



**Trinidad & Tobago
Stock Exchange**

Creating Opportunities



ANNUAL REPORT 2019

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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.

Vision Statement

To be the preferred securities exchange in the Caribbean through innovative products which are attractive to the capital markets, while operating in a well regulated environment.

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-THIRD ANNUAL MEETING** OF THE SHAREHOLDERS OF **THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED (“the Exchange”)** will be held at **the Maracas Room of the Marriott Courtyard, Invaders Bay, Audrey Jeffers Highway, Port-of-Spain, on Thursday June 18, 2020 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, 2019, 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 four (4) nominees, for the respective terms set out below:
 - (a) Mr. Ray A. Sumairsingh, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (b) Mr. Michael Phillip, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (c) Mr. Peter Clarke, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
 - (d) Ms. Donna-Marie Johnson, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following her 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.
4. 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: April 8, 2020

Notice of Annual Meeting *continued*

- 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 Meeting.
 - (4) A shareholder which is a body corporate may, in lieu of appointing a proxy, authorise 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-Third Annual Meeting of the Shareholders of the Company to be held at the Maracas Room of the Marriott Courtyard, Invaders Bay, Audrey Jeffers Highway, Port-of-Spain, on Thursday June 18, 2020 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) and (3); 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
April 8, 2020	Fitzstone Services Limited Company Secretary	

Financial and Statistical Highlights

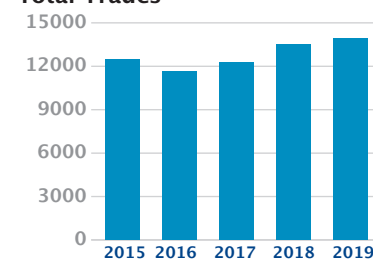
TTSE Operational Highlights		
	Dec. 31 2019 (Million)	Dec. 31 2018 (Million)
Operating Revenues	31.13	36.04
Operating Expenses	(17.22)	(16.90)
Operating Profit/(Loss)	13.91	19.14
Investment Income	2.74	2.25
Profit Before Taxes	16.65	21.4
Taxation	(5.04)	(6.49)
Profit for the Year	11.61	14.91

TTSE Statistical Highlights		
	Dec. 31 2019	Dec. 31 2018
Total Volume Traded	86,136,549	79,976,841
Average Daily Volume Traded	348,731	325,109
Total Value Traded	1,312,997,970	1,301,897,761
Average Daily Value Traded	5,315,781	5,292,267
Total Trades	13,894	13,480
Average Daily Trades	56	55
Composite Index	1,468.41	1,302.48
All T&T Index	1,868.97	1,705.17
Cross Listed Index	144.65	121.57
Member Organisations	6	6
New Listed Companies	2	-
Total Listed Companies	33	32
Market Capitalisation (TTD Markets)	150,455,481,460	131,503,105,690
Market Capitalisation (USD Market)	11,424,160	-

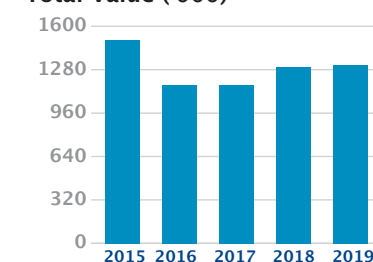
Notes:

- The following securities were listed during 2019:
 - Endeavour Holdings Limited (EHL) was listed on December 12, 2019 in the SME Market.
 - MPC Caribbean Clean Energy Limited (MPCCEL) was listed on January 14, 2019 in the USD Market.
- Statistics include the First Tier, Second Tier, Mutual Fund and SME markets. Put Through statistics are not included.

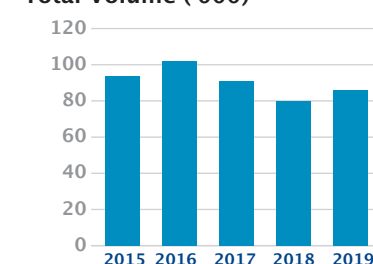
Total Trades



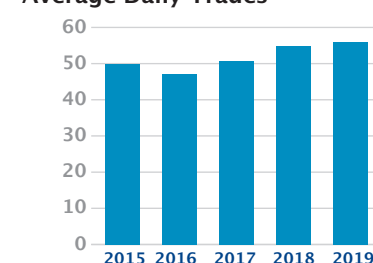
Total Value ('000)



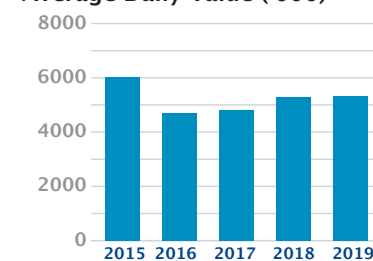
Total Volume ('000)



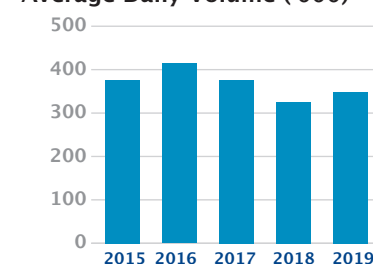
Average Daily Trades



Average Daily Value ('000)



Average Daily Volume ('000)



Chairman's Report



Dear Shareholders,

In 2019 we embarked upon a new thrust at the Exchange to refocus our attention on all our stakeholders, in particular on you, our shareholders.

We recommitted our efforts to building a foundation that can consistently support the execution of our strategic mandate so that our promise to deliver value to you is met. I am pleased to announce that in 2019 we were able to successfully accomplish this.

The Trinidad and Tobago Stock Exchange Limited (The Exchange) and its wholly owned subsidiary, the Trinidad and Tobago Central Depository Limited (TTCD) experienced another successful year of results in 2019, with major contributions coming from corporate re-organisations of entities listed on The Exchange. Consolidated Net Income of \$11.6M for the year was down from \$14.9M achieved in 2018, resulting in an earnings per share of \$7.50, a decline of 22.2%. TTCD contributed a healthy \$5.2M to the Consolidated Net Income of the organisation. Total Assets increased by \$1.61M, resulting in a return on Average Total Assets of 12.19%.

The Board proposes a dividend of \$2.64 per share, which amounts to a 35% pay-out on Net Profit After Tax to be paid to our valued Shareholders.

2019 Global Performance

2019 was an excellent year for global stock markets as the Morgan Stanley Capital International Index, which tracks stocks across the developed world, grew by 24%, its best performance since the financial crisis of 2008. This growth in the Index reflected investor confidence despite trade tensions between the United States of America and some of its trade partners, along with warnings of slowing growth in major economies.

The first quarter of 2019 saw a recovering of oil prices from the major fall-off at the back end of 2018, but the positive impact on price was not sustained and by the second quarter had begun to decline again, trading thereafter between very small margins. The average for the year was US\$67 per barrel, which is US\$7 lower than the 2018 average.

Chairman's Report *continued*

The International Monetary Fund (IMF) estimated global economic growth in 2019 to be at 3.2%, however, the World Bank downgraded its comparable forecasts to 2.6%.

The Trinidad and Tobago Economy

The local economy continues to be negatively impacted by depressed energy prices, which have been prevailing over the past five and a half years. Trinidad and Tobago experienced a creeping debt to GDP ratio which has more than doubled in the last decade. The country's Net Official Reserves continue to decline year-on-year to an import cover at the end of 2019 of 7.7 months. The IMF forecasts a global recession for 2020 due to the impact of the novel Coronavirus (COVID-19).

2020 Outlook

The impact of the COVID-19 pandemic has reshaped almost entirely the global economic outlook as it is undoubtedly the biggest factor impacting society and economies in 2020 and beyond. Restrictions that are rightfully in place to slow the spread of the virus will pose a challenge to businesses as income will be greatly affected. The IMF has already forecasted a global recession as bad as the financial crisis in 2009 or worse. Countries have adopted extraordinary fiscal actions as a result of this economic challenge.

The impact of COVID-19 on Trinidad and Tobago's economy is expected to present challenges for the government, businesses and citizens in 2020. The slowdown, and in some cases, complete halt in regular business operations is expected to have a major effect on disposable income and overall net income margins of citizens and businesses, respectively. We are already seeing signs of pressure on the currently low inflationary environment due to this societal and economic challenge.

Every crisis presents an opportunity and the onus is on businesses to become creative and re-invent the way they serve their customers. The Exchange is no different and is already exploring strategies to respond. We continue to pursue our outreach initiatives to encourage new listings with our main focus being the SME Market. We are collaborating with key stakeholders to create and promote the enabling environment which we believe will help bring our objectives to fruition. We have committed to ensuring the roll out of our Online Trading Platform, the provision of TTCD electronic statements, as well as the rebranding of the organisation in the second quarter of 2020.

Our Rules are being updated as a matter of priority and we have several sections before The Trinidad and Tobago Securities and Exchange Commission (TTSEC) for review and comment before finalisation of the Rulebook.

Acknowledgements

It is with deepest gratitude that I thank my fellow members of the Board. The work and drive of the Board Committees and their respective Chairmen, the Chief Executive Officer (CEO), the Management Team and Staff of The Exchange and TTCD are crucial to all our undertakings, and I therefore wish to acknowledge their continued commitment to this organisation and thank them for their unwavering service.

I wish to thank outgoing Chief Executive Officer, Ms. Michelle Persad for her service and dedication to the Organisation. Ms. Persad laid the foundation for a series of initiatives which are currently in execution mode.

During the year we welcomed a new Chief Executive Officer, Ms. Amoy Van Lowe, who shouldered the responsibility of her new office with proficiency, taking up the mandate of **"Creating Opportunities"** and moving steadfastly together with her Team to deliver the Company's Strategic Agenda.

To close 2019, The Exchange held a successful Long Service Award and Appreciation Ceremony to commemorate the dedication and service of Directors and Staff, in the building of this strong and deeply rooted institution in the financial services landscape. We recognised the commitment and sacrifice of our long-standing members, without whom we could not have made it this far and I am confident that together we will continue to build an even stronger and more vibrant Exchange. We are buoyed by the winds of change and look forward to Directors and Staff continuing to work in synergy to advance the vision and strategic mandate of The Exchange.

Thank you for your support and I look forward to being of service to you.



Ray A. Sumairsingh
Chairman

CEO's Report



Dear Shareholders,

It is both an honour and a privilege to have been selected to serve as the Chief Executive Officer of the Trinidad and Tobago Stock Exchange Limited (The Exchange) and its Subsidiary, The Trinidad and Tobago Central Depository Limited (TTCD).

In its broadest context, The Exchange is a significant component in the development of the national economy given its strategically central position in the capital market ecosystem. The Exchange plays a proactive role as a driver for stimulating innovation and economic diversification, more so now than ever before, in these uncertain economic times characterised by a global pandemic outbreak, plummeting oil prices and mounting global geopolitical tensions. The Exchange serves as the bridge between entrepreneurs and innovators, and investors and capital markets, thereby enabling the promotion of economic recovery and growth.

Since taking up office on May 01, 2019, I can assure you we are united in our purpose and channelling all our energies and attention towards **CREATING OPPORTUNITIES** for our Member Firms, Listed Companies, the Investing Public and very importantly, our Shareholders.

I am extremely passionate about the future of The Exchange. Over the next few years it will become increasingly evident the seeds which we planted in 2019 will continue to materialise for the benefit of all our stakeholders. I believe that The Exchange is now poised to be a catalyst for promoting investor education to enable wider corporate and individual participation on the stock market. Our efforts will be directed to penetrating untapped opportunities, thereby creating value for a larger portion of the population. With the support of my Board of Directors, Management Team and All Other Team members, it is my mission to make this a reality.

Financial Highlights

For the Trinidad and Tobago Stock Exchange and its subsidiary The Trinidad and Tobago Central Depository Limited (The Group), 2019 was a year of change and diversification. The Group has yet again

CEO's Report *continued*

enjoyed profitable financial performance which was driven by the corporate restructuring of major listed companies as well as considerable improvement in returns generated from a strong investment portfolio.

In a year notably characterised by lower market activity, The Group reported a Consolidated Net Income position of \$11.6M and Consolidated Operating Revenue of \$31M, a decrease in revenue of 14% from the prior year. Listing and Membership Fees declined by 29% from \$8M to \$5.7M mainly due to no new major listings compared to the \$4B National Investment Fund IPO in the prior period. Declines were also seen in Customer Transaction Charges, Bond Income, Commission Rebates, and Euroclear Income mainly due to dampened activity. Notwithstanding the low trading environment, the Group experienced steady growth in Registrar Services, with Registrar Fees increasing by 14% from \$2.7M to \$3.1M as we continue to strengthen our existing capabilities and improve our core business lines. Expenses increased marginally by 1.9% from \$16.9M to \$17.2M resulting in an Operating profit of \$13.9M.

Income from investments significantly increased from \$2.3M to \$2.7M as we continue to optimise our Investment Portfolio which realised a Return on Investment of 3.67% compared to 2.83% in 2018.

Consolidated total assets amounted to \$98.6M compared to \$94.4M in 2018, an increase of approximately 4.4%. Retained earnings grew by \$5.7M to end the year at \$87.1M with an increase of 6.3% in Shareholders' Equity from \$89.8M to \$95.4M.

Economic Overview

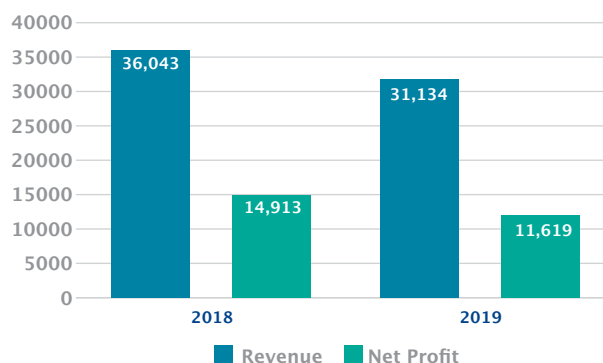
The Global economy has experienced an economic slowdown with a 2.9% growth for 2019 according to the IMF's January 2020 World Economic Outlook update, as global activity weakened during 2019 mainly due to intensified US-China trade disputes, Brexit implications, increased global geopolitical instability, and dampened global investment and demand.

Data Source: www.imf.org

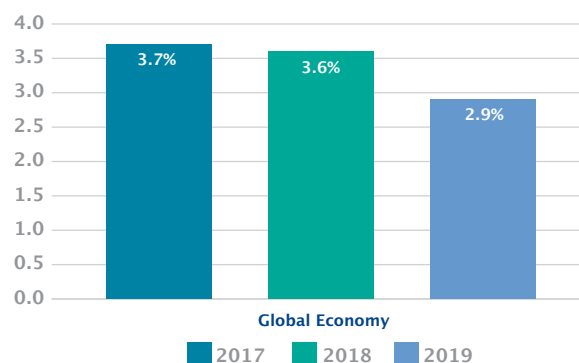
Regionally, Latin American and Caribbean countries displayed growth of 0.1% in 2019 compared to 1.1% in the previous year with mixed economic performances among the various countries.

Domestically, the IMF has preliminarily set local economic growth at 0.0% for 2019 compared to -0.2% in 2018. Headline inflation has remained relatively

Revenue and Net Profit



IMF Global Growth Trends



Data Source: www.imf.org

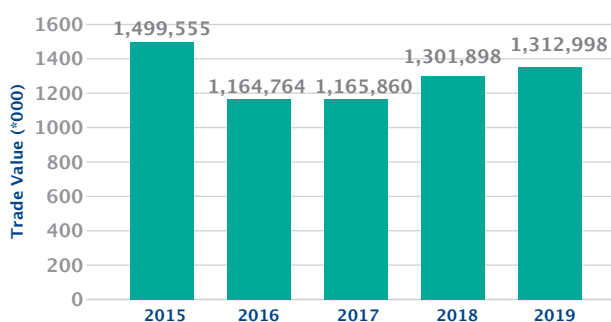
CEO's Report *continued*

low reflective of subdued demand. In December 2019, the Central Bank maintained the Repo rate at 5%, given the low-inflation environment and sluggish demand.

Market Highlights

Stock Market Statistics	2019	2018	YOY Unit Δ	YOY % Δ
Composite Index	1,468.41	1,302.48	165.93	12.74% ↑
All T&T Index	1,868.97	1,705.17	163.80	9.61% ↑
Cross Listed Index	144.65	121.57	23.08	18.98% ↑
SME Index	67.76	100	-32.24	-32.24% ↓
Market Capitalisation (\$Bn)	150.46	131.50	18.96	14.41% ↑

Total Trade Values



Local Market Review

The Composite Index saw a positive return of 12.74% with the All T&T index advancing by 9.61%, the Cross Listed Index advancing by 18.98% and a decline of 32.24% in the SME Index.

The total value of shares traded, including First Tier, Second Tier, Mutual Fund and SME, increased by 0.85% from \$1.301B to \$1.313B, while the volume of trades increased by 7.70% from 79.977 million to 86.137 million.

Despite these advances, the value of shares traded on the First Tier Market decreased by 4.01% to \$1.102 B due to sharp declines within five (5) of the nine (9) market sectors within the TTSE.

The Banking Sector Index was the top performing index, with a gain of 15.49%. This performance was mainly from First Citizens Bank Limited (First) with a return of 31%.

Overall, the JMMB Group Limited (JMMBGL) was the volume leader with 18.5 million shares traded, followed by CLICO Investment Fund with 9.1 million shares and GraceKennedy Limited with 8.8 million shares.

L.J. Williams Limited B (LJWB) was the top performer for 2019 with a 125.33% return to close the year at \$1.69, followed by JMMBGL with a return of 46.86% and GraceKennedy Limited (GKC) with a return of 36.21%

Increases in the All T&T Index was mainly driven by increased market activity surrounding the following market transactions:

CEO's Report *continued***Major Market Activities in 2019**

- NCB Financial Group Limited Take-Over Bid acquisition of a majority stake in Guardian Holdings Limited;
- Sagicor Financial Corporation Limited Arrangement Agreement with Alignvest Acquisition II Corporation;
- JMMB Group Limited Additional Public Offer of 325,000,000 ordinary shares;
- Republic Financial Holdings Limited acquisition of the Bank of Nova Scotia's operations and businesses in nine territories and acquisition interest (74.99%) in Cayman National Corporation Limited; and
- The West Indian Tobacco Company Limited three-for-one stock split on November 15, 2019 which increased the Company's number of ordinary shares from 84,240,000 to 252,720,000.

Trading in these securities accounted for 33.73% of the First Tier's 2019 trade value.

The market has witnessed one (1) delisting in 2019; Berger Paints Trinidad Limited.

As at the end of 2019, total Market Capitalisation of the First Tier Market amounted to \$143.5B, an increase of 13.44% from \$126.5B in 2018.

Small and Medium Enterprises (SME) Market

There are currently two (2) securities being traded on the SME Market, CinemaOne Limited and Endeavour Holdings Limited (EHL), the latter officially began trading in December 2019. The SME Market saw a 32.24% decline in its trading index as the share price of CinemaOne Limited fell from \$10.00 to \$6.55. This market is still relatively in its infancy stages as trading in this sector only commenced in 2018.

TTD Mutual Fund Market

The value of shares traded for 2019 increased by 37.11% (\$56.96M) within the Mutual Fund Market when compared to 2018, led by an increase in activity in CLICO Investment Fund (CIF), up by 37.42% and accounted for 99.31% of total traded value for the 2019 period.

Bond Market

The Corporate Bond market experienced a 53.43% decline in annual traded value in 2019 (total traded value of \$22.84M) while the Government Bond market weakened in 2019 (down 41.17%) in comparison to the 2018 figures, with a total traded value of \$193.6M. 2019 saw the maturity of two (2) government bonds and no new bonds being listed as well as trading declines in the two (2) National Investment Fund (NIF) bonds listed on the Corporate Bond Market.

The Trinidad and Tobago Central Depository Limited (TTCD)

The TTCD has again demonstrated growth and profitability as a significant contributor to the financial performance of the Group, generating profits for the year of \$5.3M. Although overall revenue saw a decline of approximately 14% from \$15M in 2018, to \$12.9M in 2019 in the wake of a declining market, positive returns were obtained in core lines of business such as Registry services. The Registry business added one (1) new sub-register and one (1) new register, and managed forty-four (44) dividend payments totalling TT\$3.6B and one (1) USD dividend payment amounting to US\$479K, as well as bond interest payments of \$927M. Expenditure decreased from \$5.9M to \$5.8M reflecting increased operational efficiency, bringing operating profit to \$7M, a 22% decline from 2018 operating profit of \$9.2M. Investment income improved significantly by 50% as full returns from an expanded investment portfolio was realised.

The TTCD continues to provide and facilitate secure and efficient post trading services while operating under best practice to all participants and customers.

Strategic Overview – Strategy in Action

The Exchange is aware of the dynamic and perpetually innovative era that we are existing in and we reaffirm our commitment to creating and facilitating an environment that will foster much needed activity in the capital market. In 2019, a more intensified focus was placed on the Company's 2018-2020 Strategic Plan and its associated initiatives, the results of which you will see unfolding in the first half of 2020. The plan is geared to achieve revenue growth and diversification through the promotion of growth in the equity market and the development of its existing and new revenue lines.

CEO's Report *continued*

Our main strategic objectives are as follows:

- **Continued Market Development and Strengthening our Core Business Lines.**

The Exchange has remained focused on creating long term value by encouraging new listings and creating avenues for Market Development. Key to this has been the development of an Online Trading Platform that will aid in increasing market liquidity and enable ease of access by the investing public. It is expected that Online Trading will be launched within the first half of 2020.

During 2019, we also sought to renew sensitisation of SME listing benefits with the on-boarding of one new participant in the SME market in December 2019. The Exchange recognises that the SME sector is a substantial contributor to both economic and social transformation, and to this end, we will continue to provide an avenue that allows these companies to leverage the required level of equity financing needed to accelerate growth of their business. We will be embarking on a series of initiatives that will allow the creation of opportunities for this segment and enable the expansion of support services currently available to SMEs. This initiative is intended to foster the development of the local capital market and is an important thrust towards economic diversification.

- **Providing an Enhanced Technological Environment**

We continue to leverage a reliable, secure and efficient information technology infrastructure that supports and enables the roll out of various trading technologies such as the provision of eStatements, which are now being issued by the TTCD. Phase 1 of this initiative (*Individuals*) was launched in Q1 2020 and Phase 2 will be launched in Q2 2020 (*Companies*).

- **Development of a Robust and Compliant Regulatory Environment**

The process of reviewing and revising our Rules to ensure that it is in line with the Securities Act and its By-laws is a continuous one in an effort to ensure that we are fully equipped to meet the demands of the market. We strive to ensure that our policies and procedures are aligned with legislative and

best practice requirements to manage the risks to the organisation, while we seek to maintain a robust and well-regulated trading environment.

- **Strengthening our Operational Efficiencies**

The organisational framework is being realigned with the aim of ensuring that we are consistently improving our effectiveness and efficiency as a service provider.

- **Developing our Human Capital**

As the main support driver of all our strategic initiatives, we have maintained our focus on developing our human resource capabilities through continuous training and development directed at increasing employee engagement and by nurturing a corporate culture that reflects our core values of Integrity, Respect, Partnership and Innovation underpinned by our overreaching standard of Excellence.

Economic Outlook

The global economic outlook for 2020 was initially forecasted by the IMF at a growth rate of 3.3%, which is higher than the 2.9% growth in 2019, however the current Novel Coronavirus (COVID-19) pandemic is set to render major economic disruption on a scale that has not yet been ascertained. Threats to global output include adverse effects on investor confidence, financial markets, the travel sector and disruption to supply chains.

The IMF has now forecasted negative global growth for 2020; however, it is expecting recovery in 2021 given the worldwide impetus to prioritise containment, strengthen health systems and curb the related economic fallout.

The local economy is similarly facing a possible recessionary environment; however, the Government has mobilised supportive fiscal and macroeconomic policies to enable the mitigation of the economic impact of COVID-19.

Now more than ever, The Exchange stands ready to assist in the recovery of the domestic economy, as the financial structure of Trinidad and Tobago continues to evolve and adapt in the face of this global pandemic. We are confident that our strategic thrust coupled with the roll out of trading technologies,

CEO's Report *continued*

specifically the launch of online trading and the provision of TTCD electronic statements will breathe new life into the investing landscape of Trinidad and Tobago, as The Exchange continues to play its role in the promotion of a progressive local financial market.

Going Forward

The strategic intent of The Exchange is to achieve revenue growth by developing the market to increase liquidity, investor appeal and trading activity while seeking to optimise core business functions. The Exchange is also committed to supporting domestic economic development as a key player in the local financial framework by providing access to capital financing and thereby creating opportunities for growth and diversification.

This upcoming year we will be focusing on the continued development of our technological framework, strengthening regulatory requirements, increased focus on investor awareness and education. We plan to be engaged in a series of activities throughout the year geared towards promoting greater collaboration and partnership with all our stakeholders. I believe if we strengthen the bonds that already unite us, we will all benefit.

I look forward to the future as we continue to collaborate with policymakers and other enabling bodies, to position The Exchange as a significant enabler of capital development.

Acknowledgment

2019 was a year of reflection and change and The Exchange has anchored itself in readiness for the key initiatives that will continue to support its growth and development which will be to the benefit of our shareholders, Member Firms, Listed Companies and all our other stakeholders.

I would like to recognise our Chairman, Mr. Ray A. Sumairsingh for his sterling leadership, robust perspectives and clear guidance. I also want to recognise all our Committee Chairmen for their very insightful and experienced leadership. I am also grateful for the guidance and support given by all other members of the TTSE and TTCD Board of Directors who continue to provide strategic governance and

policy directions designed to promote the success of the Group for the benefit of all shareholders and in the interest of all stakeholders.

The commitment and contribution of the Team members from both TTSE and TTCD has led to another profitable performance of the Group. I wish to express my heartfelt gratitude for their dedication and hard work as they were instrumental in ensuring the successful execution of our strategic initiatives and operational plans. As we journey into 2020, I look forward to reinvigorated commitment and passion towards the game-changing projects we have ahead of us. Together we have greater things to achieve.

I appreciate the continued compliance and support of our Member Firms and Listed Companies who form our foundation and who we recognise as key players in the capital market ecosystem.

I also want to recognise the Securities and Exchange Commission (SEC) for the progressive and collaborative relationship we have fostered during the year and look forward to strengthening that relationship as we fortify our Rules and Requirements in the best interest of the investing public.

In the past few months, the world has experienced unprecedented challenges and changes as a result of COVID-19. The global response has seen a massive shift in the way we work and do business. Our local response has been on par with the best in the world and it has revealed some under tapped opportunities in a few sectors of our economy, namely FinTech solutions, which provides avenues of opportunities which should be further explored. Our resilience will continue to be tested, however, together with each of us doing our part, we will surmount this.

I remain passionate about leading The Exchange into the next phase of its journey and I look forward to reporting to you next year on our achievements and our progress on the execution of our strategic initiatives.



Amoy Van Lowe
Chief Executive Officer

Management Discussion and Analysis

Overview

The Management Discussion and Analysis (MD&A) aims to offer Management’s perspective on the Financial Statements and Operations of The Trinidad and Tobago Stock Exchange Limited and its subsidiary, The Trinidad and Tobago Central Depository Limited (the Group), for the year ended December 31, 2019. 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, 2019 was another profitable year for the consolidated operations. The Group recorded a profit after tax of \$11.6 million, a decrease of \$3.3 million or 22% from \$14.9 million earned in the prior year, which was characterised by higher levels of trading and a \$4 billion IPO. Despite lower trading activity in the current financial year, 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, 2019 totalled \$31 million, representing a decrease of \$5 million from 2018 mainly as a result of the \$4 billion NIF IPO in prior year.

The Group continues to facilitate new listings on the Stock Exchange while continuing to expand its provision of Registry and Custody Services.

Diagram 1: Revenue and Profit

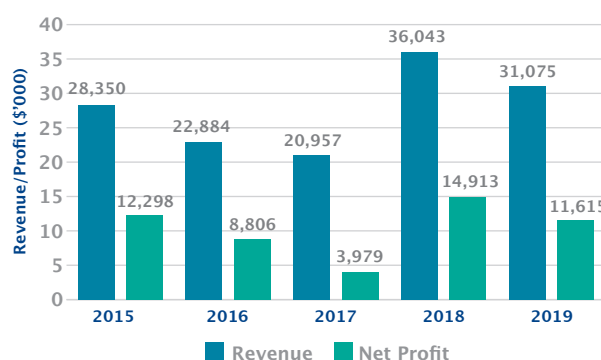
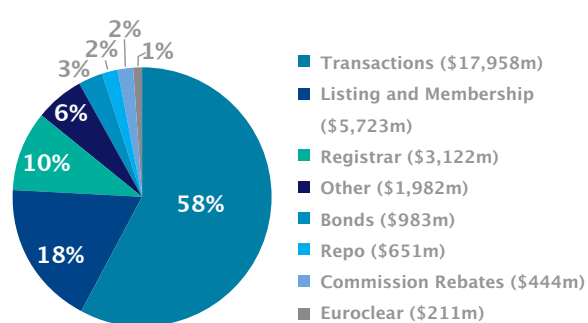


Diagram 2: Revenue Streams

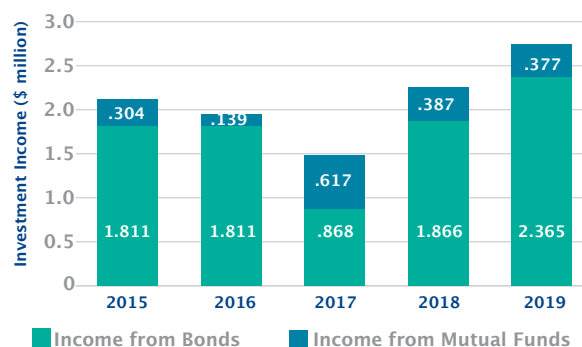


MD&A *continued*

Investment Income

Investment income continues to be a key source of income for the Group. For the year ended December 31, 2019 investment income stood at \$2.7 million compared to \$2.3 million in 2018. This increase was mainly due to changes in the investment portfolio as the Group continues to maintain its portfolio in a manner that optimises risk-adjusted returns while pursuing the preservation of capital in accordance with its investment policy. In 2019, 86% of investment income was derived from interest on both Government of the Republic of Trinidad and Tobago (GORTT) Bonds and Corporate Bonds and the remaining 14% from investment in Money Market Funds. Overall, the Group earned a return on investments of 3.67% for the year ended December 31, 2019.

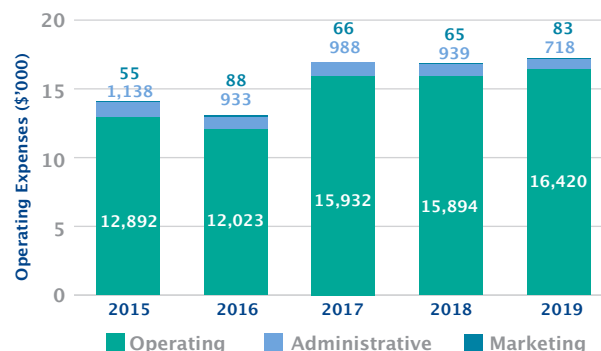
Diagram 3: Investment Income



Expenses

Expenses for 2019 totalled \$17.2 million, an increase of just about \$0.3 million or 1.8% from 2018, arising mainly due to increases in salary and other costs as the Group continues to develop its human resource capabilities through salary reviews and improvements to the existing organisational structure.

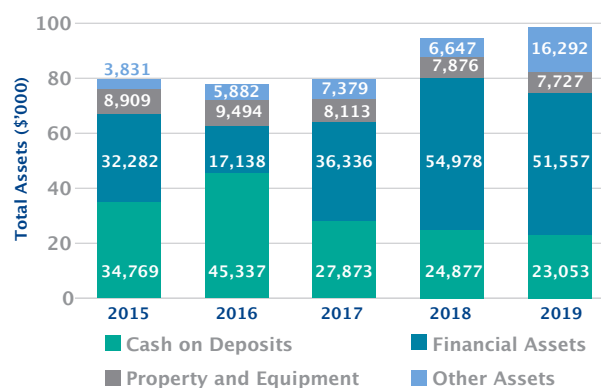
Diagram 4: Expenses



Total Assets

The Group continues to maintain a strong asset base and liquidity position to support its operations and associated risks. As at December 31, 2019 the Group's total assets stood at \$98.6 million, which represents an increase of \$4.2 million or 4.4% from 2018. Total assets of the Group mainly comprised of Cash on Deposits (25%), Financial Assets (53%) and Property and Equipment (8%).

Diagram 5: Total Assets



MD&A *continued*

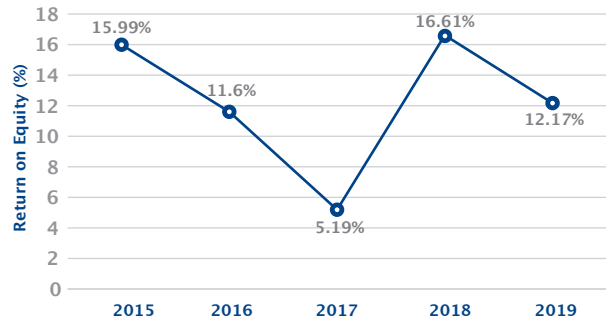
Return on Equity

The objective of the organisation 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 trading volatility which is inherent in securities markets 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.

Diagram 6: Return on Equity



Market Operations and Performance

Overview

The Composite Index advanced for a fifth consecutive year, ending 2019 at 1,468.41, **up 165.93 points or 12.74%** from the previous year, its largest gain in five years. This performance was strongly supported by advances in the All T&T Index, closing the year at 1,868.97 (**up 163.80 points or 9.61% year-on-year (YOY)**) while the Cross-Listed Index advanced **23.08 points or 18.98% YOY** to end 2019 at 144.65.

Diagram 1: Composite Index Values 2015–2019

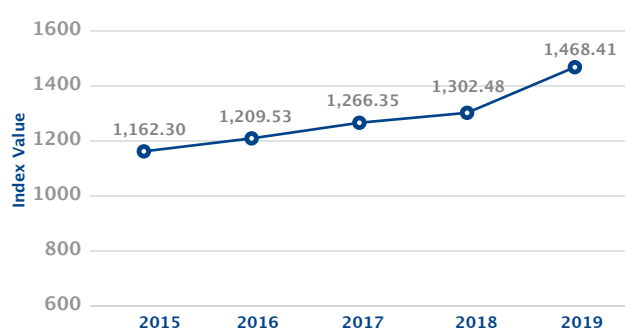


Diagram 2: All T&T Index Values 2015–2019

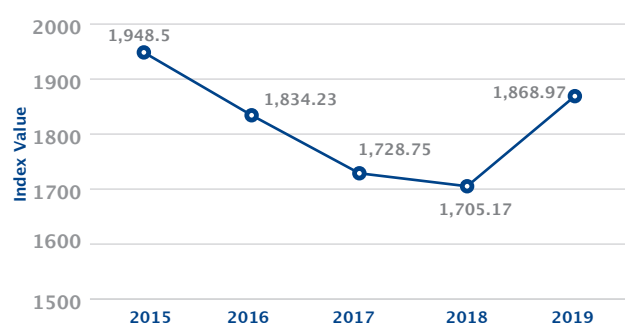
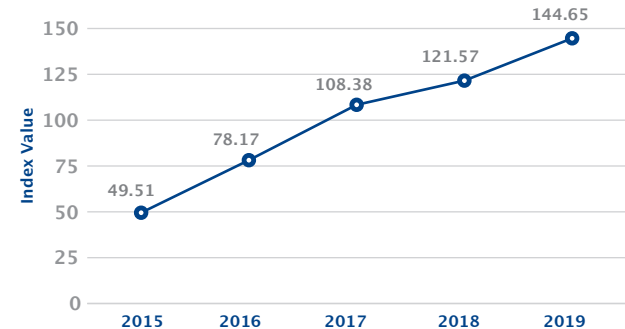


Diagram 3: Cross-Listed Values 2015–2019



By market, the total volume of shares traded and the total number of trades increased YOY in the Equity Market **by 6.33%** and **2.84%**, respectively. However, total traded value for the period **decreased by 4.01%** when compared to the previous year.

The Mutual Fund Market trended upwards during 2019 with increases in the total volume of shares traded, the total value of shares traded and the total number of trades **by 20.45%**, **37.11%** and **1.65%**, respectively, when compared to 2018.

The Corporate Bond Market registered a total face value traded of \$22.84 million for 2019 compared to \$49.04 million in the previous year, while the Government Bond Market registered a total face value traded of \$193.62 million, compared to \$329.10 million over the same period.

Further details on the market's performance as well as major market transactions during 2019 are provided below:

2019 Major Market Transactions

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

On December 31, 2018, NCBFG, through its wholly owned subsidiary, NCB Global Holdings Limited (NCBGH), launched its 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, up from its initial offer of US\$2.35. The Offer closed on May 3, 2019 and resulted in NCBGH owning 61.97% of the outstanding ordinary shares in GHL.

JMMB Group Limited (JMMBGL) – Additional Public Offer (APO)

On October 22, 2019, JMMBGL launched its APO to investors in Jamaica and Trinidad and Tobago for the subscription of 266,737,797 ordinary shares, with JMMBGL reserving the right to increase the issue to a maximum of 325,000,000 ordinary shares. The Offer, which closed on November 7, 2019, resulted in the listing of 325,000,000 additional ordinary shares in JMMBGL on the TTSE on November 19, 2019 (effective on November 20, 2019), thus increasing the Company's issued share capital to 1,955,552,530 ordinary shares.

Market Operations and Performance *continued*

The West Indian Tobacco Company Limited (WCO) – Stock Split

Following the approval granted by its shareholders at a Special Shareholders Meeting held on October 30, 2018, WCO effected a three for one stock split on November 26, 2019. This corporate action resulted in an increase in the number of ordinary shares of WCO from 84,240,000 shares to 252,720,000 shares and a change in its share price from TT\$104.94 to TT\$34.98 per share.

Sagicor Financial Corporation Limited (SFC) – Arrangement Agreement with Alignvest Acquisition II Corporation (AQY)

On December 05, 2019, in accordance with Section 99 (3) of the Companies Act 1981 of the laws of Bermuda, a Scheme of Arrangement (SoA) between SFC and its shareholders became effective upon the delivery of the relevant Order of the Supreme Court of Bermuda to the Register of Companies in Bermuda.

Shareholders of SFC were offered the following in exchange for their shares:

- **Cash or Share Consideration:** the option of receiving either US\$1.75 per SFC share up to 10,000 SFC shares or AQY common shares which had a value of US\$1.75 per SFC share, where one AQY share was valued at CAD\$10.00;
- **Cash and Share Consideration:** a combination of the Cash Consideration and the Share Consideration, where the Share Consideration was the option to receive AQY common shares in an amount based on the exchange ratio.

The effectiveness of the SoA resulted in AQY, which has now changed its name to Sagicor Financial Company Ltd. (“New Sagicor”), now being the holder of 100% of the issued and outstanding shares in SFC. Trading in the security was suspended on November 29, 2019 on the TTSE and the Barbados Stock Exchange (BSE).

MPC Caribbean Clean Energy Limited (MPCCEL) – Renounceable Rights Issue

Pursuant to a Circular dated November 4, 2019, MPCCEL offered a Renounceable Rights Issue of up to 22,848,320 shares to its existing Class B shareholders. The subscription price for the Rights Issue was JM\$140.00 per Class B Share for shareholders subscribing in Jamaica, based on a reference rate

of US\$1.00 to JM\$140.00, and US\$1.00 per Class B Share for shareholders subscribing in Trinidad and Tobago. The Rights Issue is scheduled to close on January 10, 2020.

First Tier Market Performance

Indices Performance

As at the end of 2019, all indices recorded advances with the Cross-Listed Index registering the largest increase of 18.98% to close at 144.65. The Composite Index increased by 165.93 points or 12.74% over the previous year to close at 1,468.41 and the All T&T Index rose by 163.80 points or 9.61% YOY to close at 1,868.97 points. (Refer to Table 1 and Diagrams 4, 5 & 6).

Diagram 4: Composite Index 2018 vs 2019

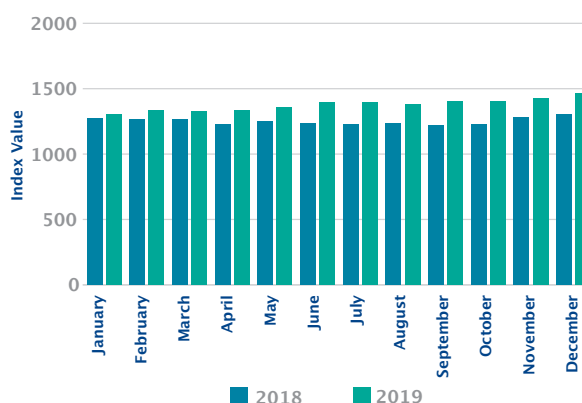
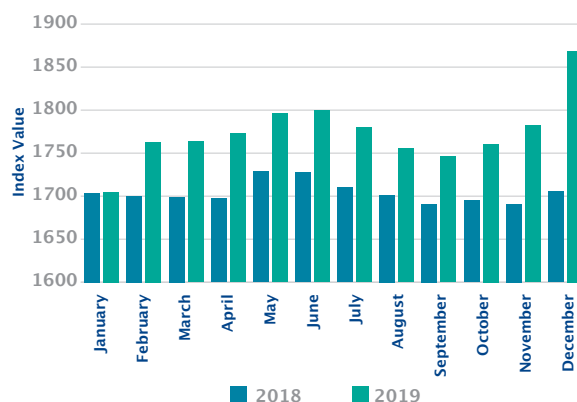


Diagram 5: All T&T Index 2018 vs 2019



Market Operations and Performance *continued*

Diagram 6: Cross-Listed Index
2018 vs 2019

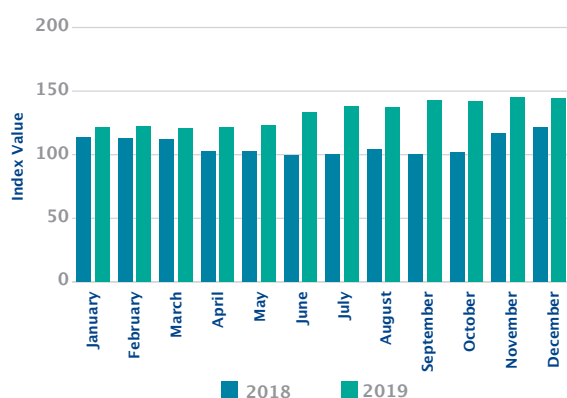


Diagram 7: First Tier Market
Capitalisation 2018 vs 2019

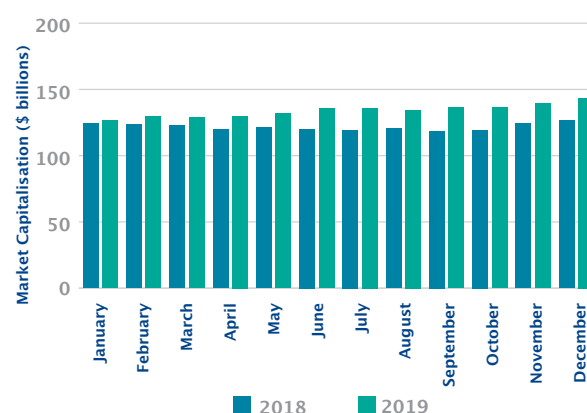


Table 1: Market Index Performance (2018/2019)

Index	Value 2018	Value 2019	YOY (unit Δ)	YOY (% Δ)
Composite	1,302.48	1,468.41	165.93	12.74
All T&T	1,705.17	1,868.97	163.80	9.61
Cross Listed	121.57	144.65	23.08	18.98

Market Capitalisation

Market capitalisation for the First Tier Market as at the end of 2019 was \$143.52 billion. This represented an increase of \$16.82 billion or 13.28% over the previous year, as shown in Diagram 7 above.

Traded Volume and Value

The First Tier Market recorded 12,054 trades (exclusive of put-through transactions) for 2019, representing an increase of 2.84% over the previous year. Total volume traded was 76.91 million shares valued at \$1.11 billion. This represented an increase of 6.33% in the volume of shares traded and a decline of 4.01% in the value of shares traded when compared to 2018, as shown in Table 2.

Table 2: First Tier Market Performance (YOY)

	Value 2018	Value 2019	YOY (unit Δ)	YOY (% Δ)
Number of Trades	11,721	12,054	333	2.84
Volume of Shares traded ('000)	72,333,637	76,909,892	4,576,255	6.33
Value of Shares traded (TT\$'000)	1,148,363,861	1,102,339,434	(46,024,427)	(4.01)

Market Operations and Performance *continued*

Sectoral Performance

Advances were recorded across five (5) sectors for 2019, the Banking Sector registering the largest gain of 171.98 points or 15.49% YOY, followed by the Manufacturing I Sector, which was up by 15.31% over the same period. The largest YOY decline was recorded in the Manufacturing II Sector, which ended that year lower by 82.12 points or 26.22% when compared to the previous year. This information is shown in Table 3.

Table 3: Market Index Performance (YOY)

Sector	2018	2019	YOY (unit Δ)	YOY (%Δ)
Banking	1,110.10	1,282.08	171.98	15.49%
Manufacturing I	2,204.14	2,541.61	337.47	15.31%
Conglomerates	2,529.33	2,889.99	360.66	14.26%
Trading	186.92	207.80	20.88	11.17%
Non-Banking Finance	1,063.52	1,133.99	70.47	6.63%
Property	154.48	150.30	(4.18)	(2.71)
Energy	145.50	119.80	(25.70)	(17.66)
Manufacturing II	313.20	231.08	(82.12)	(26.22)

Individual Share Performance

Volume of Shares Traded

The market’s three (3) most active securities for 2019, as measured by volume of shares traded, were JMMBGL, GraceKennedy Limited (GKC) and SFC (refer to Diagram 8).

The most active sector by volume for 2019 was the Non-Banking Finance Sector with 32.96 million shares traded (or 42.86% of the market’s total volume), followed by the Banking Sector with 13.62 million shares traded (or 17.71% of the market’s total volume) (refer to Diagram 9).

Diagram 8: 2019 Security Performance by Volume as % of First Tier Volume Traded

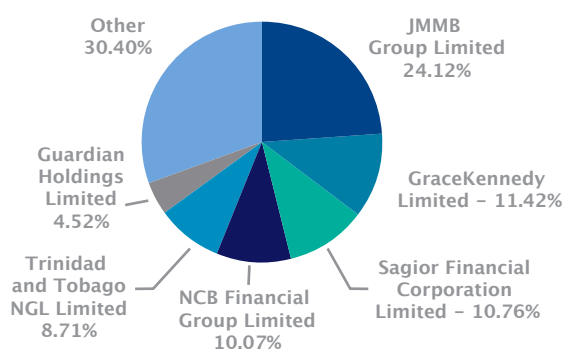
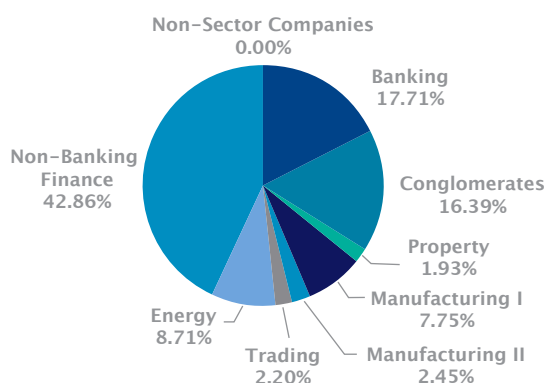


Diagram 9: 2019 Sector Performance by Volume as % of the First Tier Market Volume Traded



Market Operations and Performance *continued**Value of Shares Traded*

Trinidad and Tobago NGL Limited (NGL) was the leader with the highest value of shares traded for 2019 carrying a total traded value of \$179.15 million, which represented 16.25% of the market's overall activity. Massy Holdings Ltd. (MASSY) recorded a total traded value of \$163.63 million, while Republic Financial Holdings Limited (RFHL) ended the year with a total traded value of \$112.74 million, representing 14.84% and 10.23%, respectively of the market's total trade value for 2019 (refer to Diagram 10).

On a sectoral level, the Banking Sector was the largest contributor with a total traded value of \$325.40 million for 2019 or 29.52% of the market's total traded value, followed by the Conglomerates Sector with \$234.67 million or 21.29% of the market's total activity (refer to Diagram 11).

Diagram 10: 2019 Performance by Value as % of First Tier Trade Value

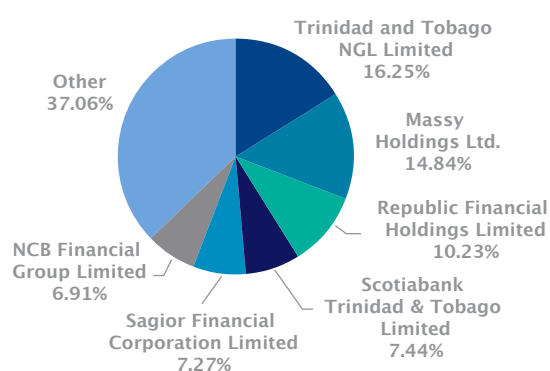
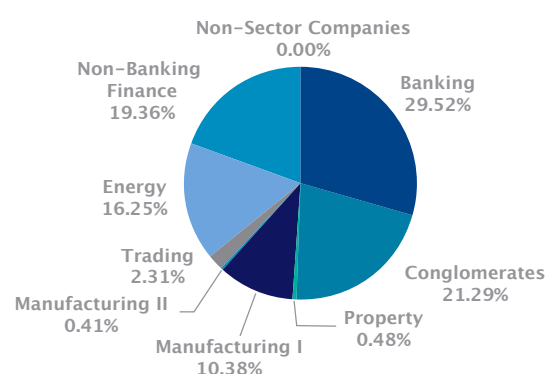


Diagram 11: 2019 Sector Performance by Market Value as % of First Tier Trade Value

*Price Movement*

Advances outpaced declines during 2019 by a ratio of 15:10. L.J. Williams Limited B (LJWB) led the advances for the year, registering an increase of \$0.94 (125.33%) over 2018, followed by JMMBGL, GKC and First Citizens Bank Limited (FIRST) with increases of 46.86% (or \$0.82), 36.21% (or \$1.05) and 31.00% (or \$10.53), respectively.

Guardian Media Limited (GML) recorded the largest decline for 2019, ending the year lower by 50.00% or \$7.50 when compared to the previous year, while National Enterprises Limited (NEL), Trinidad Cement Limited (TCL) and National Flour Mills Limited (NFM) registered declines of 28.00% (or \$2.24), 26.74% (or \$0.73) and 18.18% (or \$0.30), respectively.

Second Tier Market

No trading activity was recorded in the Second Tier market for 2019¹.

SME Market

The SME market recorded a total of 55 trades with a total traded volume of 25,242 shares valued at \$216,590.80. CinemaOne Limited (CINE1) accounted for 76.57% of this market's total traded value, while Endeavour Holdings Limited (EHL)² accounted for the other 23.43%.

¹ Mora Ven Holdings Limited (MOV) is the only security listed in the Second Tier Market. MOV was suspended on February 1, 2019, in accordance with TTSE Rules 600(8) and 601(5).

² Endeavour Holdings Limited (EHL) was listed on the SME Market on December 12, 2019 at a price of \$12.50 per share. As at December 31, 2019, there were two (2) securities listed in the SME Market.

Market Operations and Performance *continued**Price Movement*

CINE1 ended 2019 at a price of \$6.55 per share, this represents a decline of 34.50% YOY, while EHL traded firm to end the year at \$12.50.

Mutual Fund Market

The Mutual Fund market recorded 1,785 trades for 2019, this represented an increase of 1.65% over the previous year. Accordingly, the total traded volume rose to 9.20 million shares while the total value of shares traded was \$210.44 million, representing increases of 20.45% and 37.11%, respectively over the previous year. Market capitalisation increased YOY by 37.54% to end 2019 at \$6.39 billion (refer to Table 4).

Table 4: Mutual Fund Performance (YOY)

Period	2018	2019	YOY (unit Δ)	YOY (% Δ)
Number of Trades	1,756	1,785	29	1.65
Volume of Shares Traded ('000)	7,639	9,201	1,562	20.45
Traded Value (TT\$'000)	153,484	210,442	56,958	37.11
Market Capitalisation (TT\$'000)	4,642,543	6,385,573	1,743,030	37.54

Individual Share Performance

CLICO Investment Fund (CIF) dominated the year's activity representing 98.94% and 99.31% of total volume and value traded, respectively. Trading in the Calypso Macro Index Fund (CALYP) represented 9.64% of total number of trades.

Price Movement

CIF and CALYP registered price advances of 42.29% and 5.00% over the previous year to close at \$28.50 and \$15.75, respectively.

Government Bond Market

The Government Bond market recorded a total of 55 trades in 2019, representing a decline of 3.51% over the previous year. Accordingly, the total face value and total traded value fell to \$182.02 million and \$193.62 million, respectively, which represented declines of 42.78% and 41.17%, respectively, over 2018 (refer to Table 5).

Table 5: 2019 Matured GORTT Bond

Security Description	Symbol	Coupon Rate	Tenor (Years)	Maturity Date
\$300M Government of Trinidad & Tobago 6.15% 03.08.2019	H037	6.15%	15	03-Aug-19
\$300M Government of Trinidad & Tobago 6.10% 22.09.2019	I224	6.10%	15	22-Sep-19

Market Operations and Performance *continued***Corporate Bond Market**

The Corporate Bond Market recorded 118 trades in 2019, carrying a total face value and trade value of \$21.99 million and \$22.84 million, respectively. This year's activity was lower by 52.95% and 53.43%, respectively over the previous year.

Market Summary

Tables 6 & 7 below show YOY changes in various categories based on trade activity.

Table 6: First Tier, Second Tier, SME and Mutual Funds Market Highlights

	2019	2018	% Change
Trades	13,894	13,480	3.07
Volume ('000)	86,137	79,977	7.70
Value (TT\$'000)	1,312,998	1,301,898	0.85
Put Through Transactions ¹	1,420	516	175.19
Put Through Volume ('000) ¹	3,924	21,012	(81.33)
Put Through Value (TT\$'000) ¹	116,790	947,483	(87.67)
Market Capitalisation (TT\$'000,000)	150,455	131,503	14.41
Composite Index	1,468.41	1,302.48	12.74
All T&T Index	1,868.97	1,705.17	9.61
Cross Listed Index	144.65	121.57	18.98
SME Index	67.76	100.00	(32.24)

¹ The figures for 2018 exclude 182 extraordinary special-case put-through transactions with a total volume of 66.35 million valued at \$4,926.12 million. The figures for 2019 exclude 990 extraordinary special-case put-through transactions with a total volume of 187.96 million valued at \$2,658.40 million.

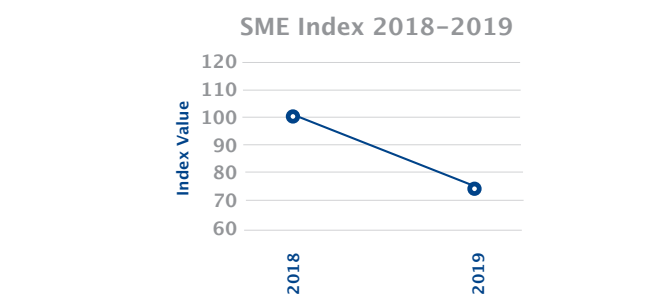
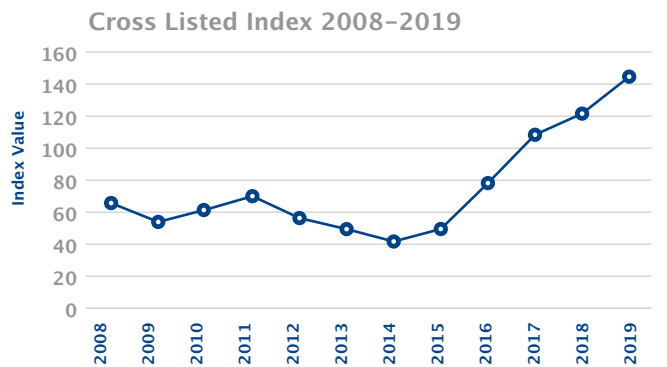
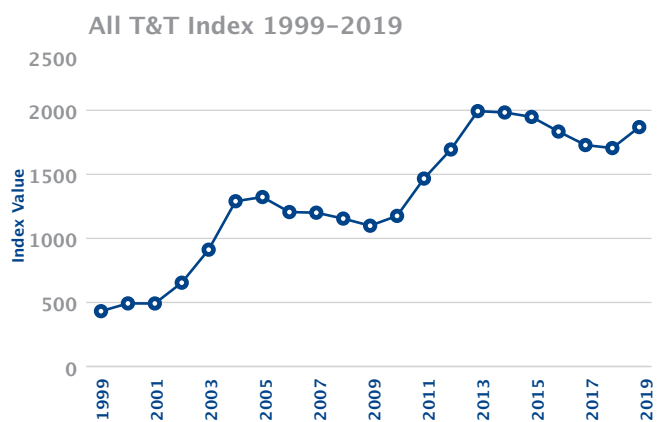
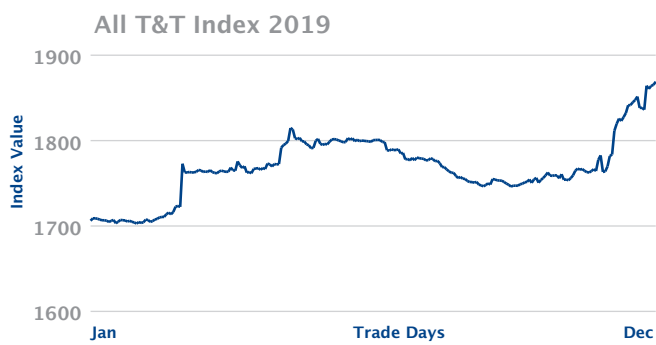
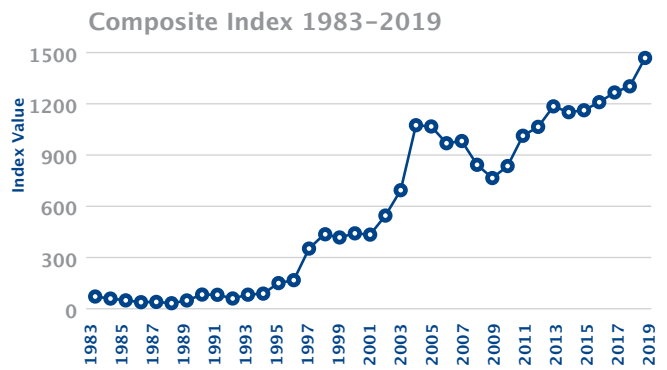
Table 7: Government and Corporate Bond Market Highlights

	2019	2018	% Change
Trades	173	82	110.98
Face Value (TT\$'000)	204,003	364,851	(44.09)
Trade Value (TT\$'000)	216,455	378,135	(42.76)
Put Through Transactions	12	2	500.00
Put Through Face Value (TT\$'000)	782	170	360.00
Put Through Trade Value (TT\$'000)	788	174	352.87
Market Capitalisation (TT\$'000,000)	22,368	22,968	(2.61)

US Dollar Market

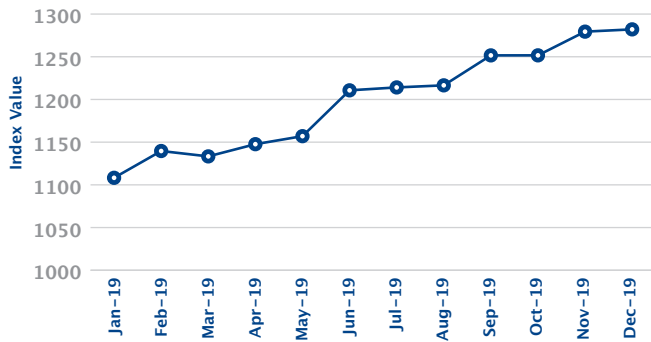
On January 14, 2019, a total of 11,424,160 Class B ordinary shares in MPC Caribbean Clean Energy Limited (MPCCEL) were listed on the TTSE at a price of US\$1.00 per share. MPCCEL is the only company currently listed on the US Dollar Market. No trading activity was recorded in the US Dollar market for 2019.

2019 Equity Market Activity

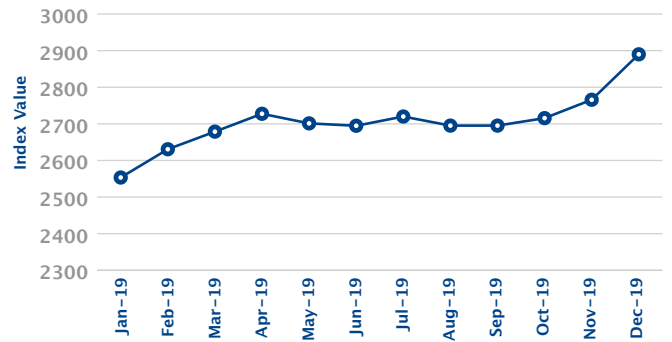


2019 Equity Market Activity *continued*

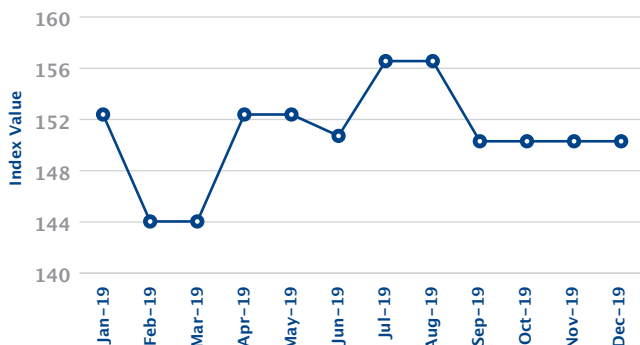
Banking Sector 2019



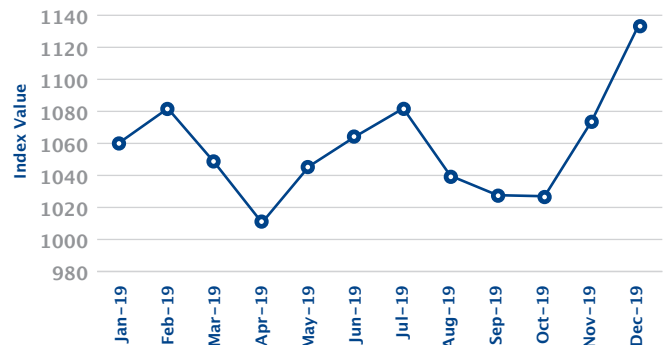
Conglomerates Sector 2019



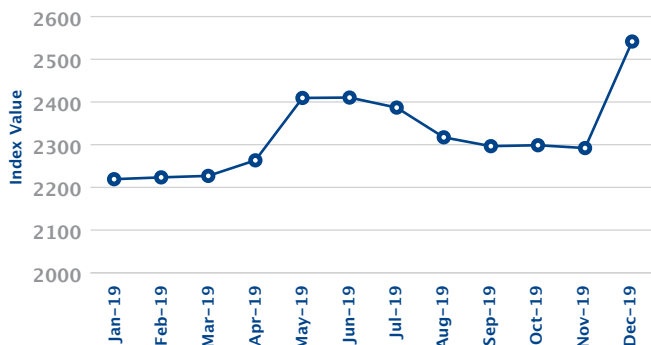
Property Sector 2019



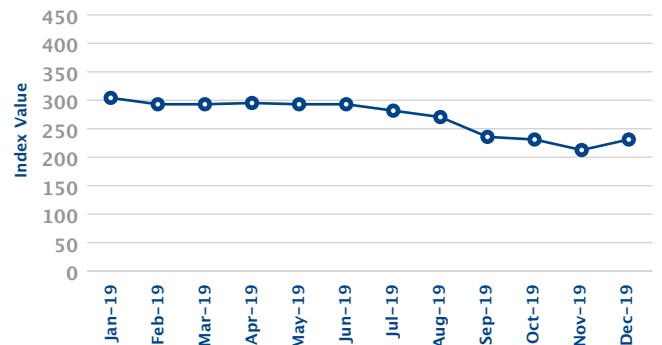
Non-Banking Finance Sector 2019



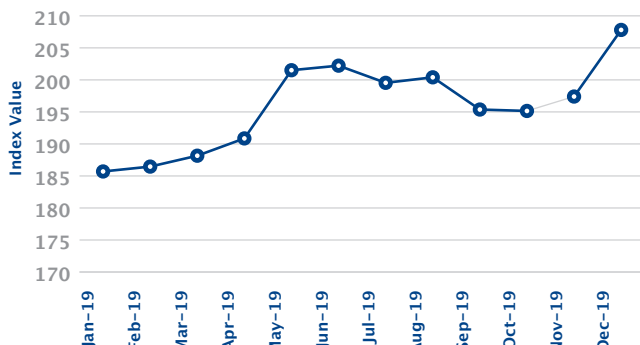
Manufacturing I Sector 2019



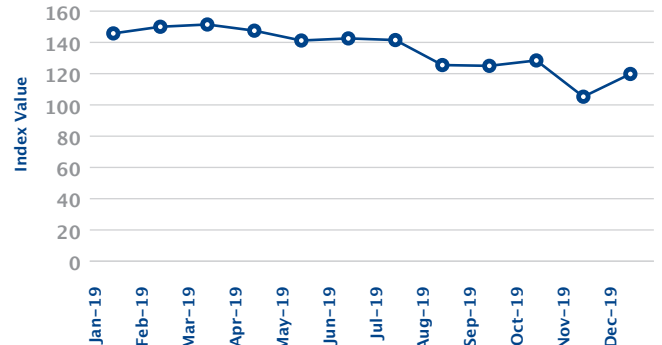
Manufacturing II Sector 2019



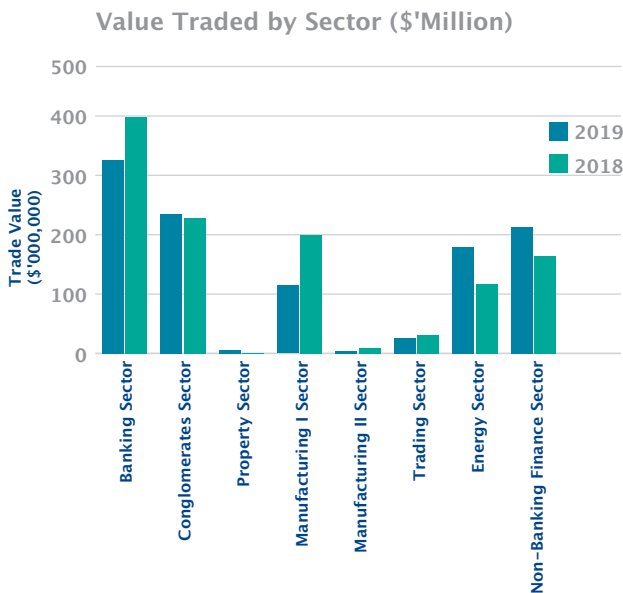
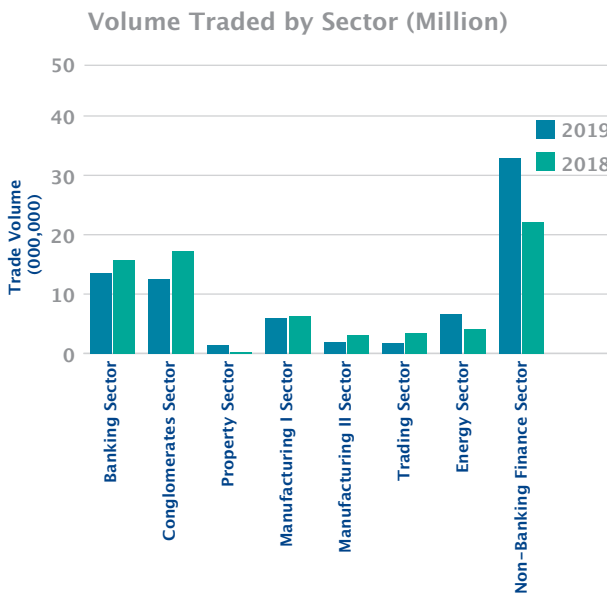
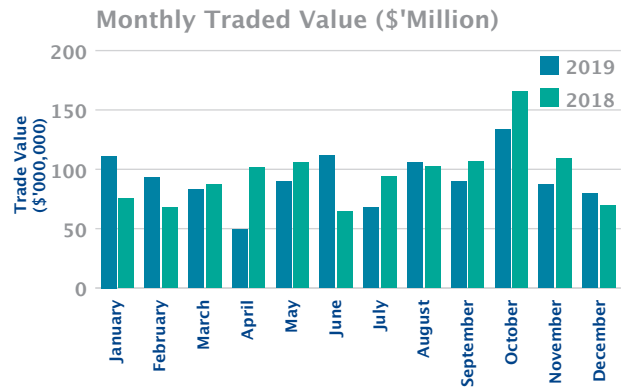
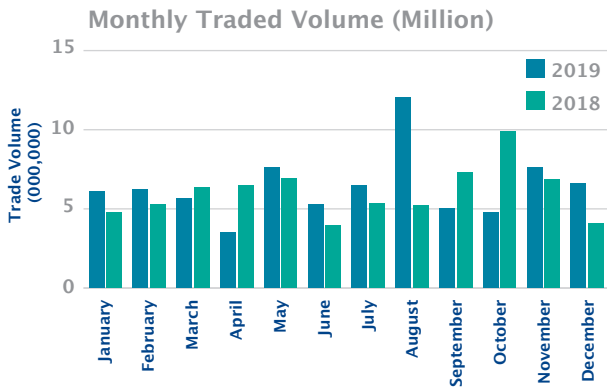
Trading Sector 2019



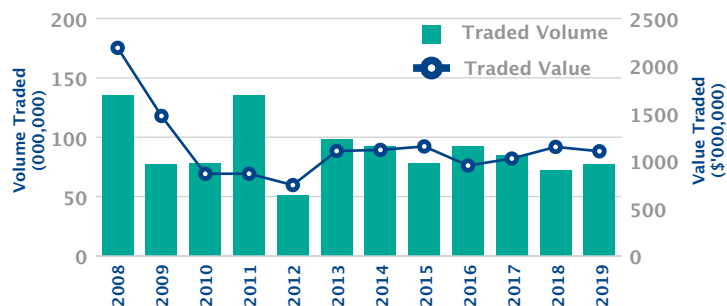
Energy Sector 2019



2019 Equity Market Activity *continued*



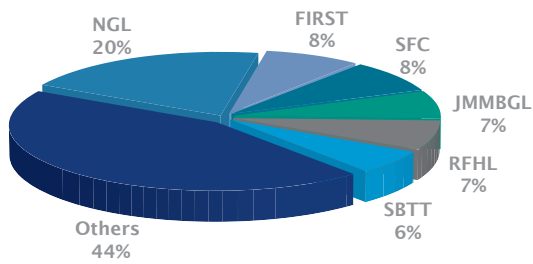
Volume and Value of Shares Traded 2008-2019



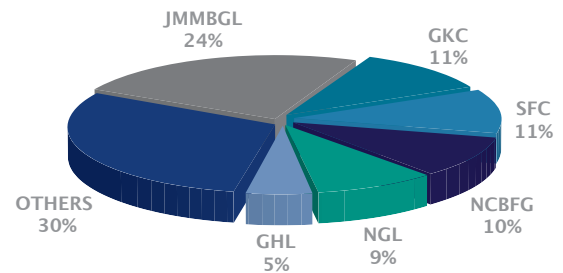
This diagram uses volume and value statistics from the First Tier market and excludes Put Throughs
 N.B. Excludes one time transaction in Jamaica Money Market Brokers Limited in 2011

2019 Equity Market Activity *continued*

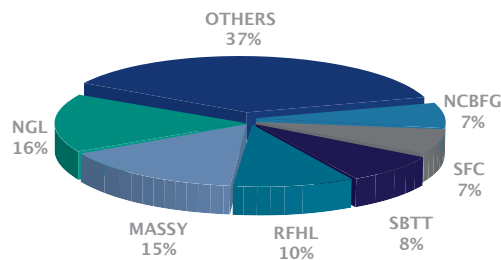
2019 Trades by Company



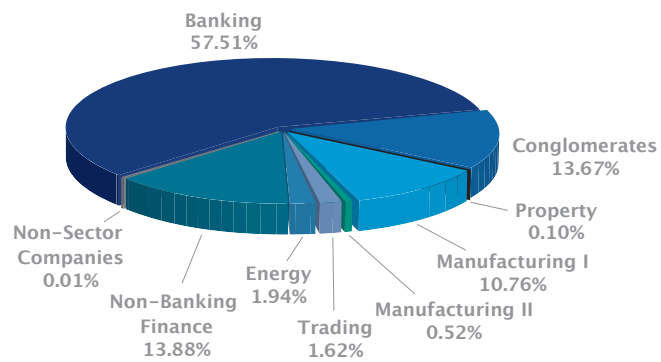
2019 Traded Volume by Company



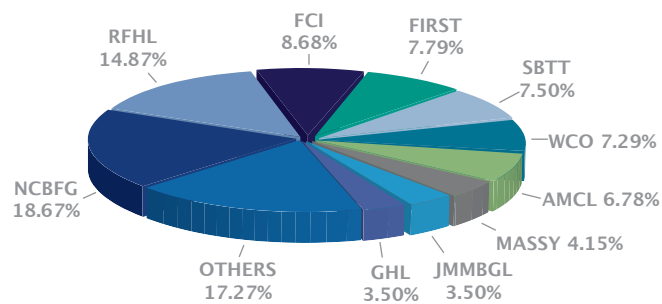
2019 Traded Value by Company



Market Capitalisation by Sector



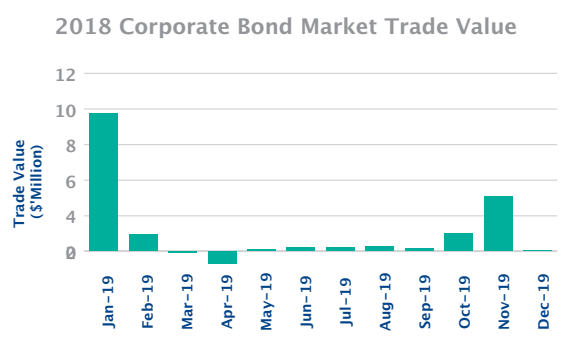
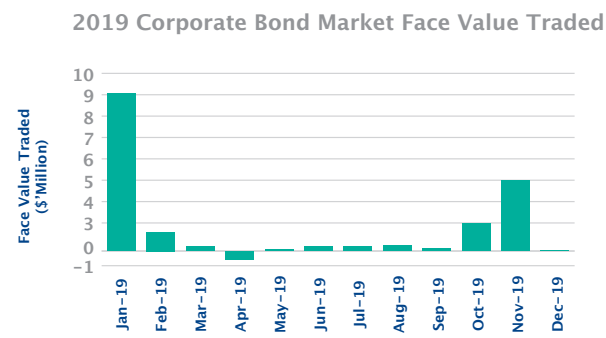
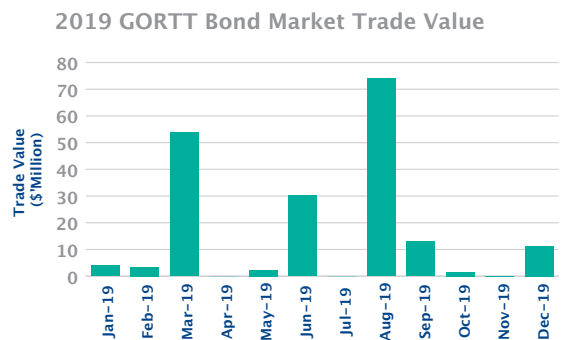
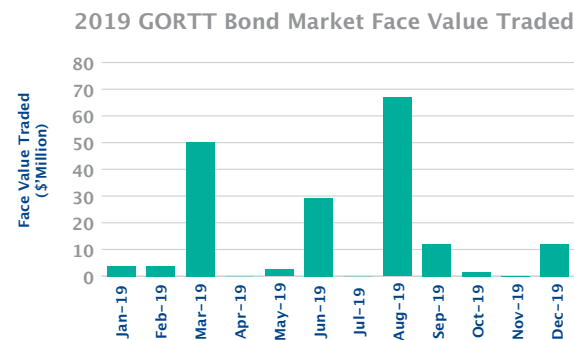
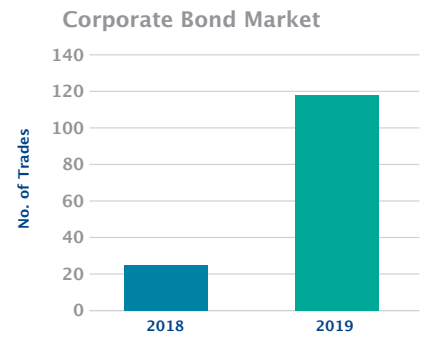
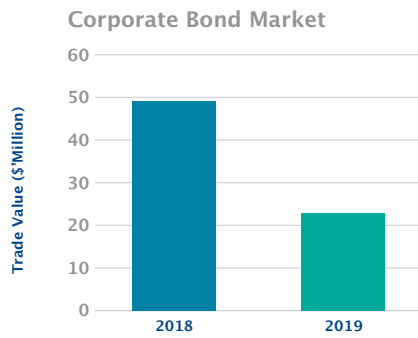
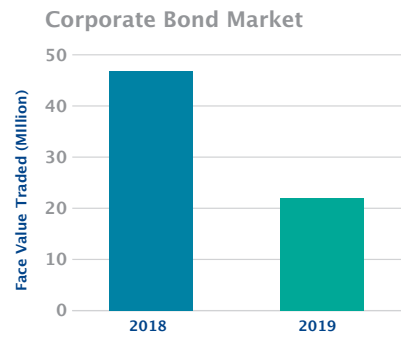
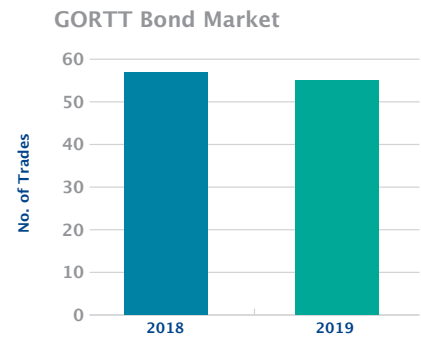
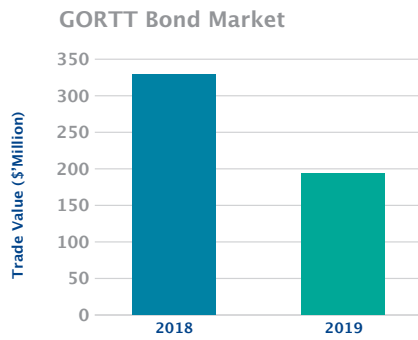
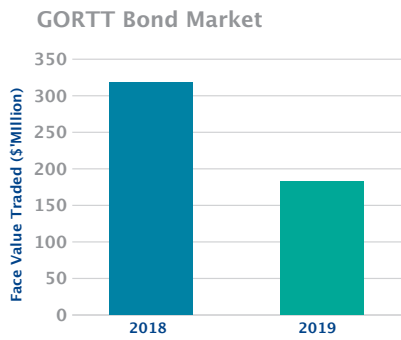
Market Capitalisation by Stock



2019 Trading Activity by Market



2019 Trading Activity by Market *continued*



Board of Directors



Donna Marie
Johnson
Attorney-at-Law

Peter Clarke
Director

Peter Inglefield
Director

Anton Gopaulsingh
Director

Ian Narine
Deputy Chairman

Subhas Ramkhelawan
Managing Director
Bourse Securities Limited
Missing Photo

Godfrey Gosein
Director
Missing Photo

Board of Directors *continued*



Ray A. Sumairsingh
Chairman
Executive Director
ANSA McAL Limited



Michael Phillip
Company Secretary
PLIPDECO



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



Carla Kelshall
Director

Executive Management: Amoy Van Lowe – Chief Executive Officer

Chairman and CEO

Amoy Van Lowe
Chief Executive Officer

Ray A. Sumairsingh
Chairman



Chairman and CEO *continued*

Shared Strategic Purpose

Any organisation pursuing its ambition to make a difference within its sector relies on its Board and Executive Management having shared clarity of strategic purpose and a commitment to success—particularly so when the work to be undertaken is foundational to the future growth of the organisation.

The vision of the Board can only be materialised by the efforts of a dynamic leader with the support of an engaged and empowered management team. It is in this context that the initiatives designed to deliver value to all our stakeholders reflect the highly collaborative approach of Amoy Van Lowe and her Team.

It is well understood that organisational change to new ways of doing business requires innovative thinking, focused execution, a proactive and dynamic management team and buy-in by all Stakeholders.

In 2019, the Board of the TTSE determined that the future of The Exchange and of trading in Trinidad and Tobago lies in creating opportunities for existing and new investors and for companies already listed on the Exchange, and in attracting new listings, including those by SMEs. That ambition mandated innovation driven by stronger collaboration and partnerships to deliver on a diverse range of elements that together, would support the change required for success. Emphasis was placed on how we position the company in the market by articulating, and living by, the core values that we stand for, and implementing the technology required to deliver on our commitment to create opportunities through a range of new services and products.

Recognising the need for greater accessibility in our technology-driven world, we accelerated the work of our online trading initiative in an effort to make trading more dynamic and engaging. With a customer-centered focus, the aim is to create opportunities for new investors and providing more options for existing investors.

The year ahead has already been forecasted to be challenging, given the impact of the Coronavirus (COVID-19), which is transforming our world socially, medically and economically. It should be clear in these uncertain times that there is no such thing as “business as usual”. However, in the midst of a global crisis, The Exchange remains committed to its role in supporting all our stakeholders and the continuing development of the national economy, given its strategically central position in the capital market eco-system.

We recognise that this global pandemic has created significant challenges of all magnitudes for leaders in all organisations in all industries. What is critical at this time is how we manage this crisis and manage ourselves through it, as this will most certainly determine how successful we are at emerging on the other side. Undoubtedly, more than ever at our core, is leading with empathy and working synergistically with our people.

It is in no small measure that the success of all our efforts is a reflection of the shared vision, collaboration, solidarity and support I have received from our CEO and through her, the management team and staff members of The Exchange. I am pleased to say we ended 2019 in a position of strength, which we will leverage together as we navigate through 2020.

Management Team



Left to right:
Dale Dickson • Karen Stewart • Eva Mitchell • Marisa S. Latchman • Lyndon Paynter • Mitra Sinanan

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).

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 in the banking industry for over 15 years and has a wealth of experience in banking operations.

Management Team *continued*

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 Association of 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.

**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.

Mitra Sinanan E.M.B.A.

Mitra joined the TTSE in 2019 as the Assistant Information Technology (IT) Lead with more than 18 years of experience in Information Communication Technology (ICT) which includes more than 7 years of ICT Management. His experience spans both the Public and Private sectors bringing a wealth of knowledge covering ICT Budgeting, Procurement, Contract Management, Support Management, Business Continuity and Procedure/Policy Development. He currently holds an Executive Master in Business Administration (EMBA) with honours from the Arthur Lok Jack – Global School of Business (Trinidad & Tobago), and M.Sc. in Applied Computer Science from University of West Georgia (USA) and a B.Sc. in Computer Science from Georgia College and State University (USA).

Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the financial year ended December 31, 2019. 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.

2019 Financial Highlights for the year (TT\$ Million)	
Operating Revenue	31.13
Operating Expenses	(17.22)
Operating Profit	13.91
Investment Income	2.74
Profit before Taxes	16.65
Taxation	(5.04)
Profit for the year	11.61
Other Comprehensive Income	
Unrealised fair value profit / loss recognised in revaluation reserve	-----
Total Comprehensive Income for the year	11.61

Dividends

The Directors declared a dividend of \$2.64 per share for the year ended December 31, 2019 to be paid to shareholders whose name appear on the Register of Members of the Company at the close of business on April 16, 2020.

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

In accordance with paragraphs 4.3 and 4.5.1 respectively of By-Law No. 1 of the Company, Messrs. Ray A. Sumairsingh, Michael Phillip, Peter Clarke and Ms. Donna-Marie Johnson 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.

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 8, 2020

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 organisation has a strong corporate 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 2019 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 acts in a way it considers 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 significant contracts, new listings and any other significant 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**

The Chairman acts as an Independent Non-Executive Director and chairs the Board of the TTSE. He or she also:

- 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 the 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 specialised 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, ten (10) 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 organisation'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 eighteen (18) meetings for the year 2019 and an Annual Meeting. The average number of Directors in attendance was eight (8).

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 that 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*

Strategic Development & Implementation Committee (SDIC)

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 Strategic Development Implementation Committee (SDIC):

Mr. Ian Narine (Chairman)

Mr. Anton Gopaulsingh

Ms. Carla Kelshall

Mr. Peter Clarke

Mr. Subhas Ramkhelawan

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. Ray A. Sumairsingh (Chairman)

Mr. Ian Narine

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. 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.

The following Directors are members of the Nominations Committee:

Mr. Ray A. Sumairsingh (Chairman)

Mr. Ian Narine

Mr. Michael Phillip

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.

Consolidated Financial Statements

31 December 2019

(Expressed in Trinidad and Tobago Dollars)

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Statement of Management's Responsibilities

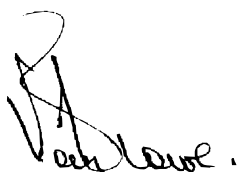
Management is responsible for the following:

- 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 2019 and the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and consolidated statement of cash flows 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 Group'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.

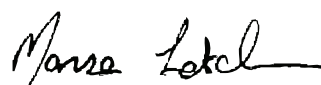
Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

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



Management

12 March 2020



Management

12 March 2020

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



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 consolidated financial position of The Trinidad and Tobago Stock Exchange Limited (the Company) and its subsidiary (together, 'the Group') as at 31 December 2019, and their consolidated financial performance and their consolidated 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 2019;
- 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 statement of cash flows 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.

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2019 (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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Independent Auditor's Report *continued*

Other information *continued*

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.

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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Independent Auditor's Report *continued*

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

- 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

Port of Spain,
Trinidad, West Indies
13 March 2020

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

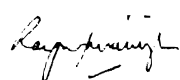
Consolidated Statement of Financial Position

Expressed in Trinidad and Tobago Dollars

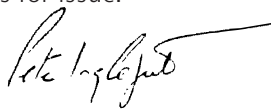
		As at 31 December	
	Notes	2019 \$	2018 \$
Assets			
Non-current assets			
Property and equipment	4	7,727,480	7,875,747
Intangible assets	5	1,621,144	1,173,430
Financial assets at FVPL	6a	182,372	177,045
Financial assets at amortised cost	6b	51,374,276	54,800,762
		<u>60,905,272</u>	<u>64,026,984</u>
Current assets			
Trade and other receivables	7	10,782,087	4,265,033
Cash on deposit	8	23,053,252	24,876,986
Cash in hand and at bank		1,250,844	1,174,482
Taxation recoverable		2,637,441	34,312
		<u>37,723,624</u>	<u>30,350,813</u>
Total assets		<u>98,628,896</u>	<u>94,377,797</u>
Equity and liabilities			
Capital and reserves			
Stated capital	9	8,326,655	8,326,655
Revaluation reserve		3,117	3,117
Retained earnings		87,104,966	81,452,356
Total equity		<u>95,434,738</u>	<u>89,782,128</u>
Non-current liabilities			
Deferred tax liability	10	251,203	254,870
Current liabilities			
Trade and other payables	11	2,942,955	3,729,678
Taxation payable		-	611,121
		<u>2,942,955</u>	<u>4,340,799</u>
Total liabilities		<u>3,194,158</u>	<u>4,595,669</u>
Total equity and liabilities		<u>98,628,896</u>	<u>94,377,797</u>

The notes on pages 50 to 69 are an integral part of these consolidated financial statements.

On 12 March 2020, 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	
		2019 \$	2018 \$
Revenue			
Fees, commissions and charges	12	<u>31,134,227</u>	<u>36,042,939</u>
Expenses			
Administrative	13	(718,227)	(939,138)
Marketing	13	(82,692)	(64,961)
Operating	13	(16,394,050)	(15,890,430)
Expected credit loss – Trade receivables	7	(26,385)	14,827
Expected credit loss – Bonds	6b	–	(18,297)
		<u>(17,221,354)</u>	<u>(16,897,999)</u>
Operating profit		13,912,873	19,144,940
Investment Income	14	<u>2,741,619</u>	<u>2,253,110</u>
Profit before taxation	15	16,654,492	21,398,050
Taxation	16	<u>(5,035,866)</u>	<u>(6,485,293)</u>
Profit for the year		<u>11,618,626</u>	<u>14,912,757</u>

The notes on pages 50 to 69 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	
	2019 \$	2018 \$
Profit for the year	11,618,626	14,912,757
Other comprehensive income	--	--
Total comprehensive income for the year	<u>11,618,626</u>	<u>14,912,757</u>

The notes on pages 50 to 69 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*

	Stated capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Year ended 31 December 2019				
Balance as at 1 January 2019	8,326,655	3,117	81,452,356	89,782,128
Total comprehensive income for the year:				
Profit for the year	--	--	11,618,626	11,618,626
Transactions with owners:				
Dividends	--	--	(5,966,016)	(5,966,016)
Balance at 31 December 2019	8,326,655	3,117	87,104,966	95,434,738
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 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 as at 31 December 2018	8,326,655	3,117	68,029,202	76,358,974

The notes on pages 50 to 69 are an integral part of these consolidated financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Cash Flows

Expressed in Trinidad and Tobago Dollars

	Year ended 31 December	
	2019 \$	2018 \$
Cash flows from operating activities		
Profit before taxation	16,654,492	21,398,050
Adjustments to reconcile profit to net cash provided by/(used in) operating activities:		
Depreciation	424,483	406,611
Amortisation	384,259	576,391
Investment income	(2,741,619)	(2,253,110)
Expected credit loss on accounts receivables	26,385	--
Expected credit loss on financial instruments at amortised cost	--	3,470
	14,748,000	20,131,412
Changes in operating assets/liabilities:		
(Increase)/decrease in trade and other receivables	(6,582,097)	564,118
(Decrease)/increase in trade and other payables	(786,723)	995,055
Net tax payments	(8,253,783)	(5,518,937)
Net cash (used in)/provided by operating activities	(874,603)	16,171,648
Cash flows from investing activities		
Interest received	2,780,277	1,637,994
Proceeds from maturity of investment	5,379,166	--
Purchase of investment	(1,952,680)	(18,998,948)
Purchase of equipment	(276,216)	(169,145)
Purchase of intangible assets	(831,973)	(20,648)
Net cash provided by/(used in) investing activities	5,098,574	(17,550,747)
Cash flows from financing activities		
Dividends	(5,966,016)	(1,489,603)
Net cash used in financing activities	(5,966,016)	(1,489,603)
Net decrease in cash and cash equivalents	(1,747,372)	(2,868,702)
Cash and cash equivalents at beginning of year	26,051,468	28,920,170
Cash and cash equivalents at end of year	24,304,096	26,051,468
Represented by:		
Cash on deposit	23,053,252	24,876,986
Cash in hand and at bank	1,250,844	1,174,482
	24,304,096	26,051,468

The notes on pages 50 to 69 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

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 judgement 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 did not adopt any new, revised or amended standards.

(ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2019

IFRS 16, 'Leases': The Group has determined that there was no impact on its financial statements from the adoption of this standard.

(iii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 and not early adopted by the Company

The following standard has been published and is mandatory for the Group's accounting periods beginning on or after 1 January 2019, but the Group has not early adopted it:

Standard	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2022

This standard is not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

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 2019.

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.

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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

d. Intangible assets *continued*

*Computer software *continued**

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.

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

Classification

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 Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

g. Financial assets (excluding trade receivables) under IFRS 9 *continued*

Classification continued

The Group 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 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.

- **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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

g. Financial assets (excluding trade receivables) under IFRS 9 *continued*

Measurement continued

(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

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 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 3.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

h. 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.

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 Group 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.

i. Cash and cash equivalents

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

j. 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.

k. 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.

l. 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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

m. 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.

(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 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.

n. 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.

o. Revenue

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

p. Investment income

Financial assets under IFRS 9

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.

q. 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*

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 \$5,893.

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued*

4. Property and equipment

	Leasehold property \$	Office Furniture and equipment \$	Motor vehicles \$	Work in progress \$	Total \$
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
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>
Year ended 31 December 2019					
Opening net book amount	6,232,668	1,556,316	21,838	64,925	7,875,747
Additions	--	276,216	--	--	276,216
Transfers	--	64,925	--	(64,925)	--
Depreciation charge	(169,146)	(249,878)	(5,459)	--	(424,483)
Closing net book amount	<u>6,063,522</u>	<u>1,647,579</u>	<u>16,379</u>	<u>--</u>	<u>7,727,480</u>
At 31 December 2019					
Cost	8,457,288	6,734,937	155,000	--	15,347,225
Accumulated depreciation	(2,393,766)	(5,087,358)	(138,621)	--	(7,619,745)
Closing net book amount	<u>6,063,522</u>	<u>1,647,579</u>	<u>16,379</u>	<u>--</u>	<u>7,727,480</u>

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued*

5. Intangible assets

	Computer software \$
At 31 December 2017	
Cost	4,011,497
Accumulated amortisation	<u>(2,282,324)</u>
Net book amount	<u>1,729,173</u>
Year ended 31 December 2018	
Opening net book amount	1,729,173
Work in progress	20,648
Amortisation charge	<u>(576,391)</u>
Closing net book amount	<u>1,173,430</u>
At 31 December 2018	
Cost	4,032,146
Accumulated amortisation	<u>(2,858,716)</u>
Net book amount	<u>1,173,430</u>
Year ended 31 December 2019	
Opening net book amount	1,173,430
Work in progress	831,973
Amortisation charge	<u>(384,259)</u>
Closing net book amount	<u>1,621,144</u>
At 31 December 2019	
Cost	4,864,119
Accumulated amortisation	<u>(3,242,975)</u>
Net book amount	<u>1,621,144</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

6. Financial assets

6a *Financial assets at fair value through profit and loss*

	2019 \$	2018 \$
Ansa Merchant Bank Limited – TTD Income Fund	101,064	95,737
Caribbean Information and Credit Rating Agency Limited (CariCRIS)	81,308	81,308
	<u>182,372</u>	<u>177,045</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*

	2019 \$	2018 \$
Government of Trinidad and Tobago (7.75% FRB 2024)	52,000	52,000
Government of Trinidad and Tobago (3.80% FRB 2022)	7,892,000	7,892,000
Government of Trinidad and Tobago (4.10% FRB 2025)	2,988,000	2,988,000
Government of Trinidad and Tobago (3.85% FRB 2029)	4,185,811	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	4,958,000
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	4,965,000	4,965,000
Guardian Holdings Limited (4.22% LOAN 2018)	5,024,103	5,024,103
Home Mortgage Bank 3.5% Bond 2023	5,020,616	5,020,616
Home Mortgage Bank 4.75% Bond 2025	3,300,000	3,300,000
National Investment Fund 4.5% Bond 2023	3,139,000	3,139,000
National Investment Fund 5.7% Bond 2030	7,956,000	7,956,000
Treasury Bill OMO 16 97	1,952,680	--
Provision for estimated credit loss bonds	(58,934)	(58,934)
	<u>51,374,276</u>	<u>54,800,762</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*

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.

	2019 \$	2018 \$
The following is a movement analysis of the ECL provision		
Opening ECL under IFRS 9	(58,934)	(40,637)
Net changes to provisions during the year	--	(18,297)
	<u>(58,934)</u>	<u>(58,934)</u>
Effective ECL loss rate	<u>0.115%</u>	<u>0.108%</u>

7. Trade and other receivables

	2019 \$	2018 \$
Trade receivables	9,298,716	2,706,455
Less: expected credit loss on receivables	(40,894)	(14,509)
Trade receivables – net	9,257,822	2,691,946
Prepayments	364,596	385,421
Interest receivable	1,129,898	1,168,556
Other receivables	29,771	19,110
	<u>10,782,087</u>	<u>4,265,033</u>

As of 31 December 2019, trade receivables of \$7,885,962 (2018: \$1,399,341) were fully performing.

As of 31 December 2019, trade receivables of \$975,010 (2018: \$717,137) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued***7. Trade and other receivables *continued***

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

	2019	2018
	\$	\$
Up to 3 months	342,054	465,639
3 to 6 months	68,711	52,460
More than 6 months	564,245	199,038
Total	<u>975,010</u>	<u>717,137</u>
The following is a movement analysis of the ECL provision		
Opening ECL under IFRS 9	(14,509)	(29,336)
Net changes to provisions during the year	(26,385)	14,827
	<u>(40,894)</u>	<u>(14,509)</u>

8. Cash on deposit

	2019	2018
	\$	\$
Trinidad and Tobago Unit Trust Corporation – TTD Income Fund	2,809,679	2,345,771
Trinidad and Tobago Unit Trust Corporation – USD Income Fund	6,829,035	3,926,424
Guardian Asset Management Limited – TTD Monthly Income Fund	4,797,660	8,763,840
Guardian Asset Management Limited – USD Monthly Income Fund	8,560,538	7,501,390
Republic Bank Limited – TTD Money Market Fund	--	2,180,705
Ansa Merchant Bank Limited – TTD Secured Fund	56,340	56,340
First Citizens Bank Limited – Abercrombie Fund	--	102,516
	<u>23,053,252</u>	<u>24,876,986</u>

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

9. Stated capital

	2019	2018
	\$	\$
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>

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued*

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% (2018: 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 2019			
Accelerated tax depreciation	254,870	(3,667)	251,203
Net deferred tax	<u>254,870</u>	<u>(3,667)</u>	<u>251,203</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

	2019 \$	2018 \$
Trade creditors	864,385	838,745
Fees/subscriptions paid in advance	178,670	387,943
Other payables and accrued charges	<u>1,899,900</u>	<u>2,502,990</u>
	<u>2,942,955</u>	<u>3,729,678</u>

12. Fees, commissions and charges

	2019 \$	2018 \$
Listing and membership fees	5,722,533	8,040,330
Customer transaction charges	18,609,010	18,726,450
Commission rebates	444,323	520,314
Registrar fees	3,122,331	2,745,644
Bond income	982,894	997,150
Euroclear income	211,359	247,128
Other income	<u>2,041,777</u>	<u>4,765,923</u>
	<u>31,134,227</u>	<u>36,042,939</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 0.21% of the transaction cost for shares traded by member firms on the buy and sell side. As at 31 December 2019, total value of transactions traded was \$4,088,190,066 (2018: \$7,193,304,801).

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 SubsidiaryNotes to the Consolidated Financial Statements *continued*

13. Expenses

	2019	2018
	\$	\$
<i>Administrative expenses</i>		
Audit	183,289	204,977
Legal and professional fees	534,938	734,161
	<u>718,227</u>	<u>939,138</u>
<i>Marketing expenses</i>		
Advertising	52,194	22,974
Investor awareness	30,498	41,987
	<u>82,692</u>	<u>64,961</u>
<i>Operating expenses</i>		
Salaries	7,967,222	7,434,006
Information technology expenses	2,296,744	2,337,619
Depreciation	424,485	406,611
Amortisation	384,259	576,391
Directors' fees	1,480,250	958,210
Education and training	75,502	76,716
Insurance	229,228	234,872
Office expense	551,236	581,889
Rental expense	250,005	195,371
Building maintenance	431,306	468,928
Regulatory fee	847,563	1,468,661
Telephone and connectivity	350,021	332,087
Euroclear charges	186,583	212,568
Other expenses	919,646	589,698
Forex loss	--	16,803
	<u>16,394,050</u>	<u>15,890,430</u>

14. Investment income

	2019	2018
	\$	\$
Interest income	<u>2,741,619</u>	<u>2,253,110</u>

15. Profit before taxation

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

	2019	2018
	\$	\$
Staff costs (Note 17)	7,967,222	7,434,006
Directors' fees	1,480,250	958,210
Depreciation	424,483	406,611
Amortisation	<u>384,259</u>	<u>576,391</u>

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued*

16. Taxation

	2019	2018
	\$	\$
Current tax	4,938,084	6,355,155
Deferred tax (Note 10)	(3,667)	15,576
Green fund levy	101,449	114,562
	<u>5,035,866</u>	<u>6,485,293</u>
The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:		
Profit before taxation	<u>16,654,492</u>	<u>21,398,050</u>
Tax calculated at 30%	4,996,348	6,419,415
Income not subject to tax	(106,713)	(116,019)
Expenses not deductible for tax purposes	7,838	5,617
Additional allowance for expenses	(10,610)	(11,507)
Green fund levy	101,449	114,562
Other permanent differences	47,554	73,225
	<u>5,035,866</u>	<u>6,485,293</u>

17. Staff costs

	2019	2018
	\$	\$
Salaries and benefits	7,540,908	6,986,213
Pension costs	426,314	447,793
	<u>7,967,222</u>	<u>7,434,006</u>
Average number of employees	<u>33</u>	<u>30</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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

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 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 dollar Income Fund Account held at the Trinidad and Tobago Unit Trust Corporation and Guardian Asset Management, is not subject to significant foreign currency risk.

At 31 December 2019, 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 \$323,181 (2018: \$29,448) 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*

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 2019		
Liabilities		
Trade and other payables	2,942,955	--
	Within one year	One to ten years
As at 31 December 2018		
Liabilities		
Trade and other payables	3,729,678	--

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:

- 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).

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements *continued*

20. Fair values of financial assets and liabilities *continued*

- 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 2019.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
– Debt securities	--	51,374,276	--	51,374,276
Financial assets at FVPL				
– Equity securities	101,064	--	81,308	182,372
Total assets	<u>101,064</u>	<u>51,374,276</u>	<u>81,308</u>	<u>51,556,648</u>

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

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.

The Trinidad and Tobago Stock Exchange Limited and its SubsidiaryNotes to the Consolidated Financial Statements *continued***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:

	2019	2018
	\$	\$
(a) Directors' fees	<u>1,480,250</u>	<u>958,210</u>
(b) Key management compensation		
Salaries and other short-term employee benefits	1,553,217	1,310,674
post-employment benefits	<u>65,000</u>	<u>82,500</u>
	<u>1,618,217</u>	<u>1,393,174</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 2019

23. Events after the reporting period

There are no subsequent events.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Trustees' Responsibilities

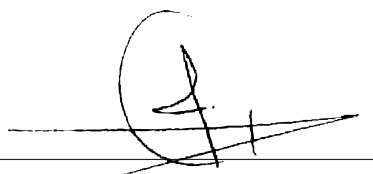
The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Central Depository Settlement Assurance Fund (the Fund) which comprise the statement of financial position as at 31 December 2019, 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, the 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, the Trustees chose those considered most appropriate in the circumstances.


Nothing has come to the attention of the 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

12 March 2020



Trustee

12 March 2020

The Trinidad And Tobago Central Depository Settlement Assurance Fund



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 2019, 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 2019;
- 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.

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2019 (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.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Independent Auditor's Report *continued*

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.

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.



Port of Spain,
Trinidad, West Indies
13 March 2020

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Financial Position

Expressed in Trinidad and Tobago Dollars

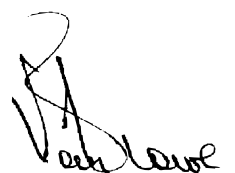
		As at 31 December	As at 1 January
	Notes	2019 2018 Restated \$	2018 Restated \$
Assets			
<i>Non-current assets</i>			
Financial assets at amortised cost	5	3,274,427	--
Available-for-sale financial assets		--	3,452,924
		<u>3,274,427</u>	<u>3,452,924</u>
<i>Current assets</i>			
Trade and other receivables	6	97,310	306,499
Cash on deposit	7	6,789,564	5,795,294
		<u>6,886,874</u>	<u>6,101,793</u>
Total assets		<u>10,161,301</u>	<u>9,554,717</u>
Equity and accumulated fund			
Revaluation reserve		--	158,149
Accumulated fund		8,808,855	8,267,254
Total equity		<u>8,808,855</u>	<u>8,425,403</u>
<i>Current liabilities</i>			
Taxation payable		1,238,446	997,314
Accrued expenses	8	114,000	132,000
Total liabilities		<u>1,352,446</u>	<u>1,129,314</u>
Total equity and liabilities		<u>10,161,301</u>	<u>9,554,717</u>

The notes on pages 77 to 88 are an integral part of these consolidated financial statements.

On 12 March 2020, 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	
		2019 \$	2018 Restated \$
Revenue			
Contributions	9	214,188	296,715
Investment income	10	248,074	246,480
		<u>462,262</u>	<u>543,195</u>
Expenditure			
Audit fees		(10,450)	(18,000)
Management charges	11	(96,000)	(96,000)
Green fund levy		(1,198)	(1,120)
Interest and penalty		--	(26,887)
Expected credit gain on financial instruments at amortised cost	5	--	6
		<u>(107,648)</u>	<u>(142,001)</u>
Surplus for the year before taxation		354,614	401,194
Taxation	12	(93,614)	(118,313)
Surplus for the year		261,000	282,881
Other comprehensive income for the year		--	--
Total comprehensive income for the year		<u>261,000</u>	<u>282,881</u>

The notes on pages 77 to 88 are an integral part of these consolidated financial statements.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Changes in Accumulated Fund

Expressed in Trinidad and Tobago Dollars

	Note	Revaluation reserve \$	Accumulated fund \$	Total \$
Year ended 31 December 2019				
Balance at 1 January 2019 – restated		--	8,547,855	8,547,855
Total comprehensive income for the year:				
Surplus for the year		--	261,000	261,000
Balance at 31 December 2019		--	8,808,855	8,808,855
Year ended 31 December 2018				
Balance at 1 January 2018 – as previously stated		158,149	9,264,568	9,422,717
Prior period adjustment	4	--	(997,314)	(997,314)
Balance at 1 January 2018 – restated		158,149	8,267,254	8,425,403
IFRS 9 initial application adjustments		(158,149)	(2,280)	(160,429)
Total comprehensive income for the year:				
Surplus for the year		--	282,881	282,881
Balance at 31 December 2018 – restated		--	8,547,855	8,547,855

The notes on pages 77 to 88 are an integral part of these consolidated financial statements.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Statement of Cash Flows

Expressed in Trinidad and Tobago Dollars

	Note	Year ended 31 December	
		2019 \$	2018 Restated \$
Cash from operating activities			
Surplus for the year		354,614	401,194
Investment income	10	(248,074)	(246,480)
Green fund levy		1,198	1,120
Interest and penalty		--	26,887
Expected credit gain – Bonds		--	(6)
		<u>107,738</u>	<u>182,715</u>
Changes in current assets and liabilities			
Decrease/(increase) in trade and other receivables		472,257	(247,507)
(Decrease)/increase in accrued expenses		(132,000)	114,000
Net cash provided by operating activities		<u>447,995</u>	<u>49,208</u>
Cash flow from investing activity			
Interest received		257,374	239,693
Net cash provided by investing activity		<u>257,374</u>	<u>239,693</u>
Net increase in cash and cash equivalents		705,369	288,901
Cash and cash equivalents at beginning of year		6,084,195	5,795,294
Cash and cash equivalents at end of year		<u>6,789,564</u>	<u>6,084,195</u>
Represented by:			
Cash on deposit		<u>6,789,564</u>	<u>6,084,195</u>

The notes on pages 77 to 88 are an integral part of these consolidated financial statements.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Financial Statements

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

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Fund's financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at amortized cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund'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 Fund

The Fund did not adopt any new, revised or amended standards.

- (ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2019

IFRS 16, 'Leases': The Fund has determined that there was no impact on its financial statements from the adoption of this standard.

- (iii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 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 2019, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2022

These standards are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

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 (excluding trade receivables) under IFRS 9

Classification

The Fund classifies its financial assets (excluding trade receivables) in the following measurement category:

- 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.

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 Fund 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.

The Fund 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 Fund 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 Fund has transferred substantially all the risks and rewards of ownership.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

c. Financial assets (excluding trade receivables) under IFRS 9 *continued*

Measurement

At initial recognition, the Fund 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 Fund's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Fund 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 Fund 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 Fund 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 Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

c. Financial assets (excluding trade receivables) under IFRS 9 *continued*

Measurement continued

(ii) Equity instruments

The Fund subsequently measures all equity investments at fair value, 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 Fund's right to receive payments is established.

Impairment of debt instruments

The Fund 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 Fund 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 Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

d. 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 Fund 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.

Under IFRS 9, the Fund 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 Fund employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Fund 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.

e. Cash and cash equivalents

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

f. 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.

g. Taxation

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.

h. 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 Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

i. Investment income

Financial assets under IFRS 9

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.

j. Comparatives

Where necessary, comparative figures were adjusted to account for the restatement of taxation payable due to the correction of prior period error. The impact of the restatement is summarised in Note 4.

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

ECL calculations are shown in Note 5. 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 \$212.

The Trinidad And Tobago Central Depository Settlement Assurance FundNotes to the Consolidated Financial Statements *continued***4. Restatement – correction in accounting for taxation**

Under the Corporation Tax Act, the Fund is liable to pay corporation tax and green fund levy, however, the Fund did not recognise the required tax amounts in its financial statements since its inception. In accordance with IAS 8 Accounting policies, changes in accounting estimates and errors, in order to correct this prior period treatment the Fund recognised the required tax amounts due by the Fund for the last six years inclusive of any interest and penalties since the Fund was not exempted from having to pay corporation tax and green fund levy.

The financial statement line items that are affected by this restatement are taxation payable, accumulated fund, green fund levy, interest and penalty and taxation expense as follows:

2018

	As previously stated	2018 Restatement	2018 Restated
	\$	\$	\$
Statement of Financial Position			
Taxation payable	--	1,143,634	1,143,634
Accumulated Fund	9,691,489	(1,143,634)	8,547,855
Statement of Changes in Accumulated Fund			
Accumulated Fund	9,691,489	(1,143,634)	8,547,855
Statement of Comprehensive Income			
Green fund levy	--	1,120	1,120
Interest and penalty	--	26,887	26,887
Taxation	--	118,313	118,313

2017

	As previously stated	2017 Restatement	2017 Restated
	\$	\$	\$
Statement of Financial Position			
Taxation payable	--	997,314	997,314
Accumulated Fund	9,264,568	(997,314)	8,267,254
Statement of Changes in Accumulated Fund			
Accumulated Fund	9,264,568	(997,314)	8,267,254

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

5. Financial asset at amortised cost

	2019	2018
	\$	\$
Government of Trinidad and Tobago (6.00% FRB 2031)	3,276,701	3,286,002
Provision for expected credit loss bond	(2,274)	(2,274)
	<u>3,274,427</u>	<u>3,283,728</u>
The following is a movement analysis of the ECL provision		
Balance at beginning of the year	(2,274)	(2,280)
Net changes to provisions during the year	--	6
Balance at end of the year	<u>(2,274)</u>	<u>(2,274)</u>

The Fund recognises provisions for losses for bonds using the Expected Credit Loss (ECL) model. The Fund 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 Fund 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.

6. Trade and other receivables

	2019	2018
	\$	\$
Accounts receivables	37,899	42,588
Other receivables	23,898	491,466
Interest receivable	35,513	35,512
	<u>97,310</u>	<u>569,566</u>

As of 31 December 2019, trade receivables of \$37,899 (2018: \$42,588) were fully performing.

7. Cash on deposit

	2019	2018
	\$	\$
First Citizens Bank Limited – Abercrombie Fund	<u>6,789,564</u>	<u>6,084,195</u>

8. Accrued expenses

	2019	2018
	\$	\$
Due to The Trinidad and Tobago Central Depository Limited	96,000	192,000
Accounts payables and accrued charges	18,000	54,000
	<u>114,000</u>	<u>246,000</u>

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

9. 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”.

10. Investment income

	2019	2018
	\$	\$
Interest income	257,375	255,253
Amortisation of premium on bond	(9,301)	(8,773)
	<u>248,074</u>	<u>246,480</u>

11. Management charges

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.

12. Taxation

	2019	2018
	\$	\$
Current tax	<u>93,614</u>	<u>118,313</u>

The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2019	2018
	\$	\$
Surplus before taxation	<u>355,812</u>	<u>402,314</u>
Tax calculated at 30%	106,744	120,694
Income not subject to tax	(21,197)	(20,560)
Expenses not deductible for tax purposes	<u>8,067</u>	<u>18,179</u>
	<u>93,614</u>	<u>118,313</u>

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

13. Related party transactions

The following transactions were carried out with related parties

	2019 \$	2018 \$
(a) Year-end balances arising		
Amounts due to The Trinidad and Tobago Central Depository Limited	<u>96,000</u>	<u>192,000</u>
Amounts due from The Trinidad and Tobago Central Depository Limited	<u>--</u>	<u>491,467</u>
(b) Transactions with related parties		
Management charges	<u>96,000</u>	<u>96,000</u>

14. 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.

(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.

The Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

14. 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 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 and accrued expenses are a reasonable estimate of their fair values because of the short maturity of these instruments.

15. 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 following table presents the Fund's financial assets and liabilities that are measured at amortised cost at 31 December 2019.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
- Debt securities	--	3,274,427	--	3,274,427
Total assets	--	3,274,427	--	3,274,427

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 Trinidad And Tobago Central Depository Settlement Assurance Fund

Notes to the Consolidated Financial Statements *continued*

15. Fair values of financial assets and liabilities *continued*

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.

16. Contingent liabilities

There are no contingent liabilities as at 31 December 2019.

17. Events after the reporting period

There are no subsequent events.

The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Trustees' Responsibilities

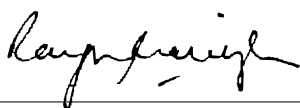
The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Stock Exchange Contingency Fund (the Fund) which comprise the statement of financial position as at 31 December 2019, 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, the 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, the Trustees chose those considered most appropriate in the circumstances.

Nothing has come to the attention of the 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

12 March 2020



Trustee

12 March 2020

The Trinidad and Tobago Stock Exchange Contingency Fund



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 2019, 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 2019;
- 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.

The Trinidad and Tobago Stock Exchange Contingency Fund

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 2019 (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.

The Trinidad and Tobago Stock Exchange Contingency Fund

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

Port of Spain,
Trinidad, West Indies
13 March 2020

The Trinidad and Tobago Stock Exchange Contingency Fund


Statement of Financial Position

Expressed in Trinidad and Tobago Dollars

	Notes	As at		As at
		2019	2018	1 January
		2019	2018	2018
		\$	Restated	Restated
		\$	\$	\$
Assets				
<i>Non-current assets</i>				
Financial assets at amortised cost	5	5,395,020	5,408,649	--
Available-for-sale financial assets		--	--	5,686,452
		5,395,020	5,408,649	5,686,452
<i>Current assets</i>				
Trade and other receivables	6	73,093	386,986	41,709
Cash on deposit	7	7,838,444	7,840,130	7,514,112
Cash at bank		1,506,313	892,627	892,627
		9,417,850	9,119,743	8,448,448
Total assets		14,812,870	14,528,392	14,134,900
Equity and accumulated fund				
Revaluation reserve		--	--	260,428
Accumulated fund		13,155,636	12,815,322	12,486,663
Total equity		13,155,636	12,815,322	12,747,091
<i>Current liabilities</i>				
Taxation payable		1,501,234	1,383,069	1,213,808
Accrued expenses	8	156,000	330,001	174,001
Total liabilities		1,657,234	1,713,070	1,387,809
Total equity and liabilities		14,812,870	14,528,392	14,134,900

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

On 12 March 2020, 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	
		2019 \$	2018 Restated \$
Revenue			
Contributions	9	214,188	272,816
Investment income	10	395,270	382,982
Foreign exchange gain		--	1,867
		<u>609,458</u>	<u>657,665</u>
Expenditure			
Audit fees		(10,450)	(18,000)
Bank charges		(1,456)	--
Management charges	11	(138,000)	(138,000)
Foreign exchange loss		(1,074)	--
Green fund levy		(1,828)	(1,973)
Interest and penalty		--	(30,710)
Expected credit gain on financial instruments at amortised cost	5	--	10
		<u>(152,808)</u>	<u>(188,673)</u>
Surplus for the year before taxation		456,650	468,992
Taxation	12	(116,336)	(136,578)
Surplus for the year		340,314	332,414
Other comprehensive income for the year			
IFRS 9 – Initial application adjustment		--	(260,428)
Total comprehensive income for the year		<u>340,314</u>	<u>71,986</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 2019				
Balance at 1 January 2019 – restated		--	12,815,322	12,815,322
Total comprehensive income for the year:				
Surplus for the year		--	340,314	340,314
Balance at 31 December 2019		--	13,155,636	13,155,636
Year ended 31 December 2018				
Balance at 1 January 2018 – as previously stated		260,428	13,700,471	13,960,899
Prior period adjustment	4	--	(1,213,808)	(1,213,808)
Balance at 1 January 2018 – restated		260,428	12,486,663	12,747,091
IFRS 9 initial application adjustment		(260,428)	(3,755)	(264,183)
Total comprehensive income for the year:				
Surplus for the year		--	332,414	332,414
Balance at 31 December 2018 – restated		--	12,815,322	12,815,322

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 Cash Flows

Expressed in Trinidad and Tobago Dollars

	Notes	Year ended 31 December	
		2019 \$	2018 Restated \$
Cash from operating activities			
Surplus for the year before taxation		456,650	468,992
Investment income	10	(395,270)	(382,982)
Green fund levy		1,828	1,973
Interest and penalty		--	30,710
Expected credit gain – Bonds		--	(10)
		<u>63,208</u>	<u>118,683</u>
Changes in current assets and liabilities			
Decrease/(increase) in trade and other receivables		4,689	(36,888)
(Decrease)/increase in accrued expenses		(174,001)	156,000
Net cash (used in)/provided by operating activities		<u>(106,104)</u>	<u>237,795</u>
Cash flows from investing activities			
Interest received		718,104	88,223
Net cash provided by investing activities		<u>718,104</u>	<u>88,223</u>
Net increase in cash and cash equivalents		612,000	326,018
Cash and cash equivalents at beginning of year		<u>8,732,757</u>	<u>8,406,739</u>
Cash and cash equivalents at end of year		<u><u>9,344,757</u></u>	<u><u>8,732,757</u></u>
Represented by:			
Cash on deposit		1,506,313	892,627
Cash at bank		7,838,444	7,840,130
		<u><u>9,344,757</u></u>	<u><u>8,732,757</u></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

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

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Fund's financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at amortized cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund'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 Fund

The Fund did not adopt any new, revised or amended standards.

- (ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2019

IFRS 16, 'Leases': The Fund has determined that there was no impact on its financial statements from the adoption of this standard.

- (iii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 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 2019, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2022

These standards are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

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 (excluding trade receivables) under IFRS 9

Classification

The Fund classifies its financial assets (excluding trade receivables) in the following measurement category:

- 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.

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 Fund 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.

The Fund 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 Fund 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 Fund has transferred substantially all the risks and rewards of ownership.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

c. Financial assets (excluding trade receivables) under IFRS 9 *continued*

Measurement

At initial recognition, the Fund 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 Fund's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Fund 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 Fund 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 Fund 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 Contingency Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

c. *Financial assets (excluding trade receivables) under IFRS 9 continued*

Measurement continued

ii) Equity instruments

The Fund subsequently measures all equity investments at fair value, 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 Fund's right to receive payments is established.

Impairment of debt instruments

The Fund 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 Fund 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 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 3.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

d. 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 Fund 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.

Under IFRS 9, the Fund 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 Fund employs various probability weighted scenarios and regression curves to predict future behavior. In developing the various models, the Fund 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.

e. Cash and cash equivalents

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

f. 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.

g. Taxation

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.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

2. Summary of significant accounting policies *continued*

h. Revenue

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

i. Investment income

Financial assets under IFRS 9

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.

j. Comparatives

Where necessary, comparative figures were adjusted to account for the restatement of taxation payable due to the correction of prior period error. The impact of the restatement is summarised in Note 4.

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

ECL calculations are shown in Note 5. 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 \$375.

The Trinidad and Tobago Stock Exchange Contingency FundNotes to the Consolidated Financial Statements *continued***4. Restatement – Correction in accounting for taxation**

Under the Corporation Tax Act, the Fund is liable to pay corporation tax and green fund levy, however, the Fund did not recognise the required tax amounts in its financial statements since its inception. In accordance with IAS 8 Accounting policies, changes in accounting estimates and errors, in order to correct this prior period treatment the Fund recognised the required tax amounts due by the Fund for the last six years inclusive of any interest and penalties since the Fund was not exempted from having to pay corporation tax and green fund levy.

The financial statement line items that are affected by this restatement are taxation payable, accumulated fund, green fund levy, interest and penalty and taxation expense as follows:

2018

	As previously stated	2018 Restatement	2018 Restated
	\$	\$	\$
Statement of Financial Position			
Taxation payable	--	1,383,069	1,383,069
Accumulated Fund	14,198,391	(1,383,069)	12,815,322
Statement of Changes in Accumulated Fund			
Accumulated Fund	14,198,391	(1,383,069)	12,815,322
Statement of Comprehensive Income			
Green fund levy	--	1,973	1,973
Interest and penalty	--	30,710	30,710
Taxation	--	136,578	136,578

2017

	As previously stated	2017 Restatement	2017 Restated
	\$	\$	\$
Statement of Financial Position			
Taxation payable	--	1,213,808	1,213,808
Accumulated Fund	13,700,471	(1,213,808)	12,486,663
Statement of Changes in Accumulated Fund			
Accumulated Fund	13,700,471	(1,213,808)	12,486,663

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

5. Financial asset at amortised cost

	2019 \$	2018 \$
Government of Trinidad and Tobago (6.00% FRB 2031)	5,398,765	5,412,394
Provision for expected credit loss bond	(3,745)	(3,745)
	<u>5,395,020</u>	<u>5,408,649</u>
The following is a movement analysis of the ECL provision		
Balance at beginning of the year	(3,745)	(3,755)
Net changes to provisions during the year	--	10
Balance at end of the year	<u>(3,745)</u>	<u>(3,745)</u>

The Fund recognises provisions for losses for bonds using the Expected Credit Loss (ECL) model. The Fund 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 Fund 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.

6. Trade and other receivables

	2019 \$	2018 \$
Accounts receivables	37,899	42,588
Interest receivable	35,194	344,398
	<u>73,093</u>	<u>386,986</u>

As of 31 December 2019, trade receivables of \$37,899 (2018: \$42,588) were fully performing.

7. Cash on deposit

	2019 \$	2018 \$
Trinidad and Tobago Unit Trust Corporation		
– TTD Income Fund	2,287,646	2,256,345
First Citizens Bank Limited – Abercrombie Fund	2,733,766	2,807,475
Republic Bank Limited – Money Market Account	110,341	106,906
Trinidad and Tobago Unit Trust Corporation		
– USD Income Fund	414,460	411,506
Guardian Asset Management Limited		
– TTD Monthly Income Fund	2,292,231	2,257,898
	<u>7,838,444</u>	<u>7,840,130</u>

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

8. Accrued expenses

	2019	2018
	\$	\$
Due to The Trinidad and Tobago Stock Exchange Limited	138,000	276,000
Accounts payables and accrued charges	18,000	54,001
	<u>156,000</u>	<u>330,001</u>

9 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”.

10 Investment income

	2019	2018
	\$	\$
Interest income	408,899	396,611
Amortisation of premium on bond	(13,629)	(13,629)
	<u>395,270</u>	<u>382,982</u>

11. 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.

12. Taxation

	2019	2018
	\$	\$
Current tax	116,336	136,578
The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:		
Surplus before taxation	458,478	470,965
Tax calculated at 30%	137,543	141,290
Income not subject to tax	(30,420)	(26,733)
Expenses not deductible for tax purposes	9,213	22,021
	<u>116,336</u>	<u>136,578</u>

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

13. Related party transactions

	2019 \$	2018 \$
The following transactions were carried out with related parties		
a. Year-end balances arising		
Amounts due to The Trinidad and Tobago Stock Exchange Limited	138,000	276,000
b. Transactions with related parties		
Management charges	138,000	138,000

14. 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 dollar 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) *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 highly reputable financial institutions and Government of Trinidad and Tobago bonds.

The Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

14. 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 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.

15. 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 following table presents the Fund's financial assets and liabilities that are measured at amortised cost at 31 December 2019.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at amortised cost				
– Debt securities	--	5,395,020	--	5,395,020
Total assets	--	5,395,020	--	5,395,020

The following table presents the Fund's financial assets and liabilities that are measured at fair value 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 Trinidad and Tobago Stock Exchange Contingency Fund

Notes to the Consolidated Financial Statements *continued*

15. Fair values of financial assets and liabilities *continued*

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.

16. Contingent liabilities

There are no contingent liabilities as at 31 December 2019.

17. 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	1,108.25	1,118.76	1,108.18	1,111.89	2,553.38	2,563.14	2,546.86	2,553.49	152.39	152.39	152.39	152.39
Feb	1,139.63	1,152.30	1,108.14	1,114.70	2,630.63	2,630.63	2,555.94	2,575.07	144.04	150.30	144.04	146.23
Mar	1,133.34	1,141.89	1,132.37	1,137.57	2,678.72	2,695.56	2,623.82	2,649.55	144.04	144.04	144.04	144.04
Apr	1,147.63	1,147.63	1,132.61	1,137.43	2,727.54	2,727.54	2,680.95	2,694.40	152.39	152.39	144.04	145.33
May	1,157.01	1,166.63	1,148.74	1,156.44	2,701.32	2,747.83	2,701.32	2,718.14	152.39	152.39	152.39	152.39
Jun	1,210.69	1,219.99	1,155.28	1,174.50	2,694.77	2,702.47	2,686.12	2,695.89	150.72	154.48	150.72	151.80
Jul	1,214.09	1,240.53	1,189.08	1,203.04	2,720.04	2,720.04	2,686.24	2,701.04	156.56	156.56	144.04	150.63
Aug	1,216.53	1,225.34	1,213.30	1,217.33	2,695.20	2,755.98	2,695.20	2,735.90	156.56	164.08	156.56	156.92
Sep	1,251.61	1,254.43	1,215.50	1,236.72	2,695.22	2,724.53	2,682.88	2,694.02	150.30	156.56	150.30	154.37
Oct	1,251.65	1,271.58	1,247.58	1,261.44	2,715.60	2,717.80	2,695.94	2,705.16	150.30	150.30	144.04	149.45
Nov	1,279.41	1,279.41	1,250.87	1,264.36	2,765.84	2,765.84	2,709.74	2,732.70	150.30	150.30	149.47	150.26
Dec	1,282.08	1,306.34	1,280.74	1,294.35	2,889.99	2,889.99	2,708.01	2,778.39	150.30	150.30	148.21	149.28
	(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	2,219.20	2,220.90	2,202.63	2,211.37	304.21	313.20	304.21	306.15	185.70	187.87	185.40	186.56
Feb	2,223.46	2,231.14	2,219.88	2,225.25	292.98	304.21	287.37	292.08	186.46	186.46	185.67	186.15
Mar	2,226.95	2,229.96	2,222.15	2,225.19	292.98	292.98	287.37	291.68	188.16	188.16	186.46	187.51
Apr	2,263.37	2,267.73	2,225.52	2,257.90	295.23	304.21	292.98	297.81	190.86	190.86	188.16	189.56
May	2,409.48	2,443.05	2,257.77	2,410.10	292.98	321.06	287.37	303.55	201.51	201.51	190.86	197.47
Jun	2,410.37	2,438.12	2,409.46	2,421.53	292.98	292.98	287.37	291.00	202.22	202.33	200.66	201.78
Jul	2,386.87	2,412.60	2,379.86	2,400.43	281.75	287.37	281.75	282.68	199.54	202.22	199.54	200.57
Aug	2,317.25	2,391.41	2,311.26	2,358.60	270.52	281.75	270.52	274.26	200.40	200.40	199.54	199.79
Sep	2,296.54	2,325.07	2,280.21	2,312.13	235.70	270.52	231.21	246.32	195.37	200.40	195.37	196.21
Oct	2,298.76	2,317.42	2,290.62	2,301.48	231.08	242.63	231.08	234.76	195.15	195.37	195.15	195.33
Nov	2,292.10	2,297.59	2,256.08	2,267.24	212.59	231.08	212.59	220.95	197.40	197.40	195.15	196.29
Dec	2,541.61	2,616.80	2,292.10	2,552.37	231.08	231.08	212.59	225.70	207.80	207.80	197.40	198.91
	(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	145.75	145.95	145.25	145.56	1,061.05	1,077.33	1,056.32	1,067.78	1,303.04	1,311.30	1,301.77	1,306.24
Feb	150.00	150.95	145.70	148.30	1,081.83	1,085.90	1,061.24	1,076.77	1,333.73	1,339.33	1,303.20	1,312.12
Mar	151.45	151.45	150.00	150.59	1,047.75	1,082.80	1,047.75	1,063.47	1,327.76	1,333.90	1,327.46	1,330.82
Apr	147.50	152.50	147.00	148.50	1,010.47	1,046.89	1,010.47	1,031.60	1,336.01	1,336.01	1,327.09	1,330.36
May	141.20	150.45	130.00	140.48	1,045.70	1,064.43	1,009.26	1,032.30	1,355.28	1,359.96	1,338.19	1,353.51
Jun	142.55	145.10	142.50	143.77	1,064.63	1,076.01	1,053.59	1,060.97	1,394.10	1,399.08	1,356.92	1,370.45
Jul	141.50	143.00	140.00	141.23	1,081.83	1,101.95	1,064.07	1,079.13	1,398.73	1,416.38	1,382.14	1,390.49
Aug	125.50	141.50	125.50	134.11	1,039.79	1,085.25	1,034.17	1,052.15	1,382.84	1,400.52	1,382.84	1,393.08
Sep	125.00	129.85	122.45	125.66	1,027.65	1,054.47	1,027.65	1,045.35	1,400.75	1,407.92	1,383.62	1,395.50
Oct	128.45	129.25	127.15	128.23	1,027.00	1,040.35	1,025.31	1,032.66	1,402.87	1,418.75	1,400.44	1,409.86
Nov	105.25	128.55	104.90	117.90	1,073.89	1,079.87	1,020.88	1,050.75	1,426.46	1,426.46	1,399.42	1,411.85
Dec	119.80	119.80	105.40	109.14	1,133.99	1,156.50	1,069.43	1,124.87	1,468.41	1,482.33	1,426.58	1,464.04
	(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	1,704.60	1,709.06	1,702.88	1,706.10	121.80	123.79	121.51	122.48	99.50	100.00	99.50	99.73
Feb	1,762.74	1,772.90	1,703.63	1,717.21	122.12	122.98	121.97	122.53	99.50	99.50	99.50	99.50
Mar	1,763.59	1,765.62	1,761.67	1,763.59	120.35	122.17	120.29	121.20	99.50	99.50	99.50	99.50
Apr	1,772.66	1,775.64	1,761.73	1,767.81	121.35	121.35	119.66	120.47	99.50	99.50	99.50	99.50
May	1,796.19	1,814.68	1,772.03	1,796.50	123.40	125.22	121.54	122.86	99.50	100.00	99.50	99.52
Jun	1,799.82	1,802.86	1,795.52	1,800.02	133.65	134.84	123.60	127.07	99.50	99.50	99.50	99.50
Jul	1,780.04	1,800.86	1,776.80	1,790.07	137.72	142.65	131.79	134.02	90.00	99.50	90.00	92.07
Aug	1,755.14	1,779.53	1,755.14	1,769.05	136.84	139.12	136.84	137.71	80.00	90.00	80.00	85.52
Sep	1,746.18	1,754.96	1,746.18	1,750.60	143.06	143.88	137.40	140.99	73.00	80.00	73.00	76.85
Oct	1,760.65	1,762.66	1,747.16	1,754.28	141.60	145.72	141.60	144.44	73.10	80.00	73.10	78.75
Nov	1,781.86	1,782.69	1,753.53	1,765.08	145.16	145.16	141.55	143.47	68.00	73.10	68.00	69.80
Dec	1,868.97	1,868.97	1,783.68	1,839.32	144.65	150.87	144.65	147.54	67.76	68.00	67.71	67.95
	(Base Value: January 05, 1999 = 453.56)				(Base Value: June 02, 2008 = 100)				(Base Value: November 21, 2018 = 100)			

APPENDICES

TTSE Index Values 2015 – 2019

SECTORS	2019			2018			2017			2016			2015		
	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low
Banking	1,282.08	1,306.34	1,108.14	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
Conglomerates	2,889.99	2,889.99	1,152.43	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
Property	150.30	164.08	144.04	154.48	160.32	151.14	164.50	169.09	146.13	154.48	169.09	146.54	163.66	169.93	146.13
Manufacturing I	2,541.61	2,616.80	2,202.63	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
Manufacturing II	231.08	321.06	212.59	313.20	423.61	290.26	414.63	589.12	414.63	479.43	479.43	343.33	459.56	533.21	293.97
Trading	207.80	207.80	185.40	186.92	189.42	176.45	189.42	189.42	112.50	170.82	171.04	163.15	163.82	169.62	161.13
Energy	119.80	152.50	104.90	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	1,133.99	1,156.50	1,009.26	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
Composite	1,468.41	1,482.33	1,301.77	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
All T&T	1,868.97	1,868.97	1,702.88	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
Cross Listed	144.65	150.87	119.66	121.57	124.87	96.79	108.38	112.99	78.58	78.17	78.17	49.61	49.51	50.04	41.11
SME	67.76	100.00	67.71	100.00	100.00	100.00									

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

First Tier Market Capitalisation by Sector

Sector	2019 Number of Securities	2019 Market Capitalisation	2018 Number of Securities	2018 Market Capitalisation	Market Capitalisation YOY %Δ
Banking	5	82,536,153,274	5	71,451,051,989	15.51
Conglomerates	3	19,618,686,038	3	17,169,952,193	14.26
Property	1	142,652,462	1	146,615,031	(2.70)
Manufacturing I	6	15,437,959,251	6	13,388,121,062	15.31
Manufacturing II	1	749,295,408	3	1,176,724,369	(36.32)
Trading	3	2,323,575,598	3	2,090,055,289	11.17
Energy	1	2,781,756,000	1	3,378,510,000	(17.66)
Non-Banking Finance	5	19,916,374,528	5	17,885,119,960	11.36
Non-Sector	3	11,339,708	3	11,290,123	0.44
Total	28	143,517,792,267	30	126,697,440,016	13.28

* The information is as at December 31 of the respective year.

Note: The following securities were de-listed during the review period:

Berger Paints Trinidad Limited was de-listed as at close of business on October 11, 2019.

Readymix (West Indies) Limited was de-listed as at close of business on December 31, 2018.

Scotia Investment Jamaica Limited was de-listed as at close of business on February 20, 2018.

APPENDICES

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
2019	25 (c) 28 (s)	247	12,054	76,909,892	1,102,339,434	49	311,376	4,462,913	143,517,792,266	1,468.41	165.93	12.74
TOTAL		4,572	302,769	3,326,491,386	33,270,805,624							

NOTES:

1. The Composite Index was rebased on January 01, 1983.

APPENDICES

Listed Companies Information 2019

Security	Symbol	Issued Share Capital ¹	Capitalisation Value (\$) ¹	Financial Year End
First Tier Market				
Banking				
FirstCaribbean International Bank Limited ⁶	FCI	1,577,094,570	12,459,047,103	31-Oct
First Citizens Bank Limited	FIRST	251,353,562	11,185,233,509	30-Sep
NCB Financial Group Limited ⁸	NCBFG	2,466,762,828	26,789,044,312	30-Sep
Republic Financial Holdings Limited	RFHL	162,672,303	21,345,859,600	30-Sep
Scotiabank Trinidad & Tobago Limited	SBTT	176,343,750	10,756,968,750	31-Oct
Conglomerates				
ANSA McAL Limited ^{3,4}	AMCL	176,197,617	9,726,108,458	31-Dec
GraceKennedy Limited ⁹	GKC	995,004,356	3,930,267,206	31-Dec
Massy Holdings Ltd.	MASSY	97,742,793	5,962,310,373	30-Sep
Property				
Point Lisas Industrial Port Development Corporation Limited ³	PLD	39,625,684	142,652,462	31-Dec
Manufacturing I				
Angostura Holdings Limited ^{3,4}	AHL	206,277,630	3,341,697,606	31-Dec
Guardian Media Limited ^{3,4}	GML	40,000,000	300,000,000	31-Dec
National Flour Mills Limited ³	NFM	120,200,000	162,270,000	31-Dec
One Caribbean Media Limited ^{3,4}	OCM	66,499,801	565,248,309	31-Dec
Unilever Caribbean Limited ^{3,4}	UCL	26,243,832	603,608,136	31-Dec
The West Indian Tobacco Company Limited	WCO	252,720,000	10,465,135,200	31-Dec
Manufacturing II				
Trinidad Cement Limited ^{3,4}	TCL	374,647,704	749,295,408	31-Dec
Trading				
Agostini's Limited	AGL	69,103,779	1,727,594,475	30-Sep
L.J. Williams Limited Ordinary 'B' ^{3,4}	LJWB	19,742,074	33,364,105	31-Mar
Prestige Holdings Limited	PHL	62,513,002	562,617,018	30-Nov
Energy				
Trinidad and Tobago NGL Limited ^{3,4}	NGL	116,100,000	2,781,756,000	31-Dec
Non-Banking Finance				
ANSA Merchant Bank Limited ^{3,4}	AMBL	85,605,263	3,069,804,731	31-Dec
Guardian Holdings Limited	GHL	232,024,923	5,023,339,583	31-Dec
JMMB Group Limited ^{3,9}	JMMBGL	1,955,552,530	5,025,770,002	31-Mar
National Enterprises Limited ³	NEL	600,000,641	3,456,003,692	31-Mar
Sagicor Financial Corporation Limited ^{3,4,5}	SFC	306,555,644	3,341,456,520	31-Dec
Non-Sector Companies				
Guardian Media Limited \$50.00 6% Cumulative Preference ^{3,4}	GMLP	29,297	1,933,602	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	172,786	31-Mar
Mutual Fund Market				
Calypso Macro Index Fund ³	CALYP	20,200,000	318,150,000	31-Dec
CLICO Investment Fund	CIF	204,000,000	5,814,000,000	31-Dec
Eppley Caribbean Property Fund Limited SCC – Development Fund ⁷	CPFD	54,944,803	36,813,018	30-Sep
Eppley 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 ¹⁰	MOV	8,255,000	99,060,000	31-Dec
Small and Medium Enterprise Market				
CinemaOne Limited	CINE1	6,406,295	41,961,232	30-Sep
Endeavour Holdings Limited ^{2,4}	EHL	32,887,619	411,095,238	30-Apr
USD Equity Market				
MPC Caribbean Clean Energy Limited ^{4,11}	MPCCEL	11,424,160	11,424,160	31-Dec

Notes:

- Values as at 31/12/19
Financials were based on the company's year end except where indicated
- Financials as at the end of the 2nd quarter
- 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.
- Represents interim dividend only
Exchange rates obtained from the Central Bank of Trinidad & Tobago

APPENDICES

FINANCIAL PERFORMANCE					
Total Assets (\$'000)	Total Liabilities (\$'000)	Total Equity (\$'000)	Net Profit	Basic EPS/NAV	Dividends
77,881,773	69,414,149	8,467,623	1,148,586	0.71	0.066
43,381,747	36,229,696	7,152,051	751,729	2.98	1.700
77,928,869	68,876,433	9,052,436	1,485,494	0.59	3.600
87,483,888	76,252,128	11,231,760	1,715,653	9.75	4.500
25,409,018	21,226,910	4,182,108	668,328	3.79	3.000
15,377,103	7,148,349	8,228,754	442,367	2.10	0.300
7,627,000	4,929,714	2,697,286	251,426	0.22	1.600
12,325,073	6,378,132	5,946,941	613,232	5.76	2.270
3,071,297	408,485	2,662,812	101,375	2.56	N/A
1,256,678	170,043	1,086,635	80,973	0.39	0.090
309,780	69,858	239,922	(10,595)	(0.27)	
478,600	234,071	244,529	3,983	0.03	
949,016	249,508	699,508	22,853	0.33	0.200
522,563	209,988	312,575	(1,629)	(0.06)	
683,388	232,134	451,254	418,236	1.65	3.170
2,429,349	1,775,280	654,069	10,075	3.10	
2,537,436	1,056,026	1,481,410	162,903	1.76	0.790
141,981	52,424	89,557	7,985	0.33	0.060
534,717	226,757	307,958	35,820	0.59	0.120
3,218,215	521	3,217,694	80,096	0.52	0.500
8,392,143	5,981,630	2,410,513	151,103	1.77	0.200
30,068,087	26,103,867	3,964,220	694,960	2.98	0.750
20,360,731	17,826,500	2,534,231	197,392	0.12	0.490
2,886,063	3,085	2,882,978	30,820	N/A	0.220
54,046,655	45,669,040	8,377,615	533,601	0.74	0.025
309,780	69,858	239,922	(10,595)	(0.27)	4.00%
141,981	52,424	89,557	7,985	0.33	0.006
141,981	52,424	89,557	7,985	0.33	0.080
489,819	4,247	485,572	13,132	24.03	0.640
6,028,184	6,743	6,021,441	1,148,438	29.52	1.020
58,146	2,153	55,994	1,572	1.04	
273,121	31,784	241,337	10,635	1.97	0.024
113,804	32,464	81,341	(2,649)	2.03	
336,515	255,345	81,170	(5,737)	(1.02)	
59,605	23,450	36,155	935	0.15	
904,141	356,453	547,689	16,738	0.52	0.120
11,621	93	11,529	1,682	0.15	0.089

5. Financials presented in USD Converted to TTD using the buying rate for 30/09/19 of \$6.7085
 6. Financials presented in USD Converted to TTD using the buying rate for 31/10/19 of \$6.7363
 7. Financials presented in BDS Converted to TTD using the buying rate for 30/09/19 of \$2.7387
 8. Financials presented in JMD Converted to TTD using the buying rate for 30/09/19 of \$0.0484
 9. Financials presented in JMD Converted to TTD using the buying rate for 31/12/19 of \$0.0493
 10. Financials as at the end of the 3rd quarter 2016.
 11. Values quoted in USD.
- N/A Not Available

APPENDICES

Share Listings 2019

Security	Listing Date	Particulars	No. of Shares	Market Value* ('000)
MPC Caribbean Clean Energy Limited	January 14, 2019	New USD Listing	11,424,160	11,424.16
Guardian Holdings Limited	April 2, 2019	Issued pursuant to Executive Share Option Plan	124,937	2,280.10
Republic Financial Holdings Limited	April 3, 2019	Issued pursuant to Executive Share Option Plan	41,732	4,999.08
Republic Financial Holdings Limited	May 21, 2019	Issued pursuant to Executive Share Option Plan	17,308	2,096.34
Republic Financial Holdings Limited	July 11, 2019	Issued pursuant to Executive Share Option Plan	5,696	689.44
Republic Financial Holdings Limited	July 30, 2019	Issued pursuant to Executive Share Option Plan	20,518	2,486.37
GraceKennedy Limited	August 22, 2019	Issued pursuant to Executive Share Option Plan	29,591	107.12
GraceKennedy Limited	September 20, 2019	Issued pursuant to Executive Share Option Plan	69,795	227.53
Republic Financial Holdings Limited	October 7, 2019	Issued pursuant to Executive Share Option Plan	10,195	1,242.26
Republic Financial Holdings Limited	November 1, 2019	Issued pursuant to Executive Share Option Plan	18,150	2,241.71
JMMB Group Limited	November 20, 2019	Issued pursuant to Additional Public Offering	325,000,000	802,750.00
The West Indian Tobacco Company Limited	November 26, 2019	Issued pursuant to Three for One Stock Split	168,480,000	5,893,430.40
Republic Financial Holdings Limited	December 6, 2019	Issued pursuant to Executive Share Option Plan	6,562	853.72
Endeavour Holdings Limited	December 12, 2019	New Listing	32,887,619	411,095.24
GraceKennedy Limited	December 18, 2019	Issued pursuant to Executive Share Option Plan	18,078	71.95

* No of shares x opening price

Share Cancellations 2019

Security	Delisting Date	Particulars	No. of Shares
Nil			

Delistings 2019

Security	Delisting Date	Particulars	No. of Shares
Berger Paints Trinidad Limited	October 11, 2019	De-listed pursuant to an application for de-listing	5,161,444

Regional Stock Exchanges Market Activity 2019

Stock Exchange	Traded Volume ('000,000)	Traded Value* (US\$'000,000)	Index	Market Capitalisation* (US\$'000,000)
Barbados Stock Exchange (Regular)	18.72	9.29	769.02	3,470.10
Jamaica Stock Exchange (Ordinary)	8,722.37	687.48	509,916.44	14,459.13
Trinidad & Tobago Stock Exchange (First Tier)	76.91	162.13	1,468.41	21,106.37

*Figures converted to US\$ using the exchange rates as at December 31, 2019.

APPENDICES

Price Analysis 2019

SECURITIES	Opening Price 2019	Closing Price 2019	Change \$	Change %	High Closing Price	Low Closing Price	Average Closing Price	Trades	Traded Volume	Traded Value \$
TTD MARKET										
FIRST TIER MARKET										
Agostini's Limited	23.40	25.00	1.60	6.84	25.00	23.15	23.68	70	986,943	23,059,582.48
Angostura Holdings Limited	15.86	16.20	0.34	2.14	16.20	15.79	15.97	158	1,101,784	17,563,930.50
Ansa McAL Limited	55.00	55.20	0.20	0.36	55.94	50.00	54.91	225	769,946	42,413,053.51
Ansa Merchant Bank Limited	38.26	35.86	(2.40)	(6.27)	38.50	35.50	36.76	76	328,819	12,164,192.40
Berger Paints Trinidad Limited ¹	4.25	4.25	-	-	4.25	4.25	4.25	-	-	-
First Citizens Bank Limited	33.97	44.50	10.53	31.00	44.75	33.82	38.70	947	822,398	31,502,788.50
FirstCaribbean Int. Bank Limited	8.31	7.90	(0.41)	(4.93)	9.25	7.90	8.45	338	2,766,284	22,986,093.25
GraceKennedy Limited	2.90	3.95	1.05	36.21	3.98	3.00	3.31	322	8,780,632	28,623,983.73
Guardian Holdings Limited	18.10	21.65	3.55	19.61	22.00	17.77	18.55	595	3,476,137	64,174,351.57
Guardian Media Limited	15.00	7.50	(7.50)	(50.00)	15.00	7.50	11.75	67	72,520	734,272.45
JMMB Group Limited	1.75	2.57	0.82	46.86	2.80	1.65	2.06	863	18,546,979	40,083,393.37
L.J. Williams Limited \$0.10 A	0.20	0.20	-	-	0.20	0.20	0.20	1	10	2.00
L.J. Williams Limited B	0.75	1.69	0.94	125.33	1.69	0.70	0.97	34	450,813	436,274.39
Massy Holdings Ltd.	47.00	61.00	14.00	29.79	61.00	47.00	53.87	688	3,057,767	163,634,253.29
National Enterprises Limited	8.00	5.76	(2.24)	(28.00)	8.02	5.50	6.68	271	2,329,698	16,808,242.87
National Flour Mills Limited	1.65	1.35	(0.30)	(18.18)	1.75	1.31	1.62	302	2,641,878	4,167,829.16
NCB Financial Group Limited	8.53	10.86	2.33	27.32	11.50	8.24	9.49	521	7,746,046	76,187,493.03
One Caribbean Media Limited	10.29	8.50	(1.79)	(17.40)	10.50	8.50	10.07	225	734,338	7,336,969.72
Point Lisas Industrial Port Dev. Corp.	3.70	3.60	(0.10)	(2.70)	3.93	3.45	3.60	115	1,484,307	5,318,056.57
Prestige Holdings Limited	7.33	9.00	1.67	22.78	9.75	7.33	8.33	153	255,150	2,005,218.83
Republic Financial Holdings Limited	107.26	131.22	23.96	22.34	131.22	107.26	120.06	825	953,194	112,740,362.50
Sagicor Financial Corporation Limited ²	9.00	10.90	1.90	21.11	10.99	8.51	9.82	977	8,279,012	80,129,062.16
Scotiabank Trinidad & Tobago Limited	64.25	61.00	(3.25)	(5.06)	64.25	58.31	61.39	759	1,334,153	81,983,714.55
The West Indian Tobacco Company Limited ⁶	31.78	41.41	9.63	30.32	42.96	31.75	35.06	542	1,015,922	74,709,231.56
Trinidad and Tobago NGL Limited	29.10	23.96	(5.14)	(17.66)	30.50	20.98	27.20	2,373	6,699,519	179,149,455.62
Trinidad Cement Limited	2.73	2.00	(0.73)	(26.74)	2.80	1.84	2.36	265	1,884,297	4,502,412.01
Unilever Caribbean Limited	22.99	23.00	0.01	0.04	26.53	22.60	24.91	340	391,241	9,924,505.06
PREFERENCE										
Guardian Media Limited \$50 6% CP	65.07	66.00	0.93	1.43	66.00	65.07	65.66	1	5	330.00
L.J. Williams Limited 8% Preference	3.30	3.79	0.49	14.85	3.79	3.30	3.42	1	100	379.00
MUTUAL FUND MARKET										
Calypso Macro Index Fund	15.00	15.75	0.75	5.00	15.90	13.28	14.92	172	97,352	1,443,740.59
CLICO Investment Fund	20.03	28.50	8.47	42.29	28.52	19.95	23.16	1,613	9,104,063	208,998,204.63
Eppley Caribbean Property Fund Limited SCC – Development Fund	0.67	0.67	-	-	0.67	0.67	0.67	-	-	-
Eppley 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 ³	12.00	12.00	-	-	12.00	12.00	12.00	-	-	-
SME MARKET										
CinemaOne Limited	10.00	6.55	(3.45)	(34.50)	10.00	6.50	8.88	50	21,182	165,840.80
Endeavour Holdings Limited ⁴	12.50	12.50	-	-	12.50	12.50	12.50	5	4,060	50,750.00
USD MARKET										
EQUITIES MARKET										
MPC Caribbean Clean Energy Limited ⁵	1.00	1.00	-	-	1.00	1.00	1.00	-	-	-

Notes:

- Berger Paints Trinidad Limited (BER) was de-listed as at close of business on October 11, 2019.
- Sagicor Financial Corporation Limited (SFC) was suspended after market close on November 29, 2019. The suspension is pursuant to the completion of its Scheme of Arrangement.
- Trading in Mora Ven Holdings Limited (MOV) was temporarily suspended effective February 1, 2019 in accordance with TTSE Rules 600 (8) and 601 (5).
- Endeavour Holdings Limited (EHL) was listed on December 12, 2019 in the SME Market.
- MPC Caribbean Clean Energy Limited (MPCCEL) was listed on January 14, 2019 in the USD Market.
- A three for one (3:1) stock split was effected on The West Indian Tobacco Company Limited (WCO) ordinary shares on November 26, 2019. The stock split resulted in an increase in the number of WCO shares by three as well as a split in the WCO's share price by 3. This price change was based on the WCO's closing price as at November 25, 2019. Thus the prices for WCO in the table above were adjusted in accordance with the 3:1 ratio for comparative analysis.

General Information on the TTSE

Listing Process

Any Company wishing to list on the Trinidad and Tobago Stock Exchange Limited (The Exchange or 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 documents required for registration can be obtained from the TTSEC.

The listing requirements of The Exchange have two primary purposes:

1. They place before The Exchange the information essential for the determination of the suitability of the security for public trading on The Exchange.
2. 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 on the TTSE

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:

3. Best Price
4. Account Type
5. 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 capitalisation of a stock is calculated by multiplying its issued share capital by the closing price. The summation of the capitalisation of each security listed on the First Tier Market (excluding the securities listed under the Non-Sector category) constitutes the Composite Market Capitalisation.

The Non-Sector Capitalisation 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

APPENDICES

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.

$$\frac{\text{Current day Composite Market Capitalisation}}{\text{Previous day Composite Market Capitalisation}} \times \text{Previous day Composite Index}$$

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.

$$\frac{\text{Current day All T&T Market Capitalisation}}{\text{Previous day All T&T Market Capitalisation}} \times \text{Previous day All T&T Index}$$

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.

$$\frac{\text{Current day Cross Listed Market Capitalisation}}{\text{Previous day Cross Listed Market Capitalisation}} \times \text{Previous day Cross Listed Index}$$

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.

$$\frac{\text{Current day SME Market Capitalisation}}{\text{Previous day SME Market Capitalisation}} \times \text{Previous day SME Index}$$

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.

$$\frac{\text{Current day Sector Market Capitalisation}}{\text{Previous day Sector Market Capitalisation}} \times \text{Previous day Sector Index}$$

APPENDICES

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
Ian Narine
Peter Clarke
Wendy Kerry
Anton Gopaulsingh
Stephen Bayne

Management

Amoy Van Lowe – Chief Executive Officer
Dale Dickson – Information Technology Manager
Eva Mitchell – Manager, TTSE Operations
Karen Stewart – Manager, TTCD Operations
Lyndon Paynter – Compliance Officer
Marisa Latchman – Financial Accountant
Mitra Sinanan – Assistant IT Lead

Company Secretary

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

Registered Office

10th Floor, Nicholas Tower
63-65 Independence Square
Port-of-Spain
Trinidad, West Indies

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

Please visit our website at www.stockex.co.tt for additional information.

APPENDICES

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-Third Annual Meeting of the Shareholders of the Exchange to be held at **the Maracas Room of the Marriott Courtyard, Invaders Bay, Audrey Jeffers Highway, Port-of-Spain, on Thursday June 18, 2020 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, 2019, 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 four (4) nominees, for the respective terms set out below: <ol style="list-style-type: none"> a. Mr. Ray A. Sumairsingh, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. b. Mr. Michael Phillip, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. c. Mr. Peter Clarke, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election. d. Ms. Donna-Marie Johnson, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following her 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.		

Dated this _____ day of _____, 2020.

Signature(s) of Shareholder(s) _____

APPENDICES

Proxy Form – Shareholders *continued*

Please consider the Notes 1 to 7.

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
Trinidad, West Indies



**Trinidad & Tobago
Stock Exchange**

Creating Opportunities

10th Floor, Nicholas Tower, 63–65 Independence Square
Port of Spain, Trinidad, West Indies

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