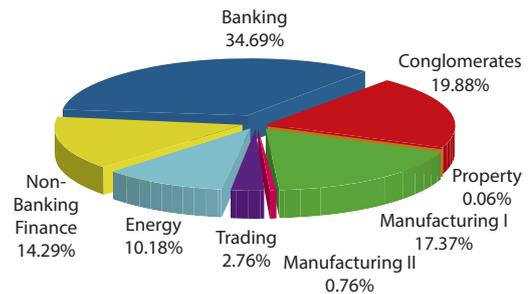


Table 4: Mutual Fund Market Performance (YOY)

	2018	2017	YOY (% Δ)
Number of Trades	1,756	1,059	65.82
Volume of Shares Traded ('000)	7,639,194	6,451,148	18.42
Traded Value (TT\$'000)	153,483,860	141,151,345	8.74

2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

Second Tier Market Performance

The Second Tier Market recorded a total of 3 trades with a total traded volume of 4,010 shares valued at \$50,040.00. Mora Ven Holdings Limited (MOV), the only security listed in this market, registered a decline in price of 17.18% to close at \$12.00 per share. In accordance with TTSE Rules 600(8) and 601(5), trading in MOV was suspended effective February 01st, 2019.

SME Market

On November 21st, 2018, a total of 6,406,295 ordinary shares in CinemaOne Limited (CINE1) was listed on the TTSE at a price of \$10.00 per share, making the Company the first to be listed on the TTSE SME Market. As at the end of 2018, no trade activity was recorded on the SME market.

Mutual Fund Market

The Mutual Fund market recorded 1,756 trades in 2018, representing an increase of 65.82% over the previous year. Accordingly, total traded volume rose to 7.64 million shares while total value of shares traded was \$153.48 million, representing increases of 18.42% and 8.74%, respectively over the previous year. Market capitalisation decreased by 6.58% to \$4.64 billion in comparison to 2017, (Refer to Table 4 above).

Individual Share Performance

CLICO Investment Fund (CIF) dominated the year's activity representing of 98.87% and 99.09% of total volume and value traded, respectively. Trading in the Calypso Macro Index Fund (CALYP) represented 8.09% of total number of trades.

Price Movement

CALYP registered a decline of 29.91% over the previous year to close at \$15.00 while CIF declined 4.62% to close at \$20.03.

Government Bond Market

The Government Bond market recorded a total of 57 trades in 2018, representing a decline of 50.00% over the previous year. Accordingly, total face value and total traded value fell to \$318.12 million and \$329.10 million, respectively, representing declines of 67.74% and 68.75%, respectively, over 2017.

De-listings

Three (3) Government of the Republic of Trinidad and Tobago (GORTT) bonds were delisted during the year 2018. The details of these bonds appear in Table 5 below:

Table 5: 2018 GORTT Bond De-listings

Security Description	Symbol	Coupon Rate	Tenor (Years)	Maturity Date
\$1,000M (1,200M) GORTT 8.25% 02.07.2017	G027	8.25%	9	July 02 nd 2017
\$42.0616M GORTT 5.63% 25.04.2018	D255	5.63%	25	April 25 th 2018
\$250M GORTT 6.25% 05.09.2018	I051	6.25%	15	September 05 th 2018

2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

Corporate Bond Market

On September 04th, 2018, three (3) bonds issued by the National Investment Fund Holding Company Limited (NIFHCL) was listed on the TTSE Corporate Bond Market. The details of these bonds appear in Table 6 below:

Table 6: 2018 Corporate Bond Listings

Details	Bonds		
Symbol	NIF090823	NIF090830	NIF090838
ISIN	TTC000001183	TTC000001191	TTC000001209
Face Value	TT\$1,200M	TT\$1,600M	TT\$1,200M
Coupon Rate	4.50%	5.70%	6.60%
Issue Date	August 09 th , 2018	August 09 th , 2018	August 09 th , 2018
Maturity Date	August 09 th , 2023	August 09 th , 2030	August 09 th , 2038
Tenor	5 Years	12 Years	20 Years
Payment Schedule	Semi Annual	Semi Annual	Semi Annual
Coupon Payment Dates	February 09 th ; August 09 th	February 09 th ; August 09 th	February 09 th ; August 09 th

The Corporate Bond Market recorded 25 trades in 2018 carrying a total face value and trade value of \$23.56 million and \$25.15 million, respectively.

Market Summary

Tables 7 & 8 below show YOY changes in various categories based on trade activity.

Table 7: First Tier, Second Tier, Mutual Funds and SME* Markets

	2018	2017	% Change
Trades	13,480	12,280	9.77
Volume ('000)	79,977	91,001	(12.11)
Value (TT\$'000)	1,301,898	1,165,860	11.67
Put Through Transactions ¹	516	620	(16.77)
Put Through Volume ('000) ¹	21,012	8,741	140.39
Put Through Value (TT\$'000) ¹	947,483	213,418	343.96
Market Capitalisation (TT\$'000,000) ²	131,503	128,270	2.46
Composite Index	1,302.48	1,266.35	2.85
All T&T Index	1,705.17	1,728.75	(1.36)
Cross Listed Index	121.57	108.38	12.17

*The SME Market opened on November 21st, 2018. There was no trade activity recorded for the period.

¹ The figures for 2017 excludes 4,352 extraordinary special-case put-through transactions with a total volume of 135.86 million valued at \$2,829.77 million. The figures for 2018 excludes 182 extraordinary special-case put-through transactions with a total volume of 66.35 million valued at \$4,926.12 million.

² The market capitalisation figure for 2017 excludes Scotia Investment Jamaica Limited (SIJL). All SIJL shares (except those held by Scotia Group Jamaica Limited) were cancelled effective October 02nd, 2017 pursuant to its Scheme of Arrangement. SIJL was de-listed from the TTSE effective February 21st, 2018.

2018 ANNUAL MARKET ACTIVITY REVIEW (CONTINUED)

Table 8: Government and Corporate Bond Markets

	2018	2017	% Change
Trades	82	114	(28.07)
Face Value (TT\$'000)	364,851	986,110	(63.00)
Trade Value (TT\$'000)	378,135	1,053,140	(64.09)
Put Through Transactions	2	0	n/a
Put Through Face Value (TT\$'000)	170	0	n/a
Put Through Trade Value (TT\$'000)	174	0	n/a
Market Capitalisation (TT\$'000,000)	22,968	20,460	19.25

UNITED STATES DOLLAR MARKET

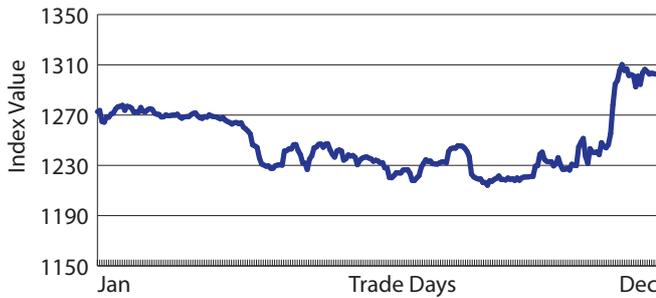
Total traded volume within the USD Dollar market was 3,500 shares with a traded value of US\$29,400.

BBLF was delisted from the board of the TTSE effective June 14th, 2018 while SFCP was delisted effective 20th July 2018.

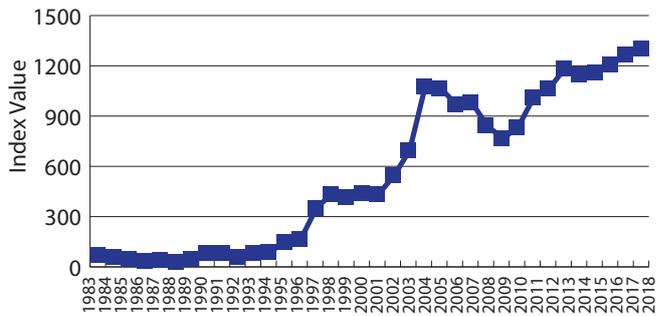


2018 EQUITY MARKET ACTIVITY

Composite Index 2018



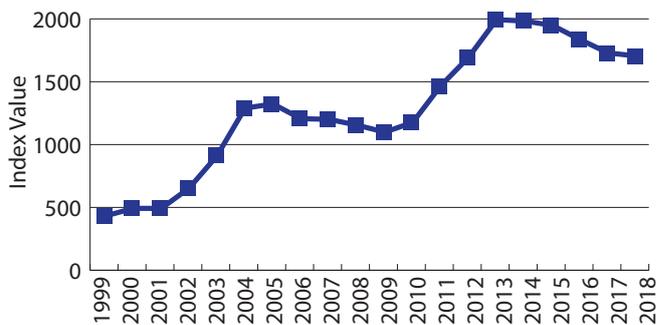
Composite Index 1983-2018



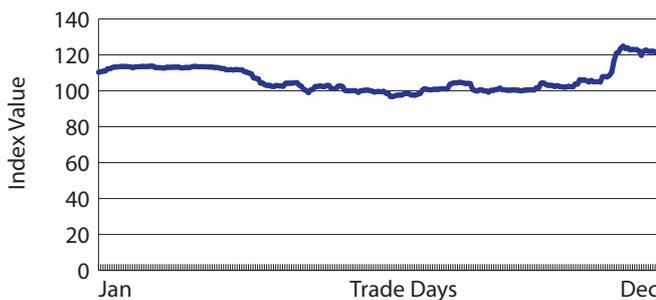
All T&T Index 2018



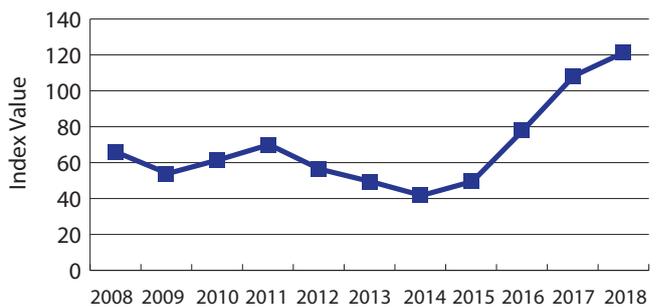
All T&T Index 1999-2018



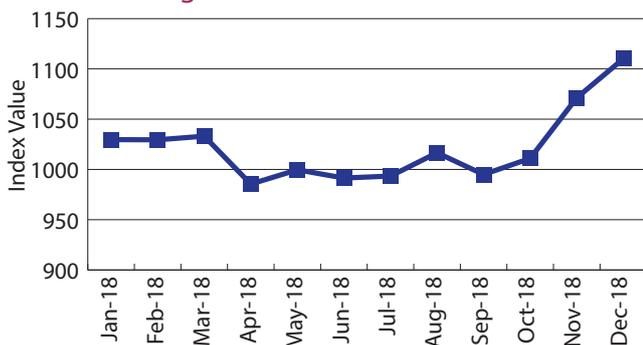
Cross Listed Index 2018



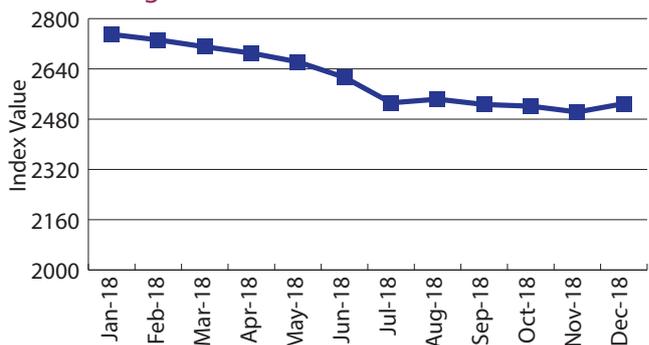
Cross Listed Index 2008-2018



Banking Sector 2018

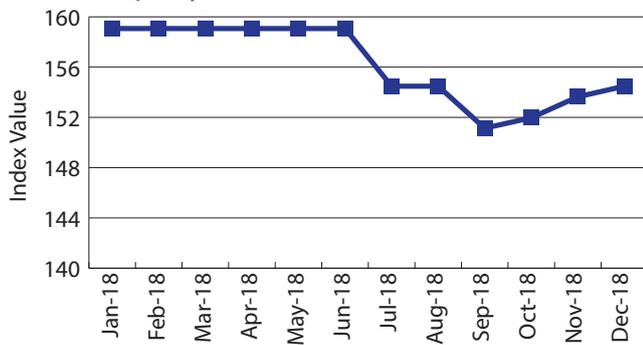


Conglomerates Sector 2018

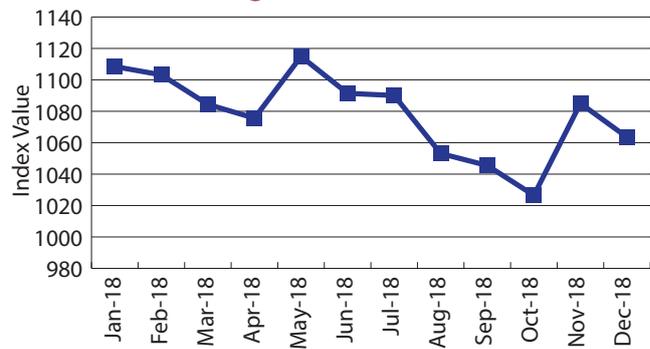


2018 EQUITY MARKET ACTIVITY (CONTINUED)

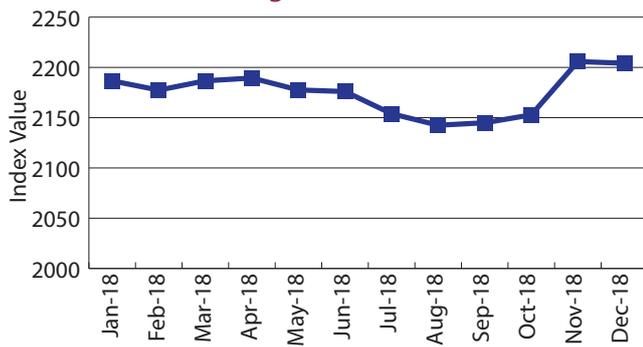
Property Sector 2018



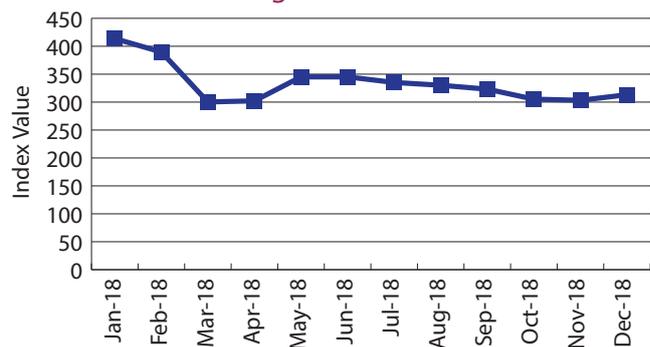
Non-Banking Finance Sector 2018



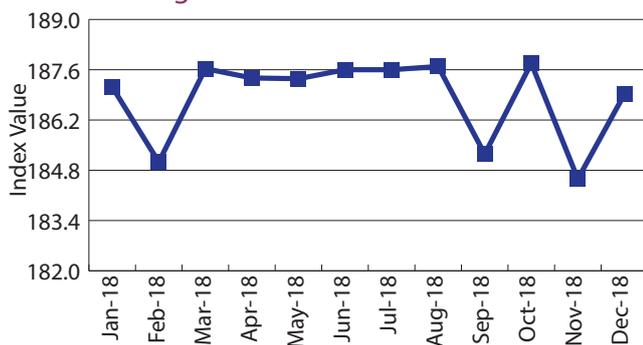
Manufacturing I Sector 2018



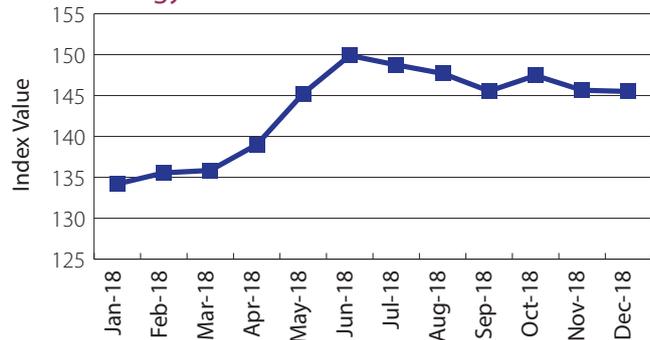
Manufacturing II Sector 2018



Trading Sector 2018



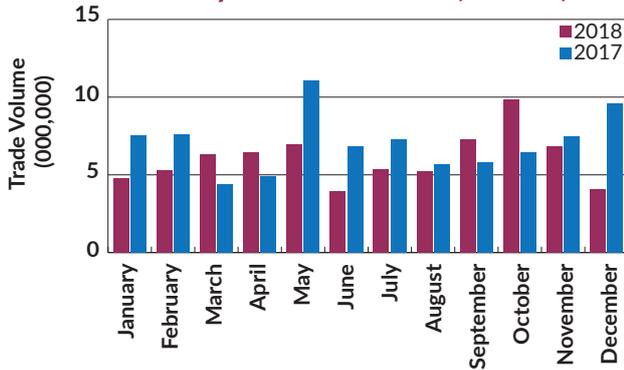
Energy Sector 2018



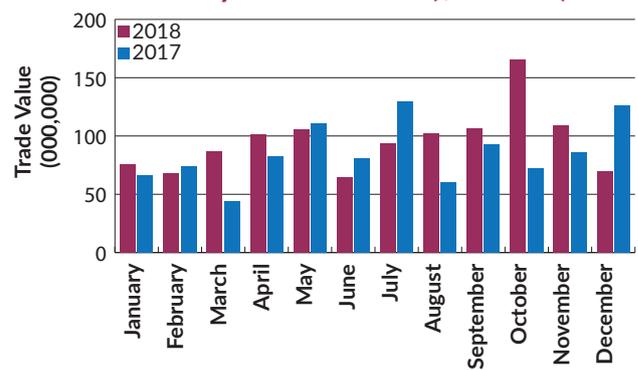


2018 EQUITY MARKET ACTIVITY (CONTINUED)

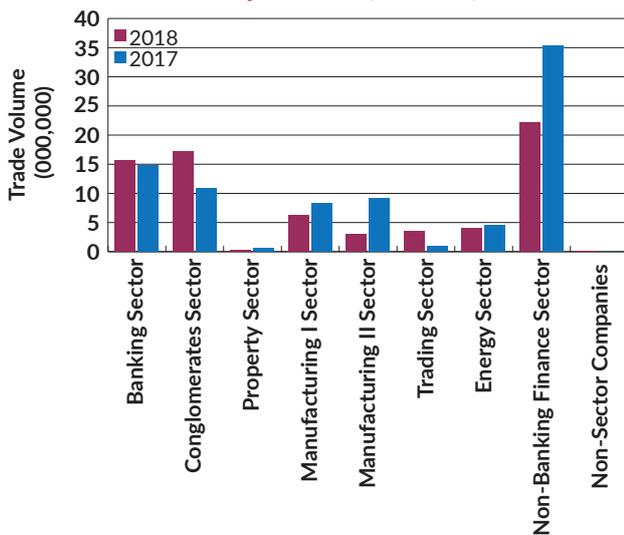
Monthly Traded Volume (Million)



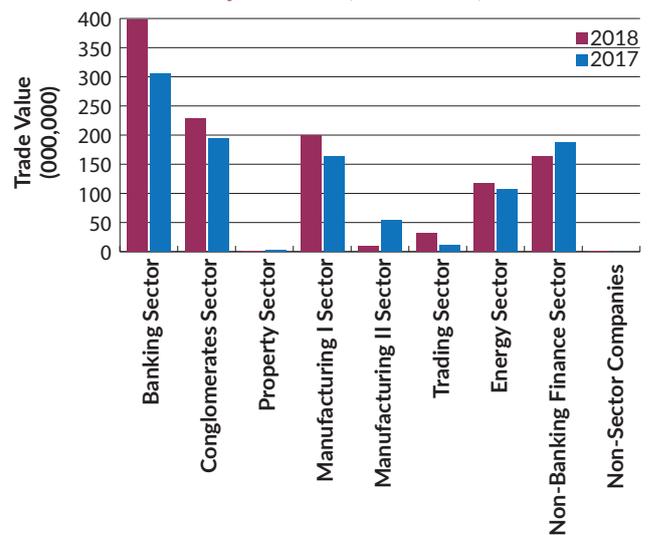
Monthly Traded Value (\$'Million)



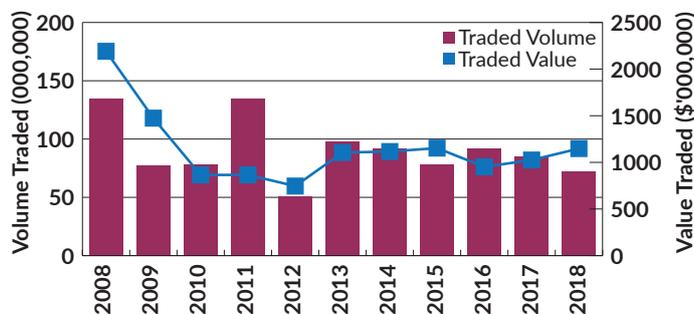
Volume by Sector (Million)



Value by Sector (\$'Million)



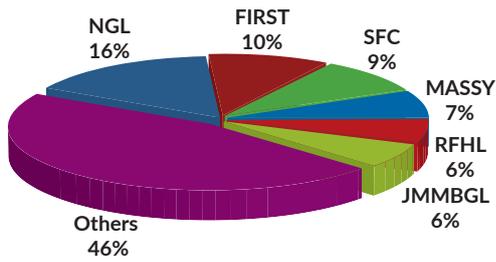
Volume and Value of Shares Traded 2008-2018



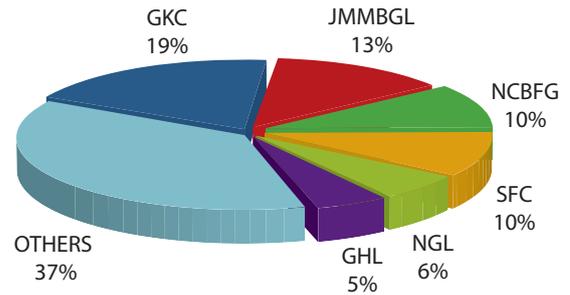
This diagram uses volume and value statistics from the First Tier market and excludes Put Throughs. N.B. Excludes one time transaction in Jamaica Money Market Brokers Limited in 2011

2018 EQUITY MARKET ACTIVITY (CONTINUED)

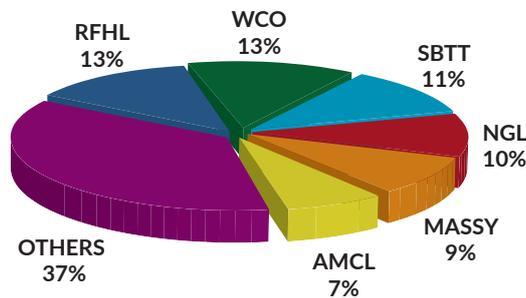
2018 Trades by Company



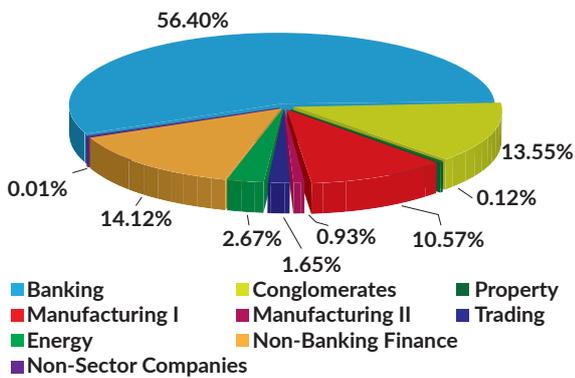
2018 Traded Volume by Company



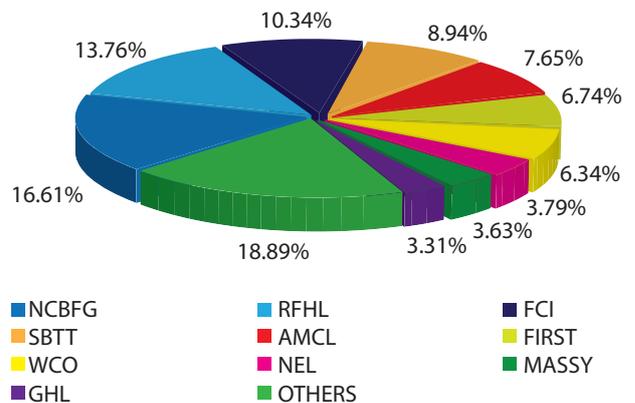
2018 Traded Value by Company



Market Capitalisation by Sector

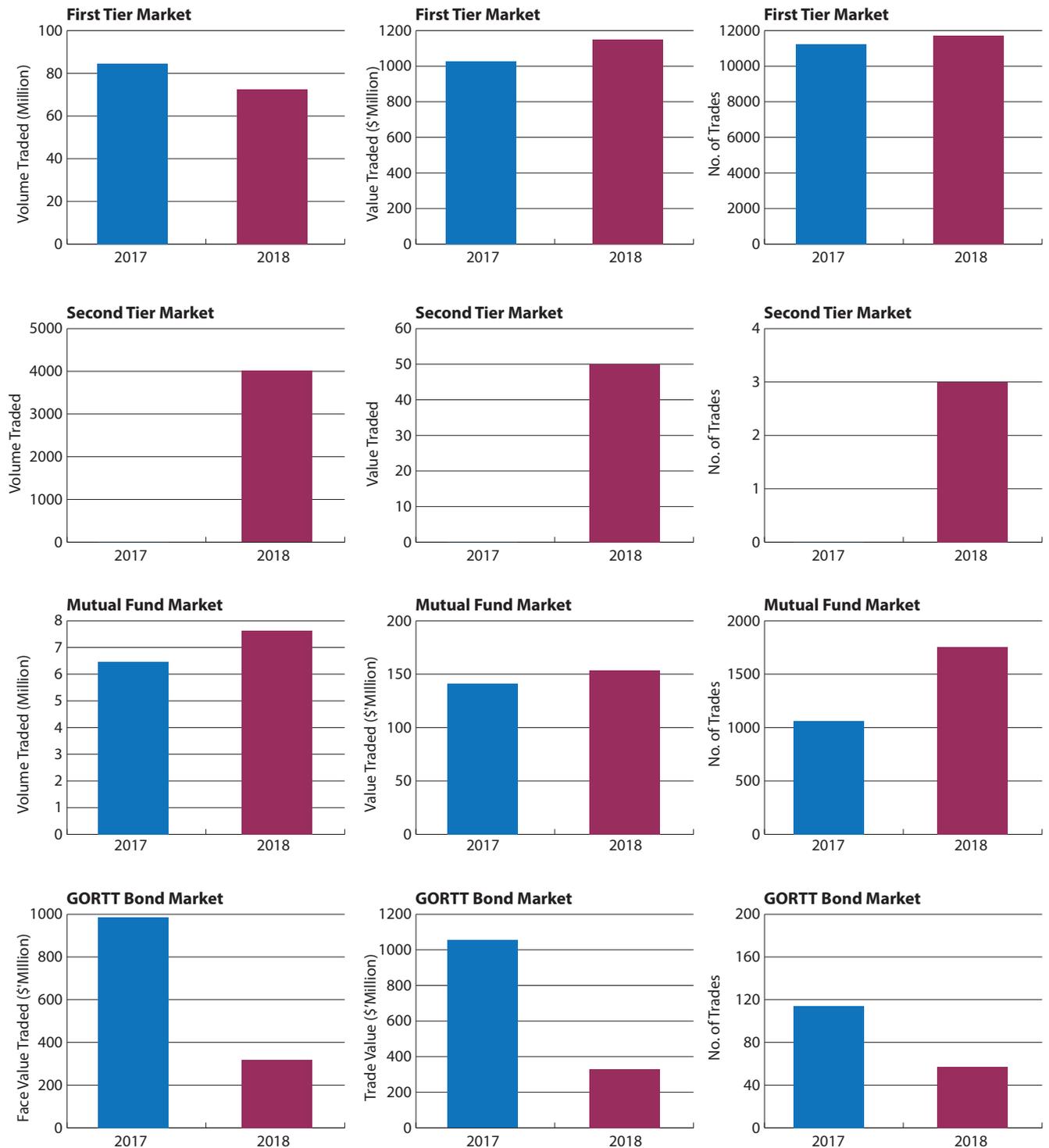


Market Capitalisation by Stock

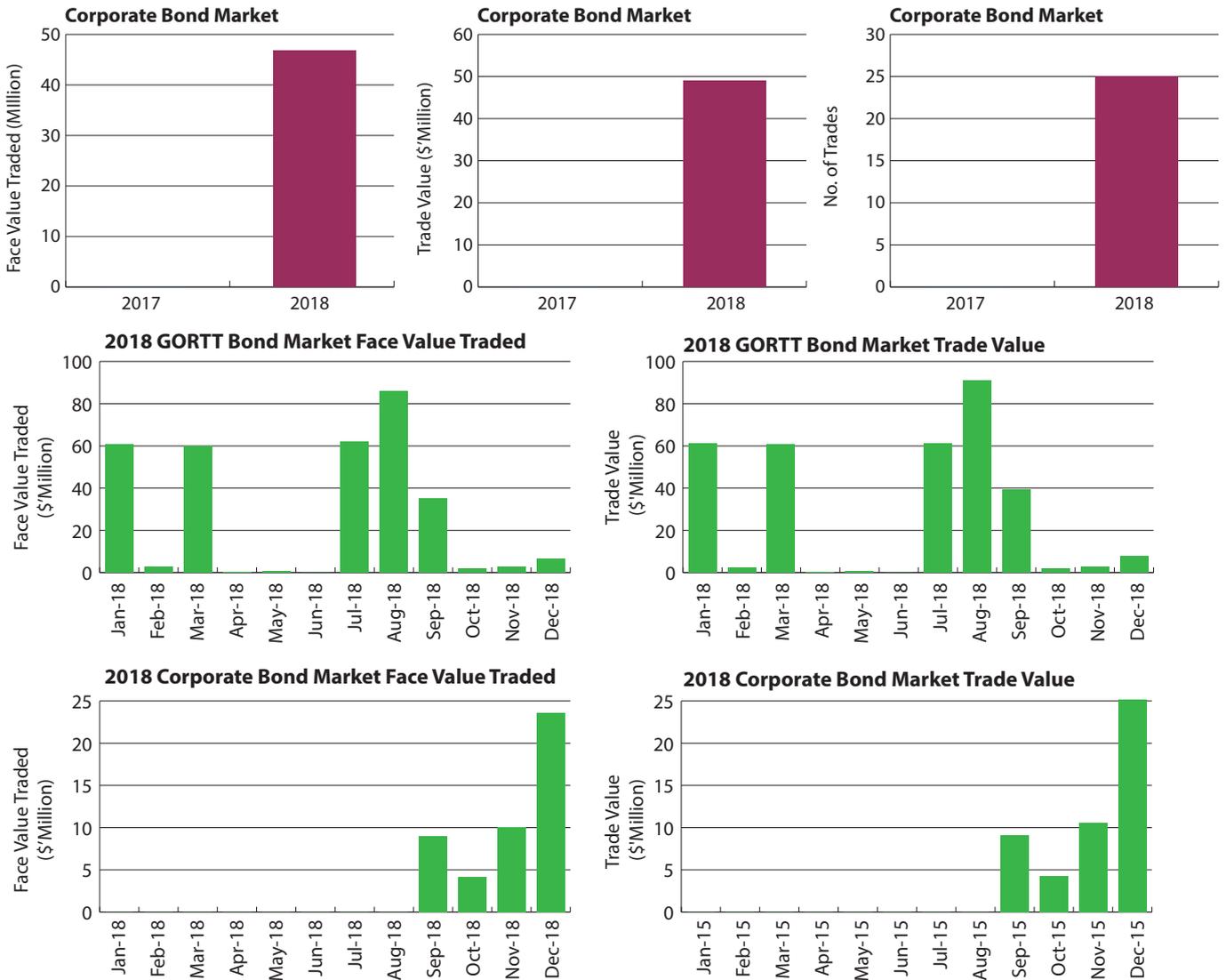




2018 TRADING ACTIVITY BY MARKET



2018 TRADING ACTIVITY BY MARKET (CONTINUED)



N.B. Three Corporate Bonds were listed on the Corporate Bond Market in September 04th, 2018.



DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the financial year ended December 31st, 2018. The Directors confirm that to the best of their knowledge and belief, the Audited Financial Statements comply with the applicable financial reporting standards and present a true and fair view of the financial statements of the Company.

2018 Financial Highlights for the year	(TT\$ Million)
Operating Revenue	36.04
Operating Expenses	(16.90)
Operating Profit	19.14
Investment Income	2.25
Profit before Taxes	21.39
Taxation	(6.48)
Profit for the year	14.91
Other Comprehensive Income	
Unrealised fair value profit/(loss) recognised in revaluation reserve	-
Total Comprehensive Income for the year	14.91

Dividends

The Directors declared a dividend of \$3.86 per share for the year ended December 31st, 2018 to be paid to shareholders whose names appear on the Register of Members of the Company at the close of business on April 12th, 2019.

Disclosure of Interest of Directors and Officers in any Material Contract

(pursuant to section 93(1) of the Companies Act Ch 81:01)

At no time during the current financial year has any Director or Officer been a party to a material contract or a proposed material contract with the Company, or been a director or officer of any body, or had a material interest in any body that was party to a material contract or a proposed material contract with the Company.

Directors

1. In accordance with paragraphs 4.3 and 4.5.1 respectively of By-Law No. 1 of the Company, Msrs. Anton Gopaulsingh, Subhas Ramkhelawan, Godfrey Gosein and Ian Narine retire from the Board of Directors and being eligible, offer themselves for re-election for a period ending at the close of the third Annual Meeting of the Shareholders of the Company following their election.
2. Mr. Ronald Carter, being eligible, has offered himself for election to the Board of Directors for a period ending at the close of the third Annual Meeting of the Shareholders of the Company following his election.

DIRECTORS' REPORT (CONTINUED)

Auditors

The Auditors, Messrs PricewaterhouseCoopers, retire and have expressed their willingness to be re-appointed. Messrs. PricewaterhouseCoopers are practising members of the Institute of Chartered Accountants of Trinidad and Tobago, and are eligible for appointment as auditors of the Company under the rules of the said Institute.

By Order of the Board



Fitzstone Services Limited
Secretary
10th Floor Nicholas Tower
63-65 independence Square
Port of Spain
Trinidad
Dated: April 5th, 2019

BOARD OF DIRECTORS



Ray A. Sumairsingh
Chairman
Executive Director
ANSA McAL Ltd.



Ian Narine
Deputy Chairman



Peter Clarke
Director



Peter Inglefield
Director



Carla Kelshall
Director



Subhas Ramkhelawan
Managing Director,
Bourse Securities
Limited



Anton Gopaulsingh
Director



Godfrey Gosein
Director



Wendy Kerry
SVP, Corporate
Governance &
Corporate Secretary,
Massy Holdings Ltd.



Donna-Marie
Johnson
Attorney-at-Law



Michael Phillip
Company Secretary
PLIPDECO

Executive Management: Michelle Persad - Chief Executive Officer

MANAGEMENT TEAM

Dale Dickson B.Sc.



Dale was appointed as Information Technology Manager in September 2008 with more than thirty years of experience in managing technology platforms, Change and Release Management and network services. He graduated with a B.Sc. in Computer Science and Information Technology from the University of London Goldsmith's College. He was also certified as an Information System Auditor (CISA) by the Information Systems Audit and Control Association (ISACA).

Eva Mitchell B.Sc., M.Sc.



Eva joined the TTSE in 2016 and has the responsibility of overseeing the daily market operations of the Exchange. She has over 15 years' experience in various areas of financial services such as Brokerage, Asset Management, Retail and Commercial Banking. She holds a B.Sc. with Honours in Business Management from the University of New Brunswick and a M.Sc. in International Finance from the Arthur Lok Jack Graduate School of Business.

Lyndon Paynter FCCA., M.Sc., CPAML.



Lyndon joined the TTSE as the Compliance Officer in July 2012. He has over 17 years' experience in the financial sector with 9 of those years in the brokerage industry. A Fellow of the Chartered Certified Accountants (F.C.C.A.), Lyndon also holds an M.Sc. in Management Studies from the University of the West Indies and is a Certified Professional in Anti-Money Laundering and Combating the Financing of Terrorism.

Hemlaxmi Singh



Hemlaxmi joined the organization in January 2019 as Regulatory/Legal Officer and provides legal guidance and support in relation to the regulatory, operations and business aspects of both the TTSE and TTCD. She was called to the Bar in 1998 and has since developed a comprehensive portfolio of legal expertise which includes a strong background in litigation and experience providing consultancy and advisory services to the financial sector.

Marisa S. Latchman B.Sc., C.I.A., C.A., F.C.C.A.



Marisa joined the TTSE in January 2017 in the capacity of Financial Accountant. She has over 10 years' experience in the areas of Accounting and Auditing. She is a Fellow of the Association of Chartered Certified Accountants (F.C.C.A.) and a Certified Internal Auditor (C.I.A). She also holds a B.Sc. with Honours in Economics and Management from the University of the West Indies.

Ravel Griffith B.Sc.



Ravel joined the TTSE in 2015 as the Assistant Information Technology Manager with more than 15 years of experience in Information Communication Technology, cross-platform systems network architecture designs and 3 years in ICT Management. He holds IT professional certifications including CCNA, MCSE, ITIL, COBIT and a B.Sc. in Information Technology and is pursuing an M.Sc. in Information System & Technology Management.

Karen Stewart M.B.A.



Karen joined the TTSE/TTCD in 2016 as Manager, TTCD Operations and manages the Registrar and Central Depository Departments. She holds an M.B.A. from the Edinburgh Business School of Heriot-Watt University. She has been part in banking industry for over 15 years and has a wealth of experience in banking operations.



CORPORATE GOVERNANCE OVERVIEW

The Trinidad and Tobago Stock Exchange Limited (TTSE) considers sound corporate governance crucial in ensuring its long term success and is intent on deepening its commitment to the principles of good corporate governance. The TTSE Board sees one of its major responsibilities as ensuring that the organization has a strong corporate good governance framework.

As part of its commitment to corporate governance in business, the TTSE partnered with the Caribbean Corporate Governance Institute and the Trinidad and Tobago Chamber of Industry and Commerce in the development of the Trinidad and Tobago Corporate Governance Code (the Code). The Code was formally launched in November 2013 and endorsed by the Trinidad and Tobago Securities and Exchange Commission, regulators of the TTSE.

The Board continues to strengthen its adherence to the principles of good corporate governance as a Self Regulatory Organisation (SRO), with diligent

administration of its legal and regulatory obligations under the Securities Act, 2012 and giving due care to act always in the best interest of all stakeholders.

The Board's disclosure is intended to give all stakeholders an understanding of the TTSE's governance and its application of the Principles of the Code during the year 2018 as part of its commitment to the framework for effective governance.

Role of the Board

The Board is the principal decision-making forum and is responsible to shareholders for achieving the TTSE's strategic objectives and delivering sustainable growth in shareholder value.

Our Board of Directors act in a way they consider will promote the long-term success of the TTSE for the benefit of shareholders as a whole and in the interests of stakeholders. The following include key duties and functions of the Board:

Board Matters	Overview
Corporate Governance	Oversight of the organisation's framework for corporate governance.
Strategy and Management	Responsibility for the overall strategic direction of the TTSE. Approval of the budgeted annual operating and capital expenditure. Performance review of the TTSE's strategies and business plans.
Contracts	Approval of material contracts, new listings and any other material matters.
Structure and Capital	Changes relating to the TTSE's capital structure and identification of principal business risks, approval of key policies and practices which include capital risk management, market risk, operational and legal risks.
Financial Reporting and Controls	Approval of financial statements.
Internal Controls	Maintenance of a sound system of internal control and risk management system.
Board Membership and Other Appointments	Ensuring adequate succession planning for the Board and senior management. Appointments to the Board, following recommendations by the Nomination Committee.
Remuneration	Determining the remuneration of Directors in accordance with the TTSE By-Laws and shareholder approval, as appropriate.
Board Performance	Undertaking a formal review annually of its own performance, that of its committees and individual directors and determining the independence of directors.

CORPORATE GOVERNANCE OVERVIEW (CONTINUED)

Role of the Chairman

Acts as an Independent Non-Executive Director and chairs the Board of the TTSE;

- Forges an effective Board as to composition, skills and competencies;
- Ensures, in collaboration with the Chief Executive, that the Board considers the strategic issues facing the TTSE in a timely manner and is presented with sound information and analysis appropriate to the decisions that it is asked to make;
- Acts as a guide for the Chief Executive and provides general advice relating to the management and development of the TTSE's business; and
- Supports the commercial and regulatory activities of the TTSE by, inter alia, maintaining contact with the Company's key stakeholders and maintaining dialogue with other industry participants.

Board Effectiveness

During the year, the Board approved Board of Directors' Charter which sets the tone for an effective and optimally functioning Board. Additionally, the Board sought to improve the preservation of institutional knowledge which is fundamental to the continuity of business in a specialized environment. The Board values highly, sound and independent thought, judgment and ethical conduct in decision-making and exercises its discretion in conflicts that may arise, imposing limits or conditions as it thinks fit.

The Composition of the Board

The Board of Directors may under the TTSE's By-Laws, determine the number of Directors within a range of Three (3) and fifteen (15). The Board currently consists of eleven (11) members comprising of independent and non-independent members. Of the eleven (11) members on the board, eight (8) members are independent members which allows for open and dynamic discussions from a combination of disciplines such as capital markets, general management, finance, regulatory, compliance, and risk management.

As outlined in the TTSE's By-Laws, all Directors retire from the Board every three (3) years and are eligible for re-election, with the exception of Directors who are over the age of seventy (70) years, who retire from the Board on an annual basis and are eligible for re-election.

Board Oversight

The Board has continued to oversee the organization's strategy, resources, risk framework, financial performance and Board succession planning.

The Board holds meetings on a monthly basis to maintain oversight over routine business and for any special business additional meetings are convened as necessary. The Board held seventeen (17) meetings for the year 2018 and an Annual Meeting. The average number of Directors in attendance was nine (9).

Board Sub-Committees

In order to manage the discharge of its responsibilities, the Board set up several Committees comprised of Directors with the commensurate skills and experience. All Committees have Terms of Reference which are reviewed annually. At each Board Meeting, the Board receives reports from the respective Committee chairpersons.

Audit Committee

The Committee recommends approval of the financial statements to the Board and maintains under review the effectiveness of the TTSE's system of internal control and risk management. In order to do this, the Committee considers reports from management and the internal audit function as well as oversees the relationship with the external auditor.

The following Directors are members of the Audit Committee:

Mr. Peter Inglefield (Chairman)

Mr. Michael Phillip

Ms. Wendy Kerry



CORPORATE GOVERNANCE OVERVIEW (CONTINUED)

Capital Market Development and Investments Committee

The Committee focuses on the development of capital market initiatives with emphasis on new product development and through business intensification, by diversifying product offering, pricing strategy and in the development of rules governing the market.

The following Directors are members of the Capital Market Development and Investments Committee:

Mr. Ian Narine (Chairman)
Mr. Anton Gopaulsingh
Ms. Carla Kelshall
Mr. Peter Clarke
Mr. Subhas Ramkhelawan

Information Technology Oversight Committee

The Committee provides an information technology oversight function in areas such as strategy, system availability, security and related operations. The Committee monitors and makes recommendations to the Board on decisions regarding IT planning, strategy and operations, including major IT related projects and changes to technology architecture decisions which support the mission, values and strategic goals of the TTSE.

The following Directors are members of the Information Technology Oversight Committee:

Mr. Anton Gopaulsingh (Chairman)
Ms. Carla Kelshall
Mr. Ian Narine

Human Resources Committee

The Committee makes recommendations regarding compensation of staff, selection and retention of senior management, oversees pension and significant employee benefits, training and development of senior staff and development of human resource policies.

The following Directors are members of the Human Resources Committee:

Mr. Godfrey Gosein (Chairman)
Mr. Ray A. Sumairsingh
Ms. Donna-Marie Johnson
Ms. Wendy Kerry

Regulatory Committee

The Committee oversees the compliance monitoring of the member firms of the TTSE and determines action for disciplinary measures as may be necessary. The Committee also has oversight of the adequacy and effectiveness of the self regulatory functions of the TTSE and its subsidiary and assesses their compliance with applicable legislative framework.

The following Directors are members of the Regulatory Committee:

Mr. Peter Clarke (Chairman)
Ms. Donna-Marie Johnson
Mr. Peter Inglefield
Mr. Anton Gopaulsingh

Nominations Committee

A Nominations Committee was established in November 2014 and at present there are three members, Mr. Ray A. Sumairsingh, Mr. Ian Narine and Mr. Michael Phillip. The Committee's role is to review the size and structure of the Board, consider succession planning and make recommendations to the Board on potential candidates for the Board.

Our Board of Directors and management are committed to ensuring good corporate governance by discharging its responsibilities at the highest standard within a comprehensive framework as well as enhancing shareholder value in an evolving corporate governance environment.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Statement of Management's Responsibilities

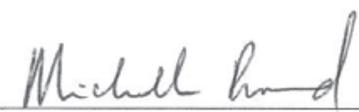
Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary (together, the Group) which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.


 _____ Management
 19 March 2019


 _____ Management
 19 March 2019



Independent Auditor's Report

To the shareholders of
The Trinidad and Tobago Stock Exchange Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary (together, the Group) as at 31 December 2018, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Independent Auditor's Report (Continued)

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2018 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

19 March 2019
Port of Spain,
Trinidad, West Indies

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December	
		2018 \$	2017 \$
Assets			
<i>Non-current assets</i>			
Property and equipment	4	7,875,747	8,113,213
Intangible assets	5	1,173,430	1,729,173
Financial assets at FVPL	6a	177,045	--
Financial assets at amortised cost	6b	54,800,762	--
Available-for-sale financial assets	6c	--	36,335,862
		<u>64,026,984</u>	<u>46,178,248</u>
<i>Current assets</i>			
Trade and other receivables	7	4,265,033	4,228,544
Cash on deposit	8	24,876,986	27,872,549
Cash in hand and at bank		1,174,482	1,047,621
Taxation recoverable		34,312	373,971
		<u>30,350,813</u>	<u>33,522,685</u>
Total assets		<u>94,377,797</u>	<u>79,700,933</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Stated capital	9	8,326,655	8,326,655
Revaluation reserve		3,117	301,186
Retained earnings		81,452,356	68,099,175
Total equity		<u>89,782,128</u>	<u>76,727,016</u>
<i>Non-current liabilities</i>			
Deferred tax liability	10	254,870	239,294
<i>Current liabilities</i>			
Trade and other payables	11	3,729,678	2,734,623
Taxation payable		611,121	--
Total liabilities		<u>4,595,669</u>	<u>2,973,917</u>
Total equity and liabilities		<u>94,377,797</u>	<u>79,700,933</u>

The notes on pages 43 to 67 are an integral part of these consolidated financial statements.

On 19 March 2019, the Board of Directors of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary authorised these consolidated financial statements for issue.

 Director

 Director



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Income Statement (Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2018 \$	2017 \$
Revenue			
Fees, commissions and charges	12	<u>36,042,939</u>	<u>20,956,850</u>
Expenses			
Administrative	13	(939,138)	(988,292)
Marketing	13	(64,961)	(65,881)
Operating	13	(15,890,430)	(15,931,877)
Expected credit loss - Trade receivables	7	14,827	--
Expected credit loss - Bonds	6b	<u>(18,297)</u>	<u>--</u>
		<u>(16,897,999)</u>	<u>(16,986,050)</u>
Operating profit		19,144,940	3,970,800
Investment income	14	<u>2,253,110</u>	<u>1,484,474</u>
Profit before taxation	15	21,398,050	5,455,274
Taxation	16	<u>(6,485,293)</u>	<u>(1,476,734)</u>
Profit for the year		<u>14,912,757</u>	<u>3,978,540</u>

The notes on pages 43 to 67 are an integral part of these consolidated financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2018 \$	2017 \$
Profit for the year	14,912,757	3,978,540
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
<i>Changes in fair value of available for sale financial assets</i>		
Unrealised fair value losses recognised in revaluation reserve	--	(88,928)
Total comprehensive income for the year	<u>14,912,757</u>	<u>3,889,612</u>

The notes on pages 43 to 67 are an integral part of these consolidated financial statements.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Stated capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Year ended 31 December 2017					
Balance at 1 January 2017		8,326,655	390,114	67,211,835	75,928,604
Total comprehensive income for the year:					
Profit for the year		--	--	3,978,540	3,978,540
Other comprehensive income	6	--	(88,928)	--	(88,928)
Transactions with owners:					
Dividends		--	--	(3,091,200)	(3,091,200)
Balance at 31 December 2017		<u>8,326,655</u>	<u>301,186</u>	<u>68,099,175</u>	<u>76,727,016</u>
Year ended 31 December 2018					
Balance at 1 January 2018		8,326,655	301,186	68,099,175	76,727,016
IFRS 9 initial application adjustment			(298,069)	(69,973)	(368,042)
Balance as at 1 January 2018		8,326,655	3,117	68,029,202	76,358,974
Total comprehensive income for the year:					
Profit for the year		--	--	14,912,757	14,912,757
Transactions with owners:					
Dividends		--	--	(1,489,603)	(1,489,603)
Balance at 31 December 2018		<u>8,326,655</u>	<u>3,117</u>	<u>81,452,356</u>	<u>89,782,128</u>

The notes on pages 43 to 67 are an integral part of these consolidated financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2018 \$	2017 \$
Cash flows from operating activities		
Profit before taxation	21,398,050	5,455,274
Adjustments to reconcile profit to net cash provided by/(used in) operating activities:		
Depreciation	406,611	445,474
Amortisation	576,391	770,066
Loss on write off of intangibles	--	9,036
Investment income	(2,253,110)	(1,484,474)
Expected credit loss on financial instruments At amortised cost	3,470	--
	<u>20,131,412</u>	<u>5,195,376</u>
Changes in operating assets/liabilities:		
Decrease/(increase) in trade and other receivables	564,118	(23,306)
Increase in trade and other payables	995,055	1,039,874
Net tax payments	(5,518,937)	(1,553,461)
Net cash provided by operating activities	<u>16,171,648</u>	<u>4,658,483</u>
Cash flows from investing activities		
Interest received	1,637,994	1,288,753
Proceeds from disposal of investment	--	8,631,000
Purchase of investment	(18,998,948)	(27,916,747)
Purchase of equipment	(169,145)	(120,600)
Purchase of intangible assets	(20,648)	(877,062)
Net cash used in investing activities	<u>(17,550,747)</u>	<u>(18,994,656)</u>
Cash flows from financing activities		
Dividends	(1,489,603)	(3,091,200)
Net cash used in financing activities	<u>(1,489,603)</u>	<u>(3,091,200)</u>
Net decrease in cash and cash equivalents	(2,868,702)	(17,427,373)
Cash and cash equivalents at beginning of year	<u>28,920,170</u>	<u>46,347,543</u>
Cash and cash equivalents at end of year	<u>26,051,468</u>	<u>28,920,170</u>
Represented by:		
Cash on deposit	24,876,986	27,872,549
Cash in hand and at bank	1,174,482	1,047,621
	<u>26,051,468</u>	<u>28,920,170</u>

The notes on pages 43 to 67 are an integral part of these consolidated financial statements.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

1 Incorporation and business activities

The Company was incorporated in the Republic of Trinidad and Tobago on 14 April 1997 under the Companies Ordinance Chapter 31 no.1, and continued on 12 October 1999, under the Companies Act Chapter 81:01. The Company operates a stock exchange and its registered office is located on the 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain.

The 100% owned subsidiary, The Trinidad and Tobago Central Depository Limited was incorporated on 30 September 1998 under the Companies Act Chapter 81:01. This Company operates a central securities depository.

The Trinidad and Tobago Stock Exchange Limited and The Trinidad and Tobago Central Depository Limited are registered under the Securities Act 2012 as self-regulatory organisations.

2 Summary of significant accounting policies

a. *Basis of preparation*

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group's financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at amortised cost and financial assets through Fair Value through Profit or Loss (FVPL)..

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) *Standards and amendments to published standards adopted by the Group*

The Group has adopted the following standards effective 1 January 2018

IFRS 15, 'Revenue from contracts with customers': The Group has determined that there was no significant impact on its financial statements from the adoption of this standard.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(i) Standards and amendments to published standards adopted by the Group (continued)

IFRS 9, 'Financial instruments': The Group has adopted IFRS 9 and all of its related amendments using a date of initial application of 1 January 2018. This has resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in opening retained earnings of the current period.

The details of the changes in accounting policies are summarised in Note 2(g).

The following is a summary of the adjustments on initial application of the standard.

	Balance at 31 December 2017	Fair value adjustments	Reclassifications	Expected credit loss adjustments (net of deferred tax)	Balance at 1 January 2018
	\$	\$	\$	\$	\$
Available-for-sale ⁽¹⁾ financial assets	36,335,862	(298,069)	(36,037,793)	--	-
Financial assets at fair value through profit or loss	--	--	177,045	--	177,045
Financial assets at amortised cost (excluding trade receivables)	--	--	35,860,748	(40,637)	35,820,111
Trade and other receivables	4,228,544	--	--	(29,336)	4,199,208
	<u>40,564,406</u>	<u>(298,069)</u>	<u>--</u>	<u>(69,973)</u>	<u>40,196,364</u>
Adjustments to equity:					
- adjustment to retained earnings	68,099,175	--	--	(69,973)	68,029,202
- adjustment to revaluation reserve	301,186	(298,069)	--	--	3,117
	<u>68,400,361</u>	<u>(298,069)</u>	<u>--</u>	<u>(69,973)</u>	<u>68,032,319</u>

(1) \$35.8m previously classified as available for sale were elected to designate to hold to collect.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted by the Group*

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2018, but the Group has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 16	Lease	1 January 2019

The Group has not yet determined the impact of these new, revised and amended standards of its financial statements

b. Consolidation

The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the parent's reporting date. The consolidation principles are unchanged as against the previous year.

The consolidated financial statements of the Group comprise the financial statements of the parent entity and its wholly owned subsidiary, The Trinidad and Tobago Central Depository Limited as of 31 December 2018.

In the consolidated financial statements, subsidiary undertakings have been fully consolidated. Inter-company transactions, balances and intragroup gains on transactions between group companies are eliminated. Intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The integration of the subsidiary into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

c. Foreign currency

- (i) *Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

- (i) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. *Intangible assets*

Computer software

Costs associated with maintaining computer software programmes are recognised as expenses when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using the reducing balance method at a rate of 33.33%.

e. *Property and equipment*

Equipment and fixtures are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income statement during the financial period in which they are incurred.

Depreciation is calculated using the reducing balance method except for leasehold property which is depreciated on a straight line basis to allocate their cost over their estimated useful lives, as follows:

Office furniture and equipment	-	10% - 25%
Motor vehicles	-	25%
Leasehold property	-	2%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. *Impairment of non-financial assets*

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

g. *Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018*

Classification

From 1 January 2018, the Group classifies its financial assets (excluding trade receivables) in the following measurement categories:

- those to be measured at Amortised Cost (AC), and
- those to be measured subsequently at Fair Value Through Profit or Loss (FVPL).

The classification for debt instruments depends on the entity's Business Model for managing those assets and whether the contractual terms of the cash flows represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All debt instruments meeting both the hold to collect and SPPI criteria are classified at amortised cost.

Debt instruments meeting the hold to collect and sell and SPPI criteria are classified at FVOCI. There are currently no debt instruments in this category. The Group has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Accordingly, there are no equity instruments classified at FVOCI.

All other instruments, including investment funds and equities are carried at FVPL. This is a residual category. Gains and losses on FVPL assets are recorded in profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(i) Debt instruments (IFRS 9)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired (POCI) financial assets - assets that are credit-impaired at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'investment income' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

(i) Debt instruments (IFRS 9) (continued)

- FVPL: Debt instruments which do not meet the criteria for SPPI are measured at FVPL. Investments in this category include investment funds and mutual funds. Gains or losses on FVPL instruments are recognised in profit or loss and are presented net within 'investment income' in the period in which it arises. Distributions from investment and mutual funds are recognised in profit or loss within 'investment income' when the Group's right to receive payments is established.

(ii) Equity instruments

The Group subsequently measures all equity investments at FVPL, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Group's right to receive payments is established

Impairment of debt instruments

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.
- Stage 2 – This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted.
- Stage 3 – This category includes instruments that are in default.

The above categories exclude purchased or originated credit-impaired (POCI) financial assets. A financial asset is considered credit-impaired on purchase or origination if there is evidence of impairment at the point of initial recognition (for instance, if it is acquired at a deep discount). POCI financial assets are not included in Stages 1, 2 or 3, and are instead shown as a separate category.

Expected credit loss (ECL) is measured as follows:

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 or that are POCI have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. The Group utilised a probability-weighted assessment of the factors which it believes will have an impact on forward looking rates.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

Impairment of debt instruments (continued)

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the 'Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved the use of various PD and LGD tables derived from various publications, including independent rating agencies. These are then applied to individual instruments based on their rating, tenor and staging.

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed further in Note 4.

h. Financial assets under IAS 39 – up to December 2017

Classification

The Group classifies its financial assets as trade and other receivables and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

- (i) Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's receivables comprise 'trade and other receivables' in the statement of financial position (note i).
- (ii) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. These investments are initially recognised at cost, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income until the financial assets are derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method and is recognised in the income statement. The fair values of quoted investments in active markets are based on current bid prices.

The discount/(premium) on the purchase of a bond is amortised through the income statement using the effective interest rate method.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

i. *Impairment of financial assets under IAS 39 – up to 31 Dec 2017*

Financial assets carried at fair value

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets carried at fair value is impaired if its carrying amount is greater than its estimated recoverable amount based on the present value of expected future cash flows discounted at the current market rate of interest. If any such evidence exists for financial assets available-for-sale, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is removed and is recognised in the income statement. If in a subsequent period, the fair value of a financial asset classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

Impairment testing of trade receivables is described in note j.

j. *Trade receivables*

Trade receivables are recognised at invoice value, less a provision for impairment. This amount is a reasonable approximation to amortised cost using the effective interest method as the impact of discounting and upfront transaction costs are immaterial due to the short settlement period. Trade receivables are derecognised upon settlement, when the contractual rights to the cash flows from the receivables expire or the Group transfers substantially all risks and rewards of ownership.

There were no changes to the classification and measurement basis for trade receivables upon adoption of IFRS 9. Trade and other receivables are classified as "hold to collect" under IFRS 9, meet the SPPI criteria and are accordingly classified and measured at amortised cost using the aforementioned basis

Previously under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Group will not be able to collect all amounts due according to the original term of trade receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments were considered indicators that the trade receivables were impaired.

Under IFRS 9, the Group applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles. The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Company employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Group considers both internal data and external macroeconomic data.

The carrying amount of the trade receivable is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

k. *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents includes cash in hand and at bank and cash on deposit.

l. *Stated capital*

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m. *Trade payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

n. *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

o. *Taxation*

(i) *Current tax*

Income tax payable (receivable) is calculated on the basis of the applicable tax law in Trinidad and Tobago and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in the income statement or directly to equity. In these circumstances, current tax is charged or credited to the income statement or to equity (for example, current tax on available-for-sale investment).

(ii) *Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

o. *Taxation (continued)*

(ii) *Deferred tax (continued)*

The principal temporary differences arise from accelerated tax depreciation, revaluation of certain financial assets and tax losses carried forward.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

p. *Pension obligations*

The Group's contribution to the pension plan is charged to the income statement. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q. *Revenue*

Fees, commissions, charges and interest income are recognised on an accrual basis when the services have been provided.

r. *Investment income*

Financial assets under IFRS 9 – from 1 October 2017

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

Financial assets under IAS 39 – up to 30 September 2017

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate. Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

s. *Operating leases*

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of debtors defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL; and

ECL calculations are shown in Note 6. Had there been a 10% increase in the average ECL rate for all financial instruments at amortised cost, the total ECL allowance would have been higher by \$5,999.

b. *Fair value of financial instruments (under IAS 39)*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for securities that are not traded in active markets.

The carrying amount of the financial instruments is estimated to be (2017:\$ 57,518) higher/(lower) were the discount rate to differ by 3% from managements' estimate at year end.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

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(Expressed in Trinidad and Tobago Dollars)

4 Property and equipment

	Leasehold property \$	Office Furniture and equipment \$	Motor vehicles \$	Work in Progress \$	Total \$
At 31 December 2016					
Cost	8,457,288	7,224,656	155,000	--	15,836,944
Accumulated depreciation	(1,886,330)	(4,340,673)	(116,174)	--	(6,343,177)
Closing net book amount	<u>6,570,958</u>	<u>2,883,983</u>	<u>38,826</u>	<u>--</u>	<u>9,493,767</u>
Year ended 31 December 2017					
Opening net book amount	6,570,958	2,883,983	38,826	--	9,493,767
Additions	--	120,600	--	--	120,600
Disposal	--	--	--	--	--
Transfers to intangible assets	--	(1,055,680)	--	--	(1,055,680)
Depreciation charge	(169,145)	(266,622)	(9,707)	--	(445,474)
Closing net book amount	<u>6,401,813</u>	<u>1,682,281</u>	<u>29,119</u>	<u>--</u>	<u>8,113,213</u>
At 31 December 2017					
Cost	8,457,288	6,289,576	155,000	--	14,901,864
Accumulated depreciation	(2,055,475)	(4,607,295)	(125,881)	--	(6,788,651)
Closing net book amount	<u>6,401,813</u>	<u>1,682,281</u>	<u>29,119</u>	<u>--</u>	<u>8,113,213</u>
Year ended 31 December 2018					
Opening net book amount	6,401,813	1,682,281	29,119	--	8,113,213
Additions	--	104,220	--	64,925	169,145
Disposal	--	--	--	--	--
Transfers to intangible assets	--	--	--	--	--
Depreciation charge	(169,145)	(230,185)	(7,281)	--	(406,611)
Closing net book amount	<u>6,232,668</u>	<u>1,556,316</u>	<u>21,838</u>	<u>64,925</u>	<u>7,875,747</u>
At 31 December 2018					
Cost	8,457,288	6,393,796	155,000	64,925	15,071,009
Accumulated depreciation	(2,224,620)	(4,837,480)	(133,162)	--	(7,195,262)
Closing net book amount	<u>6,232,668</u>	<u>1,556,316</u>	<u>21,838</u>	<u>64,925</u>	<u>7,875,747</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

5 Intangible assets	Computer software \$
At 31 December 2016	
Cost	2,830,257
Accumulated amortisation	<u>(2,254,724)</u>
Net book amount	<u><u>575,533</u></u>
Year ended 31 December 2017	
Opening net book amount	575,533
Additions	877,062
Disposals	(9,036)
Transfers from property and equipment	1,055,680
Amortisation charge	<u>(770,066)</u>
Closing net book amount	<u><u>1,729,173</u></u>
At 31 December 2017	
Cost	4,011,497
Accumulated amortisation	<u>(2,282,324)</u>
Net book amount	<u><u>1,729,173</u></u>
Year ended 31 December 2018	
Opening net book amount	1,729,173
Work in progress	20,648
Disposals	--
Transfers from property and equipment	--
Amortisation charge	<u>(576,391)</u>
Closing net book amount	<u><u>1,173,430</u></u>
At 31 December 2018	
Cost	4,032,146
Accumulated amortisation	<u>(2,858,716)</u>
Net book amount	<u><u>1,173,430</u></u>



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

6 Financial assets

6a Financial assets at fair value through profit and loss

	2018 \$	2017 \$
Ansa Merchant Bank Limited – TTD Income Fund	95,737	--
Caribbean Information and Credit Rating Agency Limited (CariCRIS)	81,308	--
	<u>177,045</u>	<u>--</u>

The shares in Caribbean Information and Credit Rating Agency Limited (50,000 ordinary shares of US \$1 each) are stated at cost less impairment, as there is no active market for these shares and no reliable estimate of fair value.

6b Financial assets at amortised cost

	2018 \$	2017 \$
Government of Trinidad and Tobago (7.75% FRB 2017)	52,000	--
Government of Trinidad and Tobago (3.80% FRB 2022)	7,892,000	--
Government of Trinidad and Tobago (4.10% FRB 2025)	2,988,000	--
Government of Trinidad and Tobago (3.85% FRB 2029)	4,602,477	--
Trinidad and Tobago Mortgage Finance Company Limited (3.50% FRB 2019)	4,962,500	--
Trinidad and Tobago Mortgage Finance Company Limited (3.75% FRB 2020)	4,958,000	--
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	4,965,000	--
Guardian Holdings Limited (4.22% LOAN 2018)	5,024,103	--
HMB 3.5% Bond 2023	5,020,616	--
HMB 4.75% Bond 2025	3,300,000	--
NIF 4.5% Bond 2023	3,139,000	--
NIF 5.7% Bond 2030	7,956,000	--
Provision for estimated credit loss bonds	(58,934)	--
	<u>54,800,762</u>	<u>--</u>

The Group recognises provisions for losses for bonds using the Expected Credit Loss (ECL) model. The Group considers the probability of default upon initial recognition of the bond and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the bond as at the reporting date with the risk of default as at the date of initial recognition. A significant increase in credit risk is presumed if the bond issuer's credit rating has been downgraded from investment grade to non-investment grade.

A default on a bond occurs when the issuer has missed a payment of principal or interest or has announced its intention to suspend payments on part or all of its financial obligations.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

6 Financial assets (continued)

6b Financial assets at amortised cost (continued)

A summary of the staging categories, definitions and basis for ECL recognition is as follows:

Category	Definition	Basis for recognition of expected credit loss provision
Performing (Stage 1)	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming (Stage 2)	Financial assets for which there is a significant increase in credit risk since origination	Lifetime expected losses
Non-performing (Stage 3)	The financial asset is in default.	Lifetime expected losses

Over the term of the financial asset, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of financial assets and adjusts for forward looking macroeconomic data.

	2018 \$	2017 \$
The following is a movement analysis of the ECL provision		
Balance at beginning of the year as reported under IAS 39	--	--
Amounts restated through opening retained earnings	(40,637)	--
Opening ECL under IFRS 9	(40,637)	--
Net changes to provisions during the year	(18,297)	--
	(58,934)	--
Effective ECL loss rate	0.108%	--

6c Available-for-sale financial assets – under IAS 39

Ansa Merchant Bank Limited – TTD Income Fund	--	95,737
Caribbean Information and Credit Rating Agency Limited (CariCRIS)	--	81,308
Government of Trinidad and Tobago (3.80% FRB 2022)	--	7,987,722
Government of Trinidad and Tobago (7.75% FRB 2024)	--	61,041
Government of Trinidad and Tobago (4.10% FRB 2025)	--	3,028,867
Government of Trinidad and Tobago (3.85% FRB 2029)	--	4,678,751
Trinidad and Tobago Mortgage Finance Company Limited (3.50% FRB 2019)	--	5,015,068
Trinidad and Tobago Mortgage Finance Company Limited (3.75% FRB 2020)	--	5,044,734



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Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

6 Financial assets (continued)

6c Available-for-sale financial assets – under IAS 39	2018 \$	2017 \$
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	--	5,243,643
Guardian Holdings Limited (4.22% LOAN 2018)	--	5,098,991
	<u> </u>	<u> </u>
	<u> </u>	<u>36,335,862</u>

7 Trade and other receivables

Trade receivables	2,706,455	3,255,640
Less: expected credit loss on receivables	(14,509)	--
Trade receivables – net	<u>2,691,946</u>	<u>3,255,640</u>
Prepayments	385,421	382,669
Interest receivable	1,168,556	553,440
Other receivables	19,110	36,795
	<u>4,265,033</u>	<u>4,228,544</u>

As of 31 December 2018, trade receivables of \$1,399,341 (2017: \$2,132,025) were fully performing.

As of 31 December 2018, trade receivables of \$717,046 (2017: \$1,123,615) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of trade receivables that are past due but not impaired is as follows:

Up to 3 months	465,639	220,296
3 to 6 months	52,460	78,577
More than 6 months	199,038	824,742
Total	<u>717,137</u>	<u>1,123,615</u>

The following is a movement analysis of the ECL provision

Balance at beginning of the year as reported under IAS 39	--	--
Amounts restated through opening retained earnings	(29,336)	--
Opening ECL under IFRS 9	(29,336)	--
Net changes to provisions during the year	14,827	--
	<u>(14,509)</u>	<u> </u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

8 Cash on deposit	2018 \$	2017 \$
Trinidad and Tobago Unit Trust Corporation - TTD Income Fund	2,345,771	5,608,227
Trinidad and Tobago Unit Trust Corporation - USD Income Fund	3,926,424	7,844,535
Guardian Asset Management Limited - TTD Monthly Income Fund	8,763,840	9,592,457
Guardian Asset Management Limited - USD Monthly Income Fund	7,501,390	3,400,787
Republic Bank Limited - TTD Money Market Fund	2,180,705	900,705
Ansa Merchant Bank Limited - TTD Secured Fund	56,340	56,340
First Citizens Bank Limited - Abercrombie Fund	102,516	469,498
	<u>24,876,986</u>	<u>27,872,549</u>

These accounts are interest bearing and can be withdrawn at any time.

9 Stated capital		
Authorised		
An unlimited number of common shares of no par value		
Issued		
Common shares (1,545,600 shares of no par value)	<u>8,326,655</u>	<u>8,326,655</u>

10 Deferred tax liability

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The deferred tax liability and deferred tax expense in the income statement are attributable to the following:

	Opening balance \$	Charge for the year (Note 16) \$	Closing balance \$
Year ended 31 December 2017			
Accelerated tax depreciation	227,226	12,068	239,924
Net deferred tax	<u>227,226</u>	<u>12,068</u>	<u>239,924</u>
Year ended 31 December 2018			
Accelerated tax depreciation	239,294	15,576	254,870
Net deferred tax	<u>239,294</u>	<u>15,576</u>	<u>254,870</u>

11 Trade and other payables	2018 \$	2017 \$
Trade creditors	838,745	1,023,597
Fees/subscriptions paid in advance	387,943	128,638
Other payables and accrued charges	<u>2,502,990</u>	<u>1,582,388</u>
	<u>3,729,678</u>	<u>2,734,623</u>



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

12 Fees, commissions and charges	2018 \$	2017 \$
Listing and membership fees	8,040,330	4,535,785
Customer transaction charges	18,726,450	11,168,135
Commission rebates	520,314	381,868
Registrar fees	2,745,644	2,599,344
Bond income	997,150	1,104,501
Euroclear income	247,128	224,296
Other income	<u>4,765,923</u>	<u>942,921</u>
	<u>36,042,939</u>	<u>20,956,850</u>

Listing fees are based on the value of the average month end market capitalisation of the traded stocks.

Membership fees are annual fees for listed companies, brokers and institutional investors.

Transaction charges are calculated at a rate of 0.18% of the transaction cost for shares traded by member firms. Commission rebates are calculated as 2% of broker commissions.

Registrar fees are derived from a fixed charge and a variable component based on the number of corporate actions in the year per client company.

Other income is mainly derived from fees earned on depository activities such as pledges, releases, withdrawals, inter and intra movements, and other miscellaneous income.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

13 Expenses	2018 \$	2017 \$
<i>Administrative expenses</i>		
Audit	204,977	228,262
Legal and professional fees	<u>734,161</u>	<u>760,030</u>
	<u>939,138</u>	<u>988,292</u>
<i>Marketing expenses</i>		
Advertising	22,974	40,445
Investor awareness	<u>41,987</u>	<u>25,436</u>
	<u>64,961</u>	<u>65,881</u>
<i>Operating expenses</i>		
Salaries	7,434,006	7,690,118
Information technology expenses	2,337,619	2,348,396
Depreciation	406,611	445,474
Amortisation	576,391	770,066
Directors' fees	958,210	971,710
Education and training	76,716	250,714
Insurance	234,872	244,624
Office expense	581,889	695,693
Rental expense	195,371	160,464
Building maintenance	468,928	460,672
Regulatory fee	1,468,661	871,832
Telephone and connectivity	332,087	288,731
Euroclear charges	212,568	186,935
Loss on disposal of intangible assets	--	9,036
Other expenses	589,698	537,412
Forex loss	<u>16,803</u>	<u>--</u>
	<u>15,890,430</u>	<u>15,931,877</u>
14 Investment income		
Interest income	<u>2,253,110</u>	<u>1,484,474</u>

15 Profit before taxation

The following items have been charged in arriving at profit before taxation:

Staff costs (Note 17)	7,434,006	7,690,118
Directors' fees	958,210	971,710
Depreciation	406,610	445,474
Amortisation	<u>576,391</u>	<u>770,066</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

16 Taxation	2018 \$	2017 \$
Current tax	6,355,155	1,398,097
Deferred tax (Note 10)	15,576	12,068
Green fund levy	<u>114,562</u>	<u>66,569</u>
	<u>6,485,293</u>	<u>1,476,734</u>
<p>The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:</p>		
Profit before taxation	<u>21,398,050</u>	<u>5,455,274</u>
Tax calculated at 25%	--	250,000
Tax calculated at 30%	6,419,415	1,336,582
Effect of change in tax rate	--	(50,000)
Income not subject to tax	(116,019)	(139,681)
Expenses not deductible for tax purposes	5,617	3,319
Additional allowance for expenses	(11,507)	(37,607)
Green fund levy	114,562	66,569
Other permanent differences	<u>73,225</u>	<u>47,552</u>
	<u>6,485,293</u>	<u>1,476,734</u>
17 Staff costs		
Salaries and benefits	6,986,213	7,242,047
Pension costs	<u>447,793</u>	<u>448,071</u>
	<u>7,434,006</u>	<u>7,690,118</u>
Average number of employees	<u>30</u>	<u>24</u>

18 Pension plan

On 1 January 1993, the Group implemented a defined contribution pension plan covering substantially all their employees. The policy of the Group is to fund pension costs to a maximum of 10% of each employee's annual salary. The Group's portion of the contribution which has been charged to the income statement is disclosed in Note 17.

19 Financial risk management

a. Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Risk is managed through a process of ongoing identification and monitoring. The Group's overall risk management programme seeks to minimise the potential adverse effect on the Group's financial performance.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

19 Financial risk management (continued)

a. *Financial risk factors (continued)*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board's risk management mandate is carried out through the Audit committee, Capital Market Development and Investment committee and Regulatory Committee. Day to day adherence to risk principles is carried out by the Executive Management of the Group.

(i) *Market risk*

The Group is inherently exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors.

(a) *Foreign exchange risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group operates primarily in the Trinidad and Tobago market and, with the exception of the US\$ Income Fund Account held at the Trinidad and Tobago Unit Trust Corporation, is not subject to significant foreign currency risk.

At 31 December 2018, if the currency had weakened/strengthened by 3% against the US dollar with all other variables held constant, post tax profit for the year would have been \$29,448 (2017: \$176,502) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated balances.

(b) *Price risk*

The Group has very limited exposure to price risk as it does not hold any significant investments in equities and commodities.

(c) *Cash flow and fair value interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The impact of interest rate changes is immaterial.

(ii) *Credit risk*

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. This risk is not significant as the majority of the Group's receivables are from shareholders of the parent company.

With respect to credit risk arising from other financial assets of the Group, investments and Cash on Deposits are only placed with reputable financial institutions.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

19 Financial risk management (continued)

a. Financial risk factors (continued)

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within one year \$	One to ten years \$
As at 31 December 2018		
Liabilities		
Trade and other payables	3,729,678	--
As at 31 December 2017		
Liabilities		
Trade and other payables	2,734,623	--

b. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

c. Fair value estimation

The carrying amount of short-term financial assets and liabilities comprising cash equivalents, trade and other receivables, and trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

20 Fair values of financial assets and liabilities

Financial assets and liabilities not carried at fair value include cash equivalents, trade and other receivables, and trade and other payables. These amounts are short term in nature and their carrying value approximates their fair value.

The Group adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

20 Fair values of financial assets and liabilities (continued)

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within 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 amortised cost at 31 December 2018.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
- Debt securities	--	54,800,762	--	54,800,762
Financial assets at FVPL				
- Equity securities	95,737	--	81,308	177,045
Total assets	<u>95,737</u>	<u>54,800,762</u>	<u>81,308</u>	<u>54,977,807</u>

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available-for-sale financial assets				
- Debt securities	--	36,158,817	--	36,158,817
- Equity securities	95,737	--	81,308	177,045
Total assets	<u>95,737</u>	<u>36,158,817</u>	<u>81,308</u>	<u>36,335,862</u>

The Level 3 asset relates to shares in Caribbean Information and Credit Rating Agency Limited which are stated at cost less impairment, as there is no active market for these shares and no reliable estimate of fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price and are included in level 1.

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 Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

20 Fair values of financial assets and liabilities (continued)

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

21 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following transactions were carried out with related parties:

	2018 \$	2017 \$
(a) Directors' fees	<u>958,210</u>	<u>971,710</u>
(b) Key management compensation		
Salaries and other short-term employee benefits	1,310,674	1,379,730
post-employment benefits	<u>82,500</u>	<u>82,500</u>
	<u>1,393,174</u>	<u>1,462,230</u>
(c) Transactions with related parties		
Management fees		
The Trinidad and Tobago Stock Exchange Contingency Fund	<u>138,000</u>	<u>138,000</u>
The Trinidad and Tobago Central Depository Settlement Assurance Fund	<u>96,000</u>	<u>96,000</u>

22 Contingent liabilities

There are no contingent liabilities as at 31 December 2018

23 Events after the reporting period

There are no subsequent events.

The Trinidad and Tobago Central Depository Settlement Assurance Fund

Statement of Trustees' Responsibilities

The Trustees are responsible for the following:

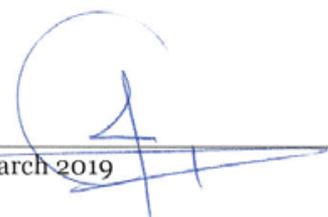
- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Central Depository Settlement Assurance Fund which comprise the statement of financial position as at 31 December 2018 and the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, Trustees utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, Trustees chose those considered most appropriate in the circumstances.

Nothing has come to the attention of Trustees to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

The Trustees affirm that they have carried out their responsibilities as outlined above.


 _____ Trustee
 20 March 2019


 _____ Trustee
 20 March 2019



Independent Auditor's Report

To the Trustees of
The Trinidad and Tobago Central Depository Settlement Assurance Fund

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Central Depository Settlement Assurance Fund (the Fund) as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Independent Auditor's Report (Continued)

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2018 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of trustees' and those charged with governance for the financial statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's Financial Reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

21 March 2019
Port of Spain,
Trinidad, West Indies



The Trinidad and Tobago Central Depository Settlement Assurance Fund

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December	
		2018 \$	2017 \$
Assets			
<i>Non-current assets</i>			
Financial assets at amortised cost	4a	3,283,728	--
Available-for-sale financial assets	4b	--	3,452,924
		<u>3,283,728</u>	<u>3,452,924</u>
<i>Current assets</i>			
Trade and other receivables	5	569,566	306,499
Cash on deposit	6	6,084,195	5,795,294
		<u>6,653,761</u>	<u>6,101,793</u>
Total assets		<u>9,937,489</u>	<u>9,554,717</u>
Equity and accumulated fund			
Revaluation reserve		--	158,149
Accumulated fund		9,691,489	9,264,568
		<u>9,691,489</u>	<u>9,422,717</u>
<i>Current liabilities</i>			
Accrued expenses	7	246,000	132,000
Total equity and liabilities		<u>9,937,489</u>	<u>9,554,717</u>

The notes on pages 76 to 88 are an integral part of these financial statements.

On 20 March 2019, the Trustees of The Trinidad And Tobago Central Depository Settlement Assurance Fund authorised these financial statements for issue.



Trustee



Trustee



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2018 \$	2017 \$
Revenue			
Contributions	8	296,715	142,090
Investment income	9	<u>246,480</u>	<u>231,012</u>
		<u>543,195</u>	<u>373,102</u>
Expenditure			
Audit fees		(18,000)	(18,000)
Management charges	10	(96,000)	(90,776)
Expected credit gain on financial instruments at amortised cost	4	<u>6</u>	<u>--</u>
		(113,994)	(108,776)
Surplus for the year		429,201	264,326
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of available for sale financial assets:			
Unrealised fair value loss recognised in revaluation reserve		<u>--</u>	<u>64,518</u>
Total comprehensive income for the year		<u>429,201</u>	<u>328,844</u>

The notes on pages 76 to 88 are an integral part of these financial statements.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Revaluation reserve \$	Accumulated fund \$	Total \$
Year ended 31 December 2017			
Balance at 1 January 2017	93,631	9,000,242	9,093,873
Total comprehensive income for the year:			
Surplus for the year	--	264,326	264,326
Other comprehensive income	64,518	--	64,518
Balance at 31 December 2017	<u>158,149</u>	<u>9,264,568</u>	<u>9,422,717</u>
Year ended 31 December 2018			
Balance at 1 January 2018	158,149	9,264,568	9,422,717
IFRS 9 initial application adjustments	(158,149)	(2,280)	(160,429)
Total comprehensive income for the year:			
Surplus for the year	--	429,201	429,201
Balance at 31 December 2018	<u>--</u>	<u>9,691,489</u>	<u>9,691,489</u>

The notes on pages 76 to 88 are an integral part of these financial statements.



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Note	Year ended 31 December	
		2018 \$	2017 \$
Cash from operating activities			
Surplus for the year		429,201	264,326
Investment income	9	(246,480)	(231,012)
Expected credit gain - Bonds		(6)	--
		<u>182,715</u>	<u>33,314</u>
Changes in current assets and liabilities			
Increase in trade and other receivables		(247,507)	(239,497)
Increase in accrued expenses		<u>114,000</u>	<u>18,000</u>
Net cash provided by operating activities		<u>49,208</u>	<u>(188,183)</u>
Cash flow from investing activity			
Interest received		<u>239,693</u>	<u>332,647</u>
Net cash provided by investing activity		<u>239,693</u>	<u>332,647</u>
Net increase in cash and cash equivalents		288,901	144,464
Cash and cash equivalents at beginning of year		<u>5,795,294</u>	<u>5,650,830</u>
Cash and cash equivalents at end of year		<u>6,084,195</u>	<u>5,795,294</u>

The notes on pages 76 to 88 are an integral part of these financial statements.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements 31 December 2018

(Expressed in Trinidad and Tobago Dollars)

1 Formation and principal activity

This Fund was established under the Securities Act 1995 to ensure, by way of ex gratia payments, continuity in securities clearing and settlement in the event of the failure to settle a transaction by a participant of The Trinidad and Tobago Central Depository Limited. The above provisions continue to exist under the Securities Act 2012.

2 Summary of significant accounting policies

a. Basis of preparation

(i) Standards and amendments to published standards adopted by the Company

The Company has adopted the following standards effective 1 January 2018

- IFRS 15, 'Revenue from contracts with customers': The Group has determined that there was no impact on its financial statements from the adoption of this standard.
- IFRS 9, 'Financial instruments': The Company has adopted IFRS 9 and all of its related amendments using a date of initial application of 1 January 2018. This has resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in opening retained earnings of the current period.

	Balance at 31 December 2017 (restated) \$	Fair value adjustments \$	Reclass- ifications \$	Expected credit loss adjustments (net of deferred tax) \$	Balance at 1 January 2018 \$
Available-for-sale financial assets	3,452,924	(158,149)	(3,294,775)	--	--
Financial assets at fair value through profit or loss	--	--	--	--	--
Financial assets at amortised cost	--	--	3,294,775	(2,280)	3,292,495
	<u>3,452,924</u>	<u>(158,149)</u>	<u>--</u>	<u>(2,280)</u>	<u>3,292,495</u>
Adjustments to equity:					
- adjustment to retained earnings	9,264,568	--	--	(2,280)	9,262,288
- adjustment to revaluation reserve	158,149	(158,149)	--	--	--
	<u>9,422,717s</u>	<u>(158,149)</u>	<u>--</u>	<u>(2,280)</u>	<u>9,262,288</u>



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted by the Fund*

The following standards and amendments to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 January 2018, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 16	Lease	1 January 2019

The Fund has not yet determined the impact of this new, revised and amended standards on its financial statements.

b. Foreign currency

- (i) *Functional and presentation currency*

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

- (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c. Financial assets

Classification (excluding trade receivables) under IFRS 9 – from 1 January 2018

From 1 January 2018, the Company classifies its financial assets (excluding trade receivables) in the following measurement categories:

- those to be measured at Amortised Cost (AC),

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued) 31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. *Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)*

The classification for debt instruments depends on the entity's Business Model for managing those assets and whether the contractual terms of the cash flows represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All debt instruments meeting both the hold to collect and SPPI criteria are classified at amortised cost.

Debt instruments meeting the hold to collect and sell and SPPI criteria are classified at FVOCI. There are currently no debt instruments in this category. The Company has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Accordingly, there are no equity instruments classified at FVOCI.

All other instruments, including investment funds and equities are carried at FVPL. This is a residual category. Gains and losses on FVPL assets are recorded in profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

(i) Debt instruments (IFRS 9)

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired (POCI) financial assets - assets that are credit-impaired at initial recognition - the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'investment income' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVPL:** Debt instruments which do not meet the criteria for SPPI are measured at FVPL. Investments in this category include investment funds and mutual funds. Gains or losses on FVPL instruments are recognised in profit or loss and are presented net within 'investment income' in the period in which it arises. Distributions from investment and mutual funds are recognised in profit or loss within 'investment income' when the Company's right to receive payments is established.

(ii) Equity instruments

The Company subsequently measures all equity investments at FVPL, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Company's right to receive payments is established.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

(iii) Impairment of debt instruments

From 1 January 2018, the Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.
- Stage 2 – This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted.
- Stage 3 – This category includes instruments that are in default.

The above categories exclude purchased or originated credit-impaired (POCI) financial assets. A financial asset is considered credit-impaired on purchase or origination if there is evidence of impairment at the point of initial recognition (for instance, if it is acquired at a deep discount). POCI financial assets are not included in Stages 1, 2 or 3, and are instead shown as a separate category.

Expected credit loss (ECL) is measured as follows:

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 or that are POCI have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. The Company utilised a probability-weighted assessment of the factors which it believes will have an impact on forward looking rates.

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the 'Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved the use of various PD and LGD tables derived from various publications, including independent rating agencies. These are then applied to individual instruments based on their rating, tenor and staging.



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. *Financial assets under IAS 39 – Up to Dec 2017*

Classification

The Fund classifies its financial assets as trade and other receivables and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

- (i) Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Fund's loans and receivables comprise 'trade and other receivables' in the statement of financial position (Note 2 (e)).
- (ii) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. These investments are initially recognised at cost, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income until the financial assets are derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the statement of comprehensive income. However, interest is calculated using the effective interest method and is recognised in the statement of comprehensive income.

The fair values of quoted investments in active markets are based on current bid prices.

The discount/(premium) on the purchase of a bond is amortised through the statement of comprehensive income using the effective interest rate method.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Impairment of financial assets*

Financial assets carried at fair value

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets carried at fair value is impaired if its carrying amount is greater than its estimated recoverable amount based on the present value of expected future cash flows discounted at the current market rate of interest. If any such evidence exists for financial assets available-for-sale, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is removed and is recognised in the statement of comprehensive income. If in a subsequent period, the fair value of a financial asset classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is reversed through the statement of comprehensive income. Impairment testing of trade receivables is described in note 2.f.

f. *Trade receivables*

Trade receivables are recognised at invoice value, less a provision for impairment. This amount is a reasonable approximation to amortised cost using the effective interest method as the impact of discounting and upfront transaction costs are immaterial due to the short settlement period. Trade receivables are derecognised upon settlement, when the contractual rights to the cash flows from the receivables expire or the Company transfers substantially all risks and rewards of ownership.

There were no changes to the classification and measurement basis for trade receivables upon adoption of IFRS 9. Trade and other receivables are classified as "hold to collect" under IFRS 9, meet the SPPI criteria and are accordingly classified and measured at amortised cost using the aforementioned basis.

Previously under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original term of trade receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments were considered indicators that the trade receivables were impaired.



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. *Trade receivables (continued)*

Previously under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original term of trade receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments were considered indicators that the trade receivables were impaired.

Under IFRS 9, the Company applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles. The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Company employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Group considers both internal data and external macroeconomic data.

The carrying amount of the trade receivable is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

g. *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents includes cash on deposit.

h. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i. *Revenue*

Contributions and investment income are recognised on an accrual basis when the revenue is earned.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

j. *Investment income*

Financial assets under IFRS 9 – from 1 October 2017

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

Financial assets under IAS 39 – up to 30 September 2017

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate. Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. *Measurement of the expected credit loss allowance (IFRS 9)*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of debtors defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued) 31 December 2018

(Expressed in Trinidad and Tobago Dollars)

4 Non current assets	2018 \$	2017 \$
a. <i>Financial asset at amortised cost</i>		
Government of Trinidad and Tobago (6.00% FRB 2031)	<u>3,283,728</u>	<u>--</u>
b. <i>Available-for-sale financial assets</i>		
Government of Trinidad and Tobago (6.00% FRB 2031)	<u>--</u>	<u>3,452,924</u>

The movement in investment securities financial assets at amortised cost may be summarised as follows:

Balance at beginning of the year	3,452,924	3,396,682
IFRS 9 initial adjustment	(158,149)	--
Provision for expected credit loss	(2,274)	--
Amortisation of premium on bond	(8,773)	(8,276)
Fair value gain	<u>--</u>	<u>64,518</u>
Balance at end of year	<u>3,283,728</u>	<u>3,452,924</u>

The following is a movement analysis of the ECL provision

Balance at beginning of the year as reported under IAS 39	--	--
Amounts restated through opening retained earnings	<u>(2,280)</u>	<u>--</u>
Opening ECL under IFRS 9	(2,280)	--
Net changes to provisions during the year	<u>6</u>	<u>--</u>
	<u>(2,274)</u>	<u>--</u>

5 Trade and other receivables

Accounts receivables	42,588	5,700
Other receivables	491,466	280,847
Interest receivable	<u>35,512</u>	<u>19,952</u>
	<u>569,566</u>	<u>306,499</u>

As of 31 December 2018, trade receivables of \$42,588 (2017: \$5,700) were fully performing.

6 Cash on deposit

First Citizens Bank Limited – Abercrombie Fund	<u>6,084,195</u>	<u>5,795,294</u>
--	------------------	------------------

7 Accrued expenses

Due to The Trinidad and Tobago Central Depository Limited	192,000	96,000
Accounts payables and accrued charges	<u>54,000</u>	<u>36,000</u>
	<u>246,000</u>	<u>132,000</u>

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued) 31 December 2018

(Expressed in Trinidad and Tobago Dollars)

8 Contributions

The rules of The Trinidad and Tobago Central Depository Settlement Assurance Fund state that the Fund shall be financed by contributions from broker firms on the following basis:

“One percent (1%) of the Member Companies’ monthly commissions from business conducted on the Stock Exchange during a calendar year. The contribution shall be paid on the Firm’s monthly commissions, but no less than \$100.00 per month is to be submitted”.

9 Investment income

Interest income
Amortisation of premium on bonds

2018 \$	2017 \$
255,253	239,288
<u>(8,773)</u>	<u>(8,276)</u>
<u>246,480</u>	<u>231,012</u>

10 Management fees

The Trustees of the Fund agreed that the Fund should pay The Trinidad and Tobago Central Depository Limited a management fee of 1% per annum on the average value of the fund at year end.

11 Related party transactions

The following transactions were carried out with related parties

(a) Year-end balances arising

Amounts due to The Trinidad and Tobago
Central Depository Limited

192,000 96,000

Amounts due from The Trinidad and Tobago
Central Depository Limited

491,467 280,847

(b) Transactions with related parties

Management charges

96,000 96,000

12 Financial risk management

a. Financial risk factors

The Fund’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Risk is managed through a process of ongoing identification and monitoring. The Fund’s overall risk management programme seeks to minimise the potential adverse effect on the Fund’s financial performance.

The Trustees have overall responsibility for the establishment and oversight of the Fund’s risk management framework. The Trustees’ risk management mandate is principally carried out through the Audit Capital Market Development and Investment and Regulatory Committees of The Trinidad and Tobago Central Depository Limited. Day to day adherence to risk principles is carried out by the Executive Management of The Trinidad and Tobago Central Depository Limited.



The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

12 Financial risk management (continued)

a. *Financial risk factors (continued)*

(i) *Market risk*

The Fund is inherently exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors.

(a) *Foreign exchange risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund operates primarily in the Trinidad and Tobago market and is not subject to significant foreign currency risk.

(b) *Price risk*

The Fund has very limited exposure to price risk as it does not hold any significant investments in equities and commodities.

(c) *Cash flow and fair value interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The impact of interest rate changes is immaterial.

(ii) *Credit risk*

With respect to credit risk arising from financial assets of the Fund, investments are only placed with reputable financial institutions and government of Trinidad and Tobago bonds.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The current financial liabilities relate to audit fees and intercompany payable balances and are not considered significant to the liquidity risk.

b. *Fair value estimation*

The carrying amount of short-term financial assets and liabilities comprising cash on deposit and accrued expenses are a reasonable estimate of their fair values because of the short maturity of these instruments.

13 Fair values of financial assets and liabilities

Financial assets and liabilities not carried at fair value include cash resources and trade and other receivables. These amounts are short term in nature and their carrying value approximates their fair value.

The Fund adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within 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 Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

13 Fair values of financial assets and liabilities (continued)

The following table presents the Fund's financial assets and liabilities that are measured at amortised cost at 31 December 2018.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
- Debt securities	--	3,283,728	--	3,283,728
Total assets	--	3,283,728	--	3,283,728

The following table presents the Fund's financial assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available-for-sale financial assets				
- Debt securities	--	3,452,924	--	3,452,924
Total assets	--	3,452,924	--	3,452,924

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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 financial assets held by the Fund are not traded in an active market. These instruments are included in level 2 and comprise primarily of bond instruments.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

14 Contingent liabilities

There are no contingent liabilities as at 31 December 2018.

15 Events after the reporting period

There are no subsequent events.

The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Trustees' Responsibilities

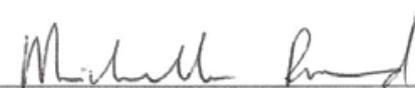
The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Stock Exchange Contingency Fund which comprise the statement of financial position as at 31 December 2018 and the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, Trustees utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, Trustees chose those considered most appropriate in the circumstances.

Nothing has come to the attention of Trustees to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

The Trustees affirm that they have carried out their responsibilities as outlined above.



Trustee
20 March 2019



Trustee
20 March 2019



Independent Auditor's Report

To the Trustees of
The Trinidad and Tobago Stock Exchange Contingency Fund

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Stock Exchange Contingency Fund (the Fund) as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

*PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt*

Independent Auditor's Report (Continued)

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2018 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of trustees' and those charged with governance for the financial statements for the financial statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's Financial Reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Priscilla Marie Cooper

21 March 2019
Port of Spain,
Trinidad, West Indies



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December	
		2018 \$	2017 \$
Assets			
<i>Non-current assets</i>			
Financial assets at amortised cost	4a	5,408,649	--
Available-for-sale financial assets	4b	--	5,686,452
		<u>5,408,649</u>	<u>5,686,452</u>
<i>Current assets</i>			
Trade and other receivables	5	386,986	41,709
Cash on deposit	6	7,840,130	7,514,112
Cash at bank		892,627	892,627
		<u>9,119,743</u>	<u>8,448,448</u>
Total assets		<u>14,528,392</u>	<u>14,134,900</u>
Equity and accumulated fund			
Revaluation reserve		--	260,428
Accumulated fund		14,198,391	13,700,471
		<u>14,198,391</u>	<u>13,960,899</u>
Current liabilities			
Accrued expenses	7	330,001	174,001
Total equity and liabilities		<u>14,528,392</u>	<u>14,134,900</u>

The notes on pages 97 to 108 are an integral part of these financial statements.

On 20 March 2019, the Trustees of The Trinidad and Tobago Stock Exchange Contingency Fund authorised these financial statements for issue.

 Trustee

 Trustee

The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2018 \$	2017 \$
Revenue			
Contributions	8	272,816	142,091
Investment income	9	382,982	379,051
Foreign exchange gain		1,867	1,013
		<u>657,665</u>	<u>522,155</u>
Expenditure			
Audit fees		(18,000)	(18,000)
Management charges	10	(138,000)	(135,855)
Expected credit gain on financial instruments at amortised cost	4	10	--
		<u>(155,990)</u>	<u>(153,855)</u>
Surplus for the year		501,675	368,300
Other comprehensive income for the year			
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of available for sale financial assets			
IFRS 9- Initial application adjustment		(260,428)	--
Unrealised fair value loss recognised in revaluation reserve		--	106,251
		<u>(260,428)</u>	<u>106,251</u>
Total comprehensive income for the year		<u>241,247</u>	<u>474,551</u>

The notes on pages 97 to 108 are an integral part of these financial statements.



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Note	Revaluation reserve \$	Accumulated fund \$	Total \$
Year ended 31 December 2017				
Balance at 1 January 2016		154,177	13,332,171	13,486,348
Total comprehensive income for the year:				
Surplus for the year		--	368,300	368,300
Other comprehensive income	4	106,251	--	106,251
Balance at 31 December 2017		<u>260,428</u>	<u>13,700,471</u>	<u>13,960,899</u>
Year ended 31 December 2018				
Balance at 1 January 2017		260,428	13,700,471	13,960,899
IFRS 9 initial application adjustments		(260,428)	(3,755)	(264,183)
Total comprehensive income for the year:				
Surplus for the year		--	501,675	501,675
Balance at 31 December 2018		<u>--</u>	<u>14,198,391</u>	<u>14,198,391</u>

The notes on pages 97 to 108 are an integral part of these financial statements.

The Trinidad and Tobago Stock Exchange Contingency Fund

Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Note	Year ended 31 December	
		2018 \$	2017 \$
Cash from operating activities			
Surplus for the year		501,675	368,300
Investment income	9	(382,982)	(379,051)
Expected credit gain - Bonds		(10)	--
		<u>118,683</u>	<u>(10,751)</u>
Changes in current assets and liabilities			
(Increase)/decrease in trade and other receivables		(36,888)	41,350
Increase in accrued expenses		<u>156,000</u>	<u>18,001</u>
Net cash provided by operating activities		<u>237,795</u>	<u>48,600</u>
Cash flows from investing activities			
Interest received		<u>88,223</u>	<u>391,257</u>
Net cash provided by investing activities		<u>88,223</u>	<u>391,257</u>
Net increase in cash and cash equivalents		326,018	439,857
Cash and cash equivalents at beginning of year		<u>8,406,739</u>	<u>7,966,882</u>
Cash and cash equivalents at end of year		<u>8,732,757</u>	<u>8,406,739</u>
Represented by:			
Cash on deposit		892,627	7,514,112
Cash at bank		<u>7,840,130</u>	<u>892,627</u>
		<u>8,732,757</u>	<u>8,406,739</u>

The notes on pages 97 to 108 are an integral part of these financial statements.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

1 Formation and principal activity

The Fund was established under the Securities Act 1995 to provide, by way of ex gratia payments, compensation in whole or in part to members of the public incurring loss as a result of default by any member firm of The Trinidad and Tobago Stock Exchange Limited in the conduct of stock exchange business by such member firm on behalf of such member of the public. The above provisions continue to exist under the Securities Act 2012.

2 Summary of significant accounting policies

a. Basis of preparation

i) Standards and amendments to published standards adopted by the Company

The Company has adopted the following standards effective 1 January 2018

- IFRS 15, 'Revenue from contracts with customers': The Group has determined that there was no impact on its financial statements from the adoption of this standard.
- IFRS 9, 'Financial instruments': The Company has adopted IFRS 9 and all of its related amendments using a date of initial application of 1 January 2018. This has resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in opening retained earnings of the current period.

	Balance at 31 December 2017 (restated) \$	Fair value adjustments \$	Reclass- ifications \$	Expected credit loss adjustments (net of deferred tax) \$	Balance at 1 January 2018 \$
Available-for-sale financial assets	5,686,450	(260,428)	(5,426,022)	--	--
Financial assets at fair value through profit or loss	--	--	--	--	--
Financial assets at amortised cost	--	--	5,426,022	(3,755)	(5,422,267)
	<u>5,686,450</u>	<u>(260,428)</u>	<u>--</u>	<u>(3,755)</u>	<u>5,422,267</u>
Adjustments to equity:					
- adjustment to retained earnings	13,700,471	--	--	(3,755)	13,696,716
- adjustment to revaluation reserve	260,428	(260,428)	--	--	--
	<u>13,960,899</u>	<u>(260,428)</u>	<u>--</u>	<u>(3,755)</u>	<u>13,696,716</u>

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- i) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted by the Fund (continued)*

The following standards and amendments to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 January 2018, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 16	Lease	1 January 2019

The Fund has not yet determined the impact of this new, revised and amended standards on its financial statements.

b. Foreign currency

- (i) *Functional and presentation currency*

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

- (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c. Financial assets

Classification (excluding trade receivables) under IFRS 9 – from 1 January 2018

From 1 January 2018, the Company classifies its financial assets (excluding trade receivables) in the following measurement categories:

- those to be measured at Amortised Cost (AC),

The classification for debt instruments depends on the entity's Business Model for managing those assets and whether the contractual terms of the cash flows represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All debt instruments meeting both the hold to collect and SPPI criteria are classified at amortised cost.



The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

Debt instruments meeting the hold to collect and sell and SPPI criteria are classified at FVOCI. There are currently no debt instruments in this category. The Company has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Accordingly, there are no equity instruments classified at FVOCI.

All other instruments, including investment funds and equities are carried at FVPL. This is a residual category. Gains and losses on FVPL assets are recorded in profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

a) Debt instruments (IFRS 9)

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired (POCI) financial assets - assets that are credit-impaired at initial recognition - the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'investment income' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVPL:** Debt instruments which do not meet the criteria for SPPI are measured at FVPL. Investments in this category include investment funds and mutual funds. Gains or losses on FVPL instruments are recognised in profit or loss and are presented net within 'investment income' in the period in which it arises. Distributions from investment and mutual funds are recognised in profit or loss within 'investment income' when the Company's right to receive payments is established

- **Equity instruments**

The Company subsequently measures all equity investments at FVPL, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Company's right to receive payments is established.

Impairment of debt instruments

From 1 January 2018, the Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1** – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.
- **Stage 2** – This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted.
- **Stage 3** – This category includes instruments that are in default.

The above categories exclude purchased or originated credit-impaired (POCI) financial assets. A financial asset is considered credit-impaired on purchase or origination if there is evidence of impairment at the point of initial recognition (for instance, if it is acquired at a deep discount). POCI financial assets are not included in Stages 1, 2 or 3, and are instead shown as a separate category. Expected credit loss (ECL) is measured as follows:

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 or that are POCI have their ECL measured based on expected credit losses on a lifetime basis.



The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. *Financial assets (excluding trade receivables) under IFRS 9 – from 1 January 2018 (continued)*

Impairment of debt instruments (continued)

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. The Company utilised a probability-weighted assessment of the factors which it believes will have an impact on forward looking rates.

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the 'Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved the use of various PD and LGD tables derived from various publications, including independent rating agencies. These are then applied to individual instruments based on their rating, tenor and staging

d. *Financial assets under IAS 39 – Up to Dec 2017*

Classification

The Fund classifies its financial assets as trade and other receivables and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition

- (i) Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Fund's loans and receivables comprise 'trade and other receivables' in the statement of financial position (Note 2 (e)).
- (ii) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. These investments are initially recognised at cost, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income until the financial assets are derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the statement of comprehensive income. However, interest is calculated using the effective interest method and is recognised in the statement of comprehensive income.

The fair values of quoted investments in active markets are based on current bid prices.

The discount/(premium) on the purchase of a bond is amortised through the statement of comprehensive income using the effective interest rate method.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Impairment of financial assets*

Financial assets carried at fair value

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets carried at fair value is impaired if its carrying amount is greater than its estimated recoverable amount based on the present value of expected future cash flows discounted at the current market rate of interest. If any such evidence exists for financial assets available-for-sale, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is removed and is recognised in the statement of comprehensive income. If in a subsequent period, the fair value of a financial asset classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is reversed through the statement of comprehensive income.

Impairment testing of trade receivables is described in note 2.f.

f. *Trade receivables*

Trade receivables are recognised at invoice value, less a provision for impairment. This amount is a reasonable approximation to amortised cost using the effective interest method as the impact of discounting and upfront transaction costs are immaterial due to the short settlement period. Trade receivables are derecognised upon settlement, when the contractual rights to the cash flows from the receivables expire or the Company transfers substantially all risks and rewards of ownership.

There were no changes to the classification and measurement basis for trade receivables upon adoption of IFRS 9. Trade and other receivables are classified as "hold to collect" under IFRS 9, meet the SPPI criteria and are accordingly classified and measured at amortised cost using the aforementioned basis.

Previously under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original term of trade receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments were considered indicators that the trade receivables were impaired.

Previously under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original term of trade receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments were considered indicators that the trade receivables were impaired.

Under IFRS 9, the Company applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles. The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Company employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Group considers both internal data and external macroeconomic data.

The carrying amount of the trade receivable is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.



The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents includes cash on deposit and cash at bank.

h. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i. *Revenue*

Contributions and investment income are recognised on an accrual basis when the revenue is earned.

j. *Investment income*

Financial assets under IFRS 9 – from 1 October 2017

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

Financial assets under IAS 39 – up to 30 September 2017

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate. Other investment income is recognised on an accruals basis based on when the right to receive payment is established.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Measurement of the expected credit loss allowance (IFRS 9)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of debtors defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL

4 Non current assets

a. Financial asset at amortised cost

Government of Trinidad and Tobago (6.00% FRB 2031)

b. Available-for-sale financial assets

Government of Trinidad and Tobago (6.00% FRB 2031)

	2018 \$	2017 \$
	<u>5,408,649</u>	<u>---</u>
	<u>---</u>	<u>5,686,452</u>

The movement in investment securities available-for-sale may be summarised as follows:

Balance at beginning of the year	5,686,452	5,593,830
IFRS 9 initial adjustment	(260,428)	--
Provision for expected credit loss	(3,745)	--
Amortisation of premium on bond	(13,630)	(13,629)
Fair value (loss)	--	106,251
Balance at end of year	<u>5,408,649</u>	<u>5,686,452</u>

The following is a movement analysis of the ECL provision

Balance at beginning of the year as reported under IAS 39	--	--
Amounts restated through opening retained earnings	(3,755)	--
Opening ECL under IFRS 9	(3,755)	--
Net changes to provisions during the year	10	--
	<u>(3,745)</u>	<u>---</u>



The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

5 Trade and other receivables	2018 \$	2017 \$
Accounts receivables	42,588	5,700
Interest receivable	<u>344,398</u>	<u>36,009</u>
	<u>386,986</u>	<u>41,709</u>

As of 31 December 2018, trade receivables of \$42,588 (2017: \$5,700) were fully performing.

6 Cash on deposit	2018 \$	2017 \$
Trinidad and Tobago Unit Trust Corporation - TTD Income Fund	2,256,345	2,228,531
First Citizens Bank Limited – Abercrombie Fund	2,807,475	2,547,920
Republic Bank Limited – Money Market Account	106,906	106,906
Trinidad and Tobago Unit Trust Corporation - USD Income Fund	411,506	406,225
Guardian Asset Management Limited - TTD Monthly Income Fund	<u>2,257,898</u>	<u>2,224,530</u>
	<u>7,840,130</u>	<u>7,514,112</u>

7 Accrued expenses		
Due to The Trinidad and Tobago Stock Exchange Limited	276,000	138,000
Accounts payables and accrued charges	<u>54,001</u>	<u>36,001</u>
	<u>330,001</u>	<u>174,001</u>

8 Contributions

The rules of The Trinidad and Tobago Stock Exchange Contingency Fund state that the Fund shall be financed by contributions from broker firms on the following basis:

“One percent (1%) of the Member Companies’ monthly commissions from business conducted on the Stock Exchange during a calendar year. The contribution shall be paid on the Firm’s monthly commissions, but no less than \$100.00 per month is to be submitted”.

9 Investment income	2018 \$	2017 \$
Interest income	396,611	392,680
Amortisation of premium on bond	<u>(13,629)</u>	<u>(13,629)</u>
	<u>382,982</u>	<u>379,051</u>

10 Management charges

The Trustees of the Fund agreed that the Fund should pay The Trinidad and Tobago Stock Exchange Limited a management fee of 1% per annum on the average value of the fund at year end.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

11 Related party transactions	2018 \$	2017 \$
The following transactions were carried out with related parties		
a. Year-end balances arising		
Amounts due to The Trinidad and Tobago Stock Exchange Limited	<u>276,000</u>	<u>138,000</u>
b. Transactions with related parties		
Management charges	<u>138,000</u>	<u>138,000</u>

12 Financial risk management

a. Financial risk factors

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Risk is managed through a process of ongoing identification and monitoring. The Fund's overall risk management programme seeks to minimise the potential adverse effect on the Fund's financial performance.

The Trustees have overall responsibility for the establishment and oversight of the Fund's risk management framework. The Trustees' risk management mandate is principally carried out through the Audit, Capital Market Development and Investment and Regulatory Committees of The Trinidad and Tobago Stock Exchange Limited. Day to day adherence to risk principles is carried out by the Executive Management of The Trinidad and Tobago Stock Exchange Limited.

(i) Market risk

The Fund is inherently exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund operates primarily in the Trinidad and Tobago market and, with the exception of the US\$ Income Fund Account held at the Trinidad and Tobago Unit Trust Corporation, is not subject to significant foreign currency risk.

(b) Price risk

The Fund has very limited exposure to price risk as it does not hold any significant investments in equities and commodities.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The impact of interest rate changes is immaterial.



The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

12 Financial risk management (continued)

a. *Financial risk factors (continued)*

(ii) *Credit risk*

With respect to credit risk arising from financial assets of the Fund, investments are only placed with highly reputable financial institutions and Government of Trinidad and Tobago bonds.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The current financial liabilities are not considered significant to the liquidity risk.

b. *Fair value estimation*

The carrying amount of short-term financial assets and liabilities comprising cash on deposit, accounts receivable and accrued expenses are a reasonable estimate of their fair values because of the short maturity of these instruments.

13 Fair values of financial assets and liabilities

Financial assets and liabilities not carried at fair value include cash resources and trade and other receivables. These amounts are short term in nature and their carrying value approximates their fair value.

The Fund adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within 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 Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Financial Statements (continued)

31 December 2018

(Expressed in Trinidad and Tobago Dollars)

13 Fair values of financial assets and liabilities (continued)

The following table presents the Fund's financial assets and liabilities that are measured at amortised cost at 31 December 2018.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
- Debt securities	--	5,408,649	--	5,408,649
Total assets	--	5,408,649	--	5,408,649

The following table presents the Fund's financial assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available-for-sale financial assets				
- Debt securities	--	5,686,452	--	5,686,452
Total assets	--	5,686,452	--	5,686,452

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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 financial assets held by the Fund are not traded in an active market. These instruments are included in level 2 and comprise primarily of bond instruments.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

14 Contingent liabilities

There are no contingent liabilities as at 31 December 2018.

15 Events after the reporting period

There are no subsequent events.

APPENDICES

TTSE MONTHLY INDEX VALUES

	Banking				Conglomerates				Property			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	1,029.65	1,034.36	1,021.23	1,029.48	2,749.70	2,809.38	2,740.55	2,766.39	159.07	159.07	158.65	158.80
Feb	1,029.46	1,031.64	1,026.77	1,029.72	2,732.26	2,781.66	2,727.77	2,746.18	159.07	159.49	159.07	159.21
Mar	1,033.08	1,033.08	1,027.85	1,029.92	2,710.30	2,734.33	2,710.30	2,728.54	159.07	159.07	159.07	159.07
Apr	985.46	1,032.95	980.73	1,002.18	2,690.19	2,710.30	2,689.42	2,694.90	159.07	159.07	159.07	159.07
May	999.62	1,004.60	980.26	996.85	2,662.33	2,693.90	2,658.67	2,675.75	159.07	159.07	159.07	159.07
Jun	991.45	998.88	987.25	993.40	2,613.01	2,661.90	2,549.02	2,628.69	159.07	160.32	159.07	159.14
Jul	993.42	993.42	975.66	983.04	2,532.04	2,624.59	2,513.66	2,587.10	154.48	159.07	154.48	157.34
Aug	1,016.58	1,019.20	999.28	1,008.20	2,543.56	2,584.03	2,532.04	2,570.15	154.48	154.48	154.48	154.48
Sep	994.97	996.27	988.12	994.08	2,526.69	2,572.82	2,513.71	2,531.92	151.14	154.48	151.14	154.30
Oct	1,010.98	1,021.06	993.12	1,005.16	2,521.26	2,594.17	2,514.43	2,543.67	151.97	151.97	151.14	151.28
Nov	1,071.26	1,071.26	1,011.31	1,028.56	2,502.80	2,548.65	1,131.64	2,460.45	153.64	153.64	151.14	152.03
Dec	1,110.10	1,121.61	1,094.91	1,108.09	2,529.33	2,561.98	2,494.67	2,532.15	154.48	154.48	153.64	154.44

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	Manufacturing I				Manufacturing II				Trading			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	2,186.58	2,313.82	2,145.77	2,198.62	413.64	423.61	413.64	415.81	187.12	189.42	187.12	188.76
Feb	2,177.42	2,185.79	2,177.38	2,180.10	389.71	414.63	389.71	397.41	185.03	187.12	184.97	186.04
Mar	2,186.66	2,187.06	2,177.42	2,182.11	300.24	389.98	300.24	346.33	187.63	187.63	185.03	186.43
Apr	2,189.42	2,190.30	2,141.49	2,185.94	302.23	327.16	290.26	300.19	187.37	187.37	187.35	187.36
May	2,177.56	2,202.00	2,177.56	2,192.29	345.11	345.11	302.23	325.30	187.35	189.01	187.35	187.82
Jun	2,176.00	2,177.98	2,176.00	2,177.35	345.11	345.11	330.15	340.38	187.60	188.08	187.35	187.66
Jul	2,153.91	2,176.54	2,139.42	2,153.53	335.14	345.11	330.15	334.91	187.60	187.60	187.51	187.57
Aug	2,142.48	2,170.38	2,142.48	2,157.87	330.15	335.14	330.15	331.58	187.69	187.69	187.60	187.68
Sep	2,144.92	2,148.70	2,131.36	2,137.49	323.17	330.15	310.21	317.50	185.25	187.88	176.45	183.72
Oct	2,152.77	2,161.64	2,135.77	2,152.19	305.22	326.16	300.24	312.72	187.78	187.78	185.00	185.30
Nov	2,205.82	2,216.43	2,144.29	2,193.26	303.23	312.20	296.25	305.60	184.56	187.78	184.56	186.74
Dec	2,204.14	2,212.76	2,200.42	2,206.47	313.20	313.20	303.23	307.64	186.92	187.87	185.40	186.37

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	Energy				Non-Banking Finance				Composite			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	134.20	137.55	130.00	133.10	1,108.44	1,108.51	1,086.53	1,100.23	1,272.53	1,277.82	1,264.32	1,272.86
Feb	135.55	135.55	132.60	134.72	1,103.19	1,109.32	1,097.74	1,103.38	1,268.82	1,275.08	1,267.47	1,270.40
Mar	135.85	145.00	135.55	139.11	1,084.37	1,112.46	1,084.37	1,099.49	1,263.93	1,271.71	1,262.83	1,267.85
Apr	139.00	139.45	136.25	137.80	1,075.61	1,095.77	1,075.61	1,085.73	1,230.48	1,264.14	1,227.62	1,243.03
May	145.25	145.30	140.00	144.75	1,114.88	1,114.88	1,065.23	1,082.98	1,247.10	1,247.10	1,226.70	1,240.79
Jun	149.90	149.90	145.25	146.55	1,091.41	1,114.88	1,085.14	1,094.10	1,235.23	1,242.32	1,230.49	1,237.19
Jul	148.75	149.90	147.80	148.62	1,090.06	1,094.82	1,078.84	1,091.01	1,228.57	1,234.14	1,217.98	1,225.67
Aug	147.70	150.55	147.70	149.77	1,053.11	1,084.54	1,053.11	1,067.27	1,237.16	1,245.65	1,230.92	1,237.42
Sep	145.55	147.50	145.00	145.99	1,045.48	1,054.08	1,041.66	1,047.63	1,219.43	1,223.10	1,214.12	1,218.85
Oct	147.45	147.50	145.55	146.63	1,026.50	1,052.10	1,026.50	1,044.74	1,226.91	1,240.53	1,217.96	1,227.54
Nov	145.65	148.05	145.65	147.04	1,084.99	1,084.99	1,003.00	1,029.39	1,278.09	1,278.09	1,226.21	1,241.81
Dec	145.50	146.30	145.50	146.04	1,063.52	1,078.91	1,057.95	1,067.84	1,302.48	1,310.21	1,292.45	1,302.08

(Base Value: October 19, 2015 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	All T & T				Cross Listed				SME			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	1,703.77	1,727.38	1,703.77	1,709.77	113.53	113.61	110.32	112.79				
Feb	1,700.23	1,707.08	1,699.42	1,702.73	113.00	113.77	112.69	113.09				
Mar	1,698.91	1,703.85	1,694.71	1,699.68	111.83	113.62	111.58	112.81				
Apr	1,697.49	1,700.40	1,687.52	1,696.44	102.75	111.83	102.44	106.38				
May	1,728.54	1,732.17	1,698.42	1,719.20	102.99	104.57	99.00	102.55				
Jun	1,727.37	1,732.30	1,720.15	1,725.79	99.85	102.68	99.14	100.62				
Jul	1,710.29	1,727.40	1,708.97	1,719.01	100.38	100.38	96.79	98.36				
Aug	1,701.30	1,718.84	1,701.30	1,712.67	104.01	104.71	100.54	102.50				
Sep	1,691.18	1,696.74	1,688.34	1,691.02	100.51	101.51	99.26	100.37				
Oct	1,694.95	1,710.53	1,689.27	1,697.78	102.06	104.46	99.95	101.83				
Nov	1,691.10	1,715.01	1,683.91	1,695.56	116.79	116.79	102.20	106.11	100.00	100.00	100.00	100.00
Dec	1,705.17	1,706.40	1,675.41	1,698.14	121.57	124.87	119.74	122.45	100.00	100.00	100.00	100.00

(Base Value: January 05, 1999 = 453.56)

(Base Value: June 02, 2008 = 100)

(Base Value: November 21, 2018 = 100)



TTSE INDEX VALUES 2014 - 2018

SECTORS	YEAR														
	Close	2018 High	Low	Close	2017 High	Low	Close	2016 High	Low	Close	2015 High	Low	Close	2014 High	Low
Banking	1,110.10	1,121.61	975.66	1,010.48	1,021.67	881.09	894.87	894.87	786.10	792.17	799.72	772.08	782.05	860.85	766.72
Conglomerates	2,529.33	2,809.38	1,131.64	2,766.06	2,900.69	2,696.70	2,866.10	2,879.80	2,569.07	2,812.30	2,890.78	2,793.58	2,884.75	2,894.77	2,754.47
Property	154.48	160.32	151.14	164.50	169.09	146.13	154.48	169.09	146.54	163.66	169.93	146.13	156.56	175.35	144.04
Manufacturing I	2,204.14	2,313.82	2,131.36	2,322.46	2,916.21	2,315.13	2,921.16	2,957.68	2,865.46	2,945.23	2,977.32	2,824.20	2,846.20	3,658.03	2,598.66
Manufacturing II	313.20	423.61	290.26	414.63	589.12	414.63	479.43	479.43	343.33	459.56	533.21	293.97	315.77	367.85	261.57
Trading	186.92	189.42	176.45	189.42	189.42	112.50	170.82	171.04	163.15	163.82	169.62	161.13	162.59	162.97	159.96
Energy	145.50	150.55	130.00	132.50	137.85	101.50	105.00	123.75	91.25	107.50	125.00	105.00	-	-	-
Non-Banking Finance	1,063.52	1,114.88	1,003.00	1,091.14	1,122.77	987.20	985.84	1,125.79	891.89	1,116.50	1,157.61	1,097.83	1,138.56	1,232.55	1,138.56
Composite	1,302.48	1,310.21	1,214.12	1,266.35	1,296.28	1,206.29	1,209.53	1,209.53	1,106.32	1,162.30	1,167.60	1,141.54	1,150.91	1,992.43	1,137.74
All T&T	1,705.17	1,732.30	1,675.41	1,728.75	1,840.78	1,721.95	1,834.23	1,943.99	1,752.45	1,948.50	1,987.65	1,945.30	1,983.18	2,032.53	1,197.97
Cross Listed	121.57	124.87	96.79	108.38	112.99	78.58	78.17	78.17	49.61	49.51	50.04	41.11	41.72	50.79	39.78
SME ¹	100.00	100.00	100.00												

1. CinemaOne Limited was listed on November 21st, 2018, this represents the first listing in the SME market

FIRST TIER MARKET CAPITALISATION BY SECTOR

Sector	2018 Number of Securities	2018 Market Capitalisation	2017 Number of Securities	2017 Market Capitalisation	Market Capitalisation YOY %Δ
Banking	5	71,451,051,989	5	65,032,125,316	9.87
Conglomerates	3	17,169,952,193	3	18,776,656,650	(8.56)
Property	1	146,615,031	1	156,125,195	(6.09)
Manufacturing I	6	13,388,121,062	6	14,106,818,861	(5.09)
Manufacturing II	3	1,176,724,369	3	1,557,832,738	(24.46)
Trading	3	2,090,055,289	3	2,117,993,933	(1.32)
Energy	1	3,378,510,000	1	3,076,650,000	9.81
Non-Banking Finance *	5	17,885,119,960	5	18,344,215,931	(2.50)
Non-Sector	3	11,290,123	3	12,212,576	(7.55)
Total	30	126,697,440,016	30	123,180,631,200	2.86

* Effective October 02nd, 2017, all outstanding publicly traded shares in Scotia Investment Jamaica Limited (SIJL), except those held by Scotia Group Jamaica Limited, were cancelled pursuant to its Scheme of Arrangement (SOA). SIJL was de-listed from the TTSE effective February 21st, 2018.

FIRST TIER MARKET ACTIVITY

Year	Listed Companies (c) and Securities (s)	Total Trading Days	Total Trades	Total Volume	Total Value (TT\$)	Average Daily Trades	Average Daily Volume	Average Daily Value	Market Capitalisation (TT\$)	Composite Index	Change	Change %
1997	25 (c) 28 (s)	150	7,679	100,300,341	843,115,127	51	668,669	5,620,768	19,636,860,258	352.27	184.86	110.42
1998	26 (c) 29 (s)	151	7,369	102,768,057	1,113,964,926	49	680,583	7,377,251	24,984,066,595	436.30	84.03	23.85
1999	28 (c) 31 (s)	149	5,808	73,516,051	594,009,095	39	493,396	3,986,638	27,513,523,050	417.47	-18.83	-4.32
2000	28 (c) 31 (s)	150	6,572	80,158,768	869,774,370	44	534,392	5,798,496	29,332,555,338	441.50	24.03	5.76
2001	30 (c) 33 (s)	146	6,609	122,180,491	1,044,955,227	45	836,853	7,157,228	31,767,643,423	434.19	-7.31	-1.66
2002	30 (c) 33 (s)	149	8,092	96,498,979	1,059,900,456	54	647,644	7,113,426	48,099,254,282	545.56	111.37	25.65
2003	32 (c) 35 (s)	147	16,690	409,624,427	2,303,219,953	114	2,786,561	15,668,163	67,979,578,930	694.13	148.57	27.23
2004	34 (c) 37 (s)	152	34,946	311,847,113	3,015,804,261	230	2,051,626	19,840,818	107,560,051,144	1,074.63	380.51	54.82
2005	34 (c) 37 (s)	150	32,316	193,566,312	3,918,052,120	215	1,290,442	26,120,347	107,503,692,803	1,067.38	-7.26	-0.68
2006	33 (c) 36 (s)	152	20,772	219,037,326	2,463,295,073	137	1,441,035	16,205,889	96,838,327,828	969.17	-98.21	-9.20
2007	33 (c) 36 (s)	146	17,743	119,312,166	2,138,198,361	122	817,207	14,645,194	98,177,260,373	982.03	12.87	1.33
2008	34 (c) 37 (s)	223	22,053	134,966,550	2,191,000,400	99	605,231	9,825,114	76,432,853,796	842.93	-139.10	-14.16
2009	33 (c) 36 (s)	248	9,884	76,910,642	1,474,220,757	40	310,124	5,944,439	70,576,108,729	765.28	-77.65	-9.21
2010	32 (c) 35 (s)	247	8,496	77,562,327	864,540,527	34	314,018	3,500,164	77,780,923,234	835.64	70.36	9.19
2011	31 (c) 34 (s)	246	9,200	564,087,946	1,029,002,725	37	2,293,040	4,182,938	94,471,326,738	1,012.87	177.23	21.21
2012	28 (c) 30 (s)	241	8,778	50,677,836	746,604,402	36	210,281	3,097,944	97,354,943,270	1,064.98	52.11	5.14
2013	29 (c) 32 (s)	248	11,595	97,984,389	1,105,243,367	47	395,098	4,456,626	114,000,942,831	1,185.05	120.07	11.27
2014	28 (c) 31 (s)	246	11,643	91,559,129	1,115,708,421	47	372,192	4,535,400	109,710,888,814	1,150.91	-34.14	-2.88
2015	29 (c) 32 (s)	249	11,009	78,163,210	1,152,931,323	44	313,908	4,630,246	113,475,853,006	1,162.30	11.39	0.99
2016	28 (c) 31 (s)	247	10,519	91,975,523	951,852,647	43	372,371	3,853,654	118,283,057,986	1,209.53	47.23	4.06
2017	28 (c) 31 (s)	242	11,221	84,550,274	1,024,708,791	46	349,381	4,234,334	123,180,631,200	1,266.35	56.82	4.70
2018	27 (c) 30 (s)	246	11,721	72,333,637	1,148,363,861	48	294,039	4,668,146	126,697,440,016	1,302.48	36.13	2.85
TOTAL		4,325	290,715	3,249,581,494	32,168,466,190							

NOTES:

- The Composite Index was rebased on January 01, 1983.
- Pursuant to Scotia Investment Jamaica Limited's (SIJL) Scheme of Arrangement (SOA), all outstanding and publicly traded shares in SIJL (except those held by Scotia Group Jamaica Limited) were cancelled effective October 02, 2017 and was de-listed from the TTSE effective February 21, 2018. As such, SIJL was excluded in the market capitalization total as at the end of 2017.

LISTED COMPANIES INFORMATION 2018

SECURITY	Symbol	Issued Share Capital ¹	Capitalisation Value (\$'000) ¹	Financial Year End
FIRST TIER MARKET				
BANKING				
FirstCaribbean International Bank Limited ⁶	FCI	1,577,094,570	13,105,655,877	31-Oct
First Citizens Bank Limited	FIRST	251,353,562	8,538,480,501	30-Sep
NCB Financial Group Limited ⁸	NCBFG	2,466,762,828	21,041,486,923	30-Sep
Republic Financial Holdings Limited	RFHL	162,552,142	17,435,342,751	30-Sep
Scotiabank Trinidad & Tobago Limited	SBTT	176,343,750	11,330,085,938	31-Oct
CONGLOMERATES				
ANSA Mc Al Limited ^{3,4}	AMCL	176,197,617	9,690,868,935	31-Dec
GraceKennedy Limited ¹⁰	GKC	994,886,892	2,885,171,987	31-Dec
Massy Holdings Ltd.	MASSY	97,742,793	4,593,911,271	30-Sep
PROPERTY				
Point Lisas Industrial Port Development Corporation Limited ³	PLD	39,625,684	146,615,031	31-Dec
MANUFACTURING I				
Angostura Holdings Limited ^{3,4}	AHL	206,277,630	3,271,563,212	31-Dec
Guardian Media Limited ^{3,4}	GML	40,000,000	600,000,000	31-Dec
National Flour Mills Limited ³	NFM	120,200,000	198,330,000	31-Dec
One Caribbean Media Limited ^{3,4}	OCM	66,499,801	684,282,952	31-Dec
Unilever Caribbean Limited ^{3,4}	UCL	26,243,832	603,345,698	31-Dec
The West Indian Tobacco Company Limited ^{3,4}	WCO	84,240,000	8,030,599,200	31-Dec
MANUFACTURING II				
Berger Paints Trinidad Limited ²	BER	5,161,444	21,936,137	31-Dec
Readymix (West Indies) Limited ³	RML	12,000,000	132,000,000	31-Dec
Trinidad Cement Limited	TCL	374,647,704	1,022,788,232	31-Dec
TRADING				
Agostini's Limited	AGL	69,103,779	1,617,028,429	30-Sep
L.J. Williams Limited Ordinary 'B' ^{3,4}	LJWB	19,742,074	14,806,556	31-Mar
Prestige Holdings Limited ⁴	PHL	62,513,002	458,220,305	30-Nov
ENERGY				
Trinidad and Tobago NGL Limited ^{3,4}	NGL	116,100,000	3,378,510,000	31-Dec
NON-BANKING FINANCE				
ANSA Merchant Bank Limited ^{3,4}	AMBL	85,605,263	3,275,257,362	31-Dec
Guardian Holdings Limited	GHL	231,899,986	4,197,389,747	31-Dec
JMMB Group Limited ^{3,10}	JMMBGL	1,630,552,530	2,853,466,928	31-Mar
National Enterprises Limited ³	NEL	600,000,641	4,800,005,128	31-Mar
Sagicor Financial Corporation Limited ^{3,4,5}	SFC	306,555,644	2,759,000,796	31-Dec
NON-SECTOR COMPANIES				
Guardian Media Limited \$50.00 6% Cumulative Preference ^{3,4}	GMLP	29,297	1,906,356	31-Dec
L.J. Williams Limited \$0.10 Ordinary 'A' ^{3,4}	LJWA	46,166,600	9,233,320	31-Mar
L.J. Williams Limited \$5.00 8% Cumulative Preference ^{3,4}	LJWP	45,590	150,447	31-Mar
MUTUAL FUND MARKET				
Calypso Macro Index Fund ³	CALYP	20,200,000	303,000,000	31-Dec
Clico Investment Fund ³	CIF	204,000,000	4,086,120,000	31-Dec
Fortress Caribbean Property Fund Limited SCC - Development Fund ⁷	CPFD	54,944,803	36,813,018	30-Sep
Fortress Caribbean Property Fund Limited SCC - Value Fund ⁷	CPFV	55,652,768	94,609,706	30-Sep
Praetorian Property Mutual Fund	PPMF	40,000,000	122,000,000	30-Sep
SECOND TIER MARKET				
Mora Ven Holdings Limited ¹¹	MOV	8,255,000	99,060,000	31-Dec
SMALL AND MEDIUM ENTERPRISE MARKET				
CinemaOne Limited	CINE1	6,406,295	64,062,950	30-Sep

Notes:

1 Values as at December 31, 2018

Financials were based on the company's year end except where indicated

2 Financials as at the end of the 2nd quarter

3 Financials as at the end of the 3rd quarter

Dividends of cross listed companies are quoted in their national currency except for FCI and SFC which is quoted in USD.

4 Represents interim dividend only



FINANCIAL PERFORMANCE

Total Assets (\$'000)	Total Liabilities (\$'000)	Total Equity (\$'000)	Net Profit (\$'000)	Basic EPS	Dividends
74,014,076	66,254,620	7,759,456	678,566	0.41	0.050
42,044,565	35,422,848	6,621,717	673,693	2.67	1.60
47,657,071	40,859,315	6,797,757	1,391,893	0.55	2.80
70,465,620	60,367,838	10,097,782	1,322,850	8.17	4.40
23,437,418	19,359,516	4,077,902	644,444	3.65	3.00
14,962,069	7,068,379	7,893,689	454,791	2.25	0.30
6,964,623	4,560,119	2,404,504	290,644	0.26	1.35
12,477,190	6,862,032	5,615,158	565,475	5.32	2.10
2,951,844	412,021	2,539,823	139,439	3.52	
1,164,248	153,245	1,011,003	72,352	0.35	0.09
326,141	78,906	247,235	(5,479)	(0.14)	0.10
446,448	195,985	250,463	19,005	0.16	
974,279	242,444	731,835	26,413	0.35	0.20
611,841	223,462	388,379	173,553	6.61	0.08
686,350	293,342	393,008	303,279	3.60	3.13
43,229	22,168	21,061	(1,839)	(0.46)	
124,692	72,625	52,067	(13,470)	(1.12)	
2,527,010	1,855,182	671,828	(7,012)	(0.10)	
2,480,790	1,109,152	1,371,638	145,397	1.66	0.61
147,790	57,566	90,224	9,540	0.39	0.03
505,505	216,363	289,142	26,370	0.43	0.12
3,342,011	148	3,341,863	210,613	1.36	0.50
7,950,398	5,694,269	2,256,129	136,591	1.60	0.20
27,307,207	23,886,575	3,420,632	535,180	2.30	0.71
16,004,065	14,665,772	1,338,293	155,466	0.09	0.48
3,130,754	292,994	2,837,760	(193,836)	(0.34)	0.22
46,031,449	39,986,143	6,045,306	397,902	0.70	0.025
326,141	78,906	247,235	(5,479)	(0.14)	0.10
147,790	57,566	90,224	9,540	0.39	0.003
147,790	57,566	90,224	9,540	0.39	0.08
546,522	4,539	541,983	20,797	26.83	0.57
5,082,883	5,880	5,077,004	196,435	24.89	1.00
65,480	4,108	61,371	(6,519)	(0.12)	
171,808	40,129	131,679	(2,283)	(0.03)	0.02
116,987	32,997	83,989	1,296	2.10	
336,515	255,345	81,170	(5,737)	(1.02)	
57,514	35,848	21,667	1,389		

Exchange rates obtained from the Central Bank of Trinidad & Tobago

- 5 Financials presented in USD Converted to TTD using the buying rate for 28/09/18 of \$6.7481
- 6 Financials presented in USD Converted to TTD using the buying rate for 31/10/18 of \$6.7310
- 7 Financials presented in BDS Converted to TTD using the buying rate for 28/09/18 of \$3.0884
- 8 Financials presented in JMD Converted to TTD using the buying rate for 28/09/18 of \$0.0487
- 10 Financials presented in JMD Converted to TTD using the buying rate for 31/12/18 of \$0.0515
- 11 Financials as at the end of the 3rd quarter 2016.

N/A Not Available

SHARE LISTINGS 2018

Security	Listing Date	Particulars	No. of Shares	Market Value* ('000)
Republic Financial Holdings Ltd.	January 23, 2018	Issued pursuant to Executive Share Option Plan	26,058	2,644.89
ANSA McAL Ltd.	February 6, 2018	Issued pursuant to Executive Share Option Plan	4,776	291.34
Republic Financial Holdings Ltd.	May 11, 2018	Issued pursuant to Executive Share Option Plan	18,996	1,931.51
Republic Financial Holdings Ltd.	October 12, 2018	Issued pursuant to Executive Share Option Plan	9,667	1,003.05
Republic Financial Holdings Ltd.	November 15, 2018	Issued pursuant to Executive Share Option Plan	9,945	1,031.00
CinemaOne Ltd.	November 21, 2018	New Listing	6,406,295	64,062.95
Republic Financial Holdings Ltd.	December 13, 2018	Issued pursuant to Executive Share Option Plan	5,615	601.82

* No of shares x opening price

SHARE CANCELLATIONS 2018

Security	Date of Withdrawal	Particulars	No. of Shares
Nil			

DELISTINGS 2018

Security	Delisting Date	Particulars	No. of Shares
Scotia Investments Jamaica Ltd.	February 21, 2018	De-listed pursuant to Scotia Investments Jamaica Ltd. Scheme of Arrangement.	309,258,639
Bourse Brazil Latin Fund	June 14, 2018	De-listed following the conversion of Bourse Brazil Latin Fund from a Close-end Mutual Fund to an Open-end Mutual Fund.	1,112,384
Sagicor Financial Corporation 6.5% US\$1.00 Convertible Redeemable Preference	July 20, 2018	De-listed following Sagicor Financial Corporation's obligation to redeem all outstanding unconverted preference shares on the fifth anniversary of the allotment date, or on July 18th, 2016 at a price equal to the subscription price. The company redeemed all unconverted outstanding preference shares in full and as such, the company as the date thereof, ceases to have any preference shares issued and outstanding.	120,000,000
ReadyMix (West Indies) Ltd.	December 31, 2018	De-listed pursuant to an application for de-listing.	12,000,000

REGIONAL STOCK EXCHANGES MARKET ACTIVITY

for the period ended December 31st 2018

Stock Exchange	Traded Volume ('000,000)	Traded Value* (US\$) ('000,000)	Index	Market Capitalisation* (US\$) ('000,000)
Barbados Stock Exchange (Regular)	6.36	10.7	846.66	4,201.5
Jamaica Stock Exchange (Ordinary)	3,212.06	513.0	379,790.83	10,835.20
Trinidad & Tobago Stock Exchange (First Tier)	72.33	168.9	1,302.48	18,634.15

*Figures converted to US\$ using the exchange rates as at 31/12/18.



PRICE ANALYSIS

for the period January 01, 2018 - December 31, 2018

	Opening Price 2017	Closing Price 2017	Change \$	Change %	High Closing Price	Low Closing Price	Average Closing Price	Trades	Traded Volume	Traded Value \$
SECURITIES										
TTD MARKET										
FIRST TIER MARKET										
Agostini's Ltd.	20.75	23.40	2.65	12.77	23.40	20.67	21.57	77	649,700	13,542,041.00
Angostura Holdings Ltd.	15.05	15.86	0.81	5.38	16.00	15.00	15.71	212	1,771,617	27,897,584.49
Ansa Mc Al Ltd.	62.99	55.00	(7.99)	(12.68)	62.99	55.00	58.04	219	1,458,515	83,530,855.67
Ansa Merchant Bank Ltd.	40.00	38.26	(1.74)	(4.35)	40.20	37.99	39.39	110	365,118	14,031,211.79
Berger Paints Trinidad Ltd. ¹	4.05	4.25	0.20	4.94	4.25	4.05	4.22	1	100	425.00
First Citizens Bank Ltd.	32.00	33.97	1.97	6.16	35.01	32.00	33.34	1,140	1,262,803	41,755,467.05
Firstcaribbean Int. Bank Ltd.	9.15	8.31	(0.84)	(9.18)	9.50	8.00	8.70	329	3,371,256	29,694,914.18
Gracekennedy Ltd.	3.00	2.90	(0.10)	(3.33)	3.51	2.70	3.02	505	13,493,122	39,529,082.84
Guardian Holdings Ltd.	17.03	18.10	1.07	6.28	18.41	15.00	16.71	528	3,606,891	60,628,715.22
Guardian Media Ltd.	17.98	15.00	(2.98)	(16.57)	17.98	15.00	17.04	6	1,317	19,910.00
JMMB Group Ltd.	1.65	1.75	0.10	6.06	2.00	1.60	1.78	667	9,283,335	16,579,097.30
L.J. Williams \$0.10 A	0.22	0.20	(0.02)	(9.09)	0.22	0.20	0.20	7	166,600	34,120.00
L.J. Williams B	0.77	0.75	(0.02)	(2.60)	0.77	0.68	0.72	61	877,960	651,087.68
Massy Holdings Ltd.	48.02	47.00	(1.02)	(2.12)	48.16	44.14	47.07	800	2,233,518	105,262,495.61
National Enterprises Ltd.	9.80	8.00	(1.80)	(18.37)	9.80	7.50	9.22	245	1,539,232	13,698,688.37
National Flour Mills Ltd.	1.91	1.65	(0.26)	(13.61)	1.99	1.60	1.76	288	1,591,852	2,778,692.51
NCB Financial Group Ltd.	6.27	8.53	2.26	36.04	8.94	5.05	6.20	566	7,569,819	46,220,321.08
One Caribbean Media Ltd.	13.06	10.29	(2.77)	(21.21)	13.98	10.29	12.19	271	670,206	8,100,669.74
Point Lisas Industrial Port Dev. Corp.	3.94	3.70	(0.24)	(6.09)	3.84	3.62	3.75	62	193,542	718,595.24
Prestige Holdings Ltd.	10.70	7.33	(3.37)	(31.50)	10.70	7.30	9.35	194	1,969,067	17,481,917.64
Readymix (West Indies) Ltd. ²	11.00	11.00	-	-	11.00	11.00	11.00	4	4,792	52,712.00
Republic Financial Holdings Ltd.	101.51	107.26	5.75	5.66	111.00	101.46	103.34	707	1,457,996	151,496,297.20
Sagicor Financial Corporation Ltd.	7.83	9.00	1.17	14.94	10.50	7.00	7.89	1,048	7,397,211	59,180,479.54
Scotia Investments Jamaica Ltd. ³	2.29	2.29	-	-	2.29	2.29	2.29	-	-	-
Scotiabank Trinidad & Tobago Ltd.	60.10	64.25	4.15	6.91	67.50	60.00	63.73	655	2,018,547	129,146,751.00
The West Indian Tobacco Co. Ltd.	100.00	95.33	(4.67)	(4.67)	100.00	85.00	89.50	613	1,616,226	144,129,346.42
Trinidad And Tobago NGL Ltd.	26.50	29.10	2.60	9.81	30.11	26.00	28.68	1,887	4,100,831	116,940,153.08
Trinidad Cement Ltd.	3.75	2.73	(1.02)	(27.20)	3.84	2.50	2.96	256	3,034,653	8,727,269.35
Unilever Caribbean Ltd.	29.00	22.99	(6.01)	(20.72)	34.95	22.95	27.94	257	627,645	16,524,158.08
PREFERENCE										
Guardian Media Limited \$50 6% Cp	65.04	65.07	0.03	0.05	65.07	65.04	65.06	6	166	10,801.52
L.J. Williams Limited 8% Preference	3.30	3.30	-	-	3.30	3.30	3.30	-	-	-
MUTUAL FUND MARKET										
Calyso Macro Index Fund	21.40	15.00	(6.40)	(29.91)	21.40	14.50	17.90	142	86,688	1,393,713.52
Clico Investment Fund	21.00	20.03	(0.97)	(4.62)	21.50	19.50	20.19	1,614	7,552,506	152,090,146.60
Fortress Caribbean Property Fund Limited SCC - Development Fund	0.67	0.67	-	-	0.67	0.67	0.67	-	-	-
Fortress Caribbean Property Fund Limited SCC - Value Fund	1.70	1.70	-	-	1.70	1.70	1.70	-	-	-
Praetorian Property Mutual Fund	3.05	3.05	-	-	3.05	3.05	3.05	-	-	-
SECOND TIER MARKET										
Mora Ven Holdings Limited	14.49	12.00	(2.49)	(17.18)	14.49	12.00	14.36	3	4,010	50,040.00
SME MARKET										
Cinemaone Limited ⁴	10.00	10.00	-	-	10.00	10.00	10.00	-	-	-
USD MARKET										
EQUITIES MARKET										
Sagicor Financial Corporation US\$1.00 6.5% Convertible Redeemable Preference ⁵	0.00	0.00	-	-	0.00	0.00	0.00	-	-	-
MUTUAL FUND MARKET										
Bourse Brazil Latin Fund ⁶	8.10	8.40	0.30	3.70	8.40	8.10	8.37	4	3,500	29,400.00

Notes:

- Berger Paints Trinidad Limited (BER) was suspended after market-close on March 26th, 2018, in accordance with TTSE Rule 115(1). The suspension was pursuant to ANSA Coatings International Limited's (ACIL) compulsory acquisition notice dated February 20th, 2018, which was made in accordance with Sections 202 and 203 of the Companies Act Chap. 81 No.01.
- Readymix (West Indies) Limited (RML) was de-listed after market close on December 31st, 2018.
- Scotia Investments Jamaica Limited (SIJL) was de-listed on February 21st, 2018.
- CinemaOne Limited (CINE1) was listed on the SME Market on November 21st, 2018.
- Sagicor Financial Corporation US\$1.00 6.5% Convertible Redeemable Preference Shares (SFCP) was redeemed in full by the Company as at July 18th, 2016 and was de-listed on July 20th, 2018.
- Bourse Brazil Latin Fund (BBLF) was de-listed on June 14th, 2018.

GENERAL INFORMATION ON THE TTSE

LISTING PROCESS

Any Company wishing to list on the Trinidad and Tobago Stock Exchange Limited (TTSE) must first be registered as a Reporting Issuer with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and have its securities registered. A Prospectus and any other related documents must be approved by the TTSEC. The Company must then formally apply to the TTSE indicating its interest in listing. The application must be submitted through a registered stockbroker.

The list of the documents required for registration can be obtained from the TTSEC.

The listing requirements of the Exchange have two primary purposes:

- They place before the Exchange the information essential for the determination of the suitability of the security for public trading on the Exchange.
- They make available to the public such information, as may be deemed necessary, to allow the public to determine the merits of the security.

TRADING SYSTEM

The trading days for the Exchange are Monday to Friday, excluding public holidays and Carnival Monday and Carnival Tuesday.

Each trading day has three (3) market states, as follows:

1. Pre-Open: 8:00 am - 9:30 am (Equity, Mutual Fund and Corporate Bond markets only)
2. Open: 9:30 am - 12:00 noon (All markets)
3. Close: 12:00 noon - 8:00 am (All markets)

Orders entered into the electronic trading platform are queued in the market and filled based on the following criteria:

1. Best Price
2. Account Type
3. Earliest Timestamp

The time stamp of an order, is the time of entry of the order to the electronic trading platform. The time stamp is always a unique value (i.e. two orders can never have the same time stamp). Therefore, the sequence of the time stamp of orders will determine the order in which execution occurs.

In order to ensure transparency in the market members of the public can visit the Exchange on any trading day to view the trading activity.

The market capitalization of a stock is calculated by multiplying its issued share capital by the closing price. The summation of the capitalization of each security listed on the First Tier Market (excluding the securities listed under the Non-Sector category) constitutes the Composite Market Capitalization.

The Non-Sector Capitalization is the market value of all Non-Sector companies listed on the Exchange.

Companies listed on the First Tier Market are separated into sectors for which indices are calculated daily. These sectors are determined by the type of business activity the companies are engaged in and are as follows:

- Banking
- Conglomerates
- Property
- Manufacturing I
- Manufacturing II
- Trading
- Energy
- Non-Banking Finance



GENERAL INFORMATION ON THE TTSE (CONTINUED)

COMPOSITE INDEX

This market-value weighted index collectively measures the price movement of the ordinary shares for companies listed on the First Tier Market of the Exchange.

$(\text{Current day Composite Market Capitalisation} / \text{Previous day Composite Market Capitalisation}) \times \text{Previous day Composite Index}$

ALL T&T INDEX

This market-value weighted index collectively measures the price movements of the ordinary shares for companies listed on the First Tier Market of the Exchange whose primary jurisdiction is Trinidad and Tobago.

$(\text{Current day All T\&T Market Capitalisation} / \text{Previous day All T\&T Market Capitalisation}) \times \text{Previous day All T\&T Index}$

CROSS LISTED INDEX

This market-value weighted index collectively measures the price movements of the ordinary shares for Cross Listed companies listed on the First Tier Market of the Exchange, i.e. companies whose primary jurisdiction is not Trinidad and Tobago.

$(\text{Current day Cross Listed Market Capitalisation} / \text{Previous day Cross Listed Market Capitalisation}) \times \text{Previous day Cross Listed Index}$

SME INDEX

This market-value weighted index collectively measures the price movements of the ordinary shares for SME companies listed on the SME Market of the Exchange.

$(\text{Current day SME Market Capitalisation} / \text{Previous day SME Market Capitalisation}) \times \text{Previous day SME Index}$

SECTOR INDEX

This market-value weighted index measures the price movement of the ordinary shares for the various sectors of the companies listed on the First Tier Market of the Exchange.

$(\text{Current day Sector Market Capitalisation} / \text{Previous day Sector Market Capitalisation}) \times \text{Previous day Sector Index}$

CORPORATE INFORMATION

Board of Directors (TTSE)

Ray A. Sumairsingh – Chairman
 Ian Narine – Deputy Chairman
 Peter Clarke
 Carla Kelshall
 Michael Phillip
 Donna Marie Johnson
 Peter Inglefield
 Subhas Ramkhelawan
 Godfrey Gosein
 Anton Gopaulsingh
 Wendy Kerry

Board of Directors (TTCD)

Michael Phillip - Chairman
 Peter Clarke
 Wendy Kerry
 Anton Gopaulsingh
 Stephen Bayne
 Ranjit Jewan

Management

Michelle Persad – Chief Executive Officer
 Dale Dickson – Information Technology Manager
 Eva Mitchell - Manager, TTSE Operations
 Hemlaxmi Singh – Regulatory / Legal Officer
 Karen Stewart - Manager, TTCD Operations
 Lyndon Paynter – Compliance Officer
 Marisa Latchman – Financial Accountant
 Ravel Griffith - Assistant Information Technology
 Manager

Company Secretary

Fitzstone Services Limited
 48-50 Sackville Street
 Port of Spain
 Trinidad

Registered Office

10th Floor Nicholas Tower
 63-65 Independence Square
 Port of Spain

Attorneys

Fitzwilliam, Stone, Furness-Smith & Morgan
 Attorneys-at-Law
 48-50 Sackville Street
 Port of Spain

Auditors

PricewaterhouseCoopers Limited
 11-13 Victoria Avenue
 Port of Spain

Information and Publications

- Daily Trading Reports
- Weekly Trading Reports
- Weekly Bulletin
- Monthly Trading Reports
- Quarterly Trading Reports
- Yearly Trading Reports
- TTSE Brochures
- TTCD Brochures
- Annual Reports

Please visit our web site at:
www.stockex.co.tt
 for additional information.



PROXY FORM – SHAREHOLDERS

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH 81:01
(Section 143(1))

1. Name of Company: THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED Company No. T2595 (C).
2. Particulars of Meeting: Twenty-Second Annual Meeting of the Shareholders of the Exchange to be held at the Kahuna Room, Kapok Hotel, 16-18, Cotton Hill, St. Clair, Port of Spain on Thursday 11th April, 2019 at 2.00 p.m.

I/We _____
(Block Letters)

Of _____
(Block Letters)

being Shareholder(s) in the above Company, appoint(s) the Chairman of the Meeting, or failing him _____ Of _____

to be my /our proxy to vote for me/us on my/our behalf at the above meeting and any adjournment thereof as indicated below on the resolutions to be proposed in the same manner, to the same extent and with the same powers as if I/we were present at the meeting or such adjournment or adjournments thereof.

Please indicate with an "X" in the spaces below how you wish to vote on the resolutions referred to. Unless otherwise instructed, the proxy may vote or abstain from voting as he/she thinks fit.

ORDINARY BUSINESS	FOR	AGAINST
RESOLUTION 1 To receive and consider the Audited Consolidated Financial Statements for the financial year ended December 31, 2018, together with the Reports of the Directors and the Auditors thereon.		
RESOLUTION 2 To elect four (4) persons as Directors under paragraph 4.5.1 of By-Law No. 1, from the following five (5) nominees, for the respective terms set out below: (a) Mr. Anton Gopaulsingh, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. (b) Mr. Subhas Ramkhelawan, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. (c) Mr. Godfrey Gosein, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. (d) Mr. Ian Narine, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. (e) Mr. Ronald Carter, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.		
RESOLUTION 3 To re-appoint Messrs. PricewaterhouseCoopers as the Auditors of the Exchange to hold office until the close of the next Annual Meeting of the Shareholders of the Exchange.		
RESOLUTION 4 To consider, and if thought fit, to pass an ordinary resolution to confirm amendments to By Law No. 1 of the Exchange adopted by the Directors at their meeting of July 16th, 2018 as outlined in the attached form of By Law No. 1 with the changes red-lined.		



PROXY FORM – SHAREHOLDERS

ORDINARY BUSINESS	FOR	AGAINST
<p>RESOLUTION 5 To consider, and if thought fit, to pass the following ordinary resolution to effect an increase in Directors' fees: "That, in accordance with paragraph 7 of By-Law No. 1 of the Exchange, with effect from January 1st, 2019:</p> <p>(a) The maximum annual fee payable to the Chairman of the Board be increased from \$66,000 to \$120,000;</p> <p>(b) The maximum annual fee payable to the Deputy Chairman of the Board to be increased from \$45,000 to \$96,000;</p> <p>(c) The maximum annual fee payable to every other Director be increased from \$40,440 to \$72,000;</p> <p>(d) The attendance fee per Board meeting for the Chairman to remain at \$2,250, the attendance fee per Board meeting for the Deputy Chairman to remain at \$1,500 and the attendance fee per Board meeting for every other Director to remain at \$1,000.</p> <p>(e) The attendance fee per Committee meeting for the Chairman of a Committee to remain at \$1,500 and the attendance fee per Committee meeting for every other Committee member to remain at \$1,000."</p>		

Please consider the Notes 1 to 6 below for your assistance to complete and deposit the Proxy Form (s).

Dated this _____ day of _____, 2019.

Signature(s) of Shareholder(s) _____

NOTES:

1. A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the Meeting" from the Proxy Form and insert the name and address of the person appointed proxy in the space provided and initial the alteration.
2. If the appointer is a corporation, this Proxy Form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. A shareholder that is a body corporate may, in lieu of appointing a proxy authorise an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.
4. In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.
5. If the Proxy Form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting. If, however, the proxy appointed is the Chairman of the Meeting and the Proxy Form is returned without any indication as to how the Chairman shall vote, then in relation to Resolution (2), the Chairman of the Meeting will abstain from voting.
6. To be valid, this Proxy Form must be completed and deposited at the registered office of The Trinidad and Tobago Stock Exchange Limited, at the address below not less than 48 hours before the time for holding the Annual Meeting or adjourned meeting.
7. In the event of an equality of votes, then the Chairman of the Meeting shall, in accordance with the Articles of Incorporation of The Trinidad and Tobago Stock Exchange Limited, have a casting vote, on a show of hands or upon a ballot.

RETURN TO:

The Secretary
The Trinidad and Tobago Stock Exchange Limited
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain



THE TRINIDAD AND TOBAGO
STOCK EXCHANGE
LIMITED