



THE TRINIDAD & TOBAGO STOCK EXCHANGE LIMITED

in 2004

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MISSION STATEMENT

To facilitate the efficient mobilization 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.

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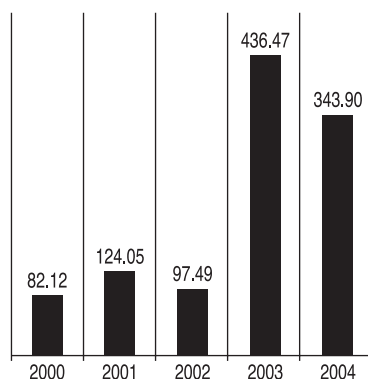
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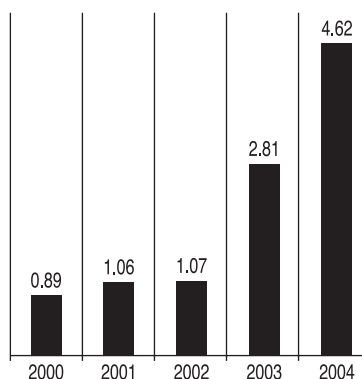
FINANCIAL AND STATISTICAL HIGHLIGHTS OF THE YEAR 2004

	Dec. 31 2004	Dec. 31 2003
Revenues (million)	14.31	11.52
Expenses (million)	7.20	6.30
Income Before Taxes and Minority Interest (million)	8.67	6.61
Provision for Income Taxes (million)	2.19	1.60
Net Income (million)	6.47	5.01
Members' Equity (million)	30.5	25.4
Reported Share Volume (million)	343.90	436.47
Average Daily Share volume (million)	2.05	2.79
Reported Dollar Volume (\$TT billion)	4.62	2.81
Average Daily Dollar Volume (\$TT million)	19.84	15.69
TTSE Composite Index (year-end close)	1074.63	694.13
Member Organisations	6	6
New Listed Companies	2	3
Total Listed Companies	34	32
Total Shares Listed (billion)	11.08	9.18

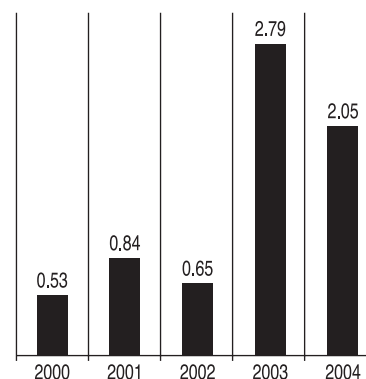
Total Share Volume
(million)



Total Value of Trading
(\$TT billion)



Average Daily Share Volume
(million)



THE CHAIRMAN'S REPORT

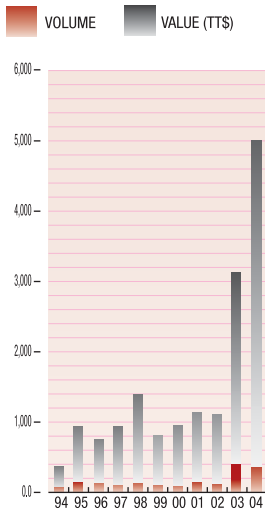


Kathleen Dhannyram
Chairman



THE CHAIRMAN'S REPORT

**VOLUME AND VALUE
OF SHARES SOLD**
(in millions)



The year under review was indeed an historic year in the life of the local Stock Exchange. The consolidated accounts for the Stock Exchange and its subsidiary company the Trinidad and Tobago Central Depository (TTCD), once again show exceptional earnings with total income increasing to \$15.9 million from \$12.9 million in 2003 while total expenses was \$7.2 million from \$6.3 million. The only fly in the ointment was a higher tax charge which brought the after tax profit to \$6.5 million against \$5 million. The parent company earned total income of \$11.8 million against \$9.8 million in 2003 with after tax profit of \$5.2 million in 2004 from \$4.2 million in 2003. The TTCD also performed creditably with income of \$4.1 million (2003: \$3.1 million) and after tax profit of \$1.3 million as against \$862,258 in 2003.

After much deliberation and a very thorough and expansive search, your Board of Directors has agreed the purchase of the 10th Floor at the Nicholas Tower. The timing on this purchase was crucial as the lease on the existing premises expires in July. The Stock Exchange will move into its new home in June 2005. We are currently exploring the most tax efficient method of financing this purchase with the intention of increasing our tax efficiencies.

On 18, March 2005 and after many false starts, the Stock Exchange commenced electronic trading, thus making our trading and settlement procedures fully computerized and tightly coupled. Consequently, all trades executed on the local Exchange are guaranteed and there is no longer the likelihood of failed trades. The new system trades on behalf of specific clients and the previous process of shares being allocated to clients by brokers and traders no longer applies. Notwithstanding this, however, the single major change to the manual trading system is that stock prices no longer move without trades. This is the reason why published information can show outstanding bids higher than the closing price and offers pitched lower than the closing price.

I must point out here that while the Stock Exchange has begun to trade electronically only stockbroking firms registered with the Exchange can trade on behalf of clients. Investors wishing to invest in securities listed on

the Exchange must still consult their stockbroker. What has been implemented is a process by which trades are executed electronically and not a system allowing persons other than stockbroking firms to trade.

The computer programs and systems employed by the Trinidad and Tobago Stock Exchange are the same as those utilized by the Barbadian and the Jamaican Exchanges. The Trinidad and Tobago Stock Exchange is of the view that this common platform can be used to launch a unified system whereby brokers and traders within the region have access to all securities listed on any of the three Exchanges, thus creating for the first time a system whereby a shareholder in any jurisdiction can, through his/her own local broker, deal in any securities domiciled in any jurisdiction. To this extent a memorandum of understanding has been signed between the Stock Exchanges of Trinidad and Tobago, Jamaican and Barbados undertaking to pursue a process of market integration.

The Stock Exchange stands committed to the continued enhancement and development of the local capital market. The Exchange is keenly aware that the bond market is in dire need of being revived since although there continues to be a sizeable amount of primary market activity from governments and corporations both locally and regionally, secondary market activity is non-existent. Furthermore, the absence of an established yield curve makes for arbitrary bond pricing. One of the Stock Exchange's primary responsibilities will be the establishment of an active, efficient and transparent bond market.

Another issue that must of necessity be addressed in this current market climate is that of margin trading. At present local investors do not have the facility to trade on margin regardless of the quantity and value of securities held. The Stock Exchange is of the opinion that margin trading must be an integral part of any well structured and well ordered market and we are moving apace to ensure that this much needed facility is available to investors both small and large.

The existing ownership structure of the Stock Exchange incorporates two classes of shareholders, the "A" shareholders or

THE CHAIRMAN'S REPORT *(cont'd)*

Stockbroking firms and the "B" shareholders or listed companies. In addition to this, the license to trade by a stockbroking firm is tied to the firm having shares in the Stock Exchange. It has been opined that the ownership structure should be more diverse and does not necessarily have to be restricted to the current players. Furthermore, it may be more economical to the Stock Exchange for trading licenses to be issued to stockbroking firms without the requirement to be shareholders of the Exchange. The Stock Exchange is in the process of reviewing the existing ownership structure with a view to implementing one which will be in the best interest of the Exchange while at the same time ensuring the widest possible participation by all stakeholders.


As shareholders would know, the Stock Exchange recently increased its slate of directors to 11 from 9 by reducing the number of broker directors from 5 to 4, the number of listed company directors from 5 to 4 and by adding 3 independent directors. This change has been very beneficial to the Stock Exchange as it has broadened the level of expertise, knowledge and experience available to the Stock Exchange and added tremendous value over the past years. To this extent it is the intention of the Stock Exchange to continue to hold dialogue with its existing shareholders with the ultimate intention being the best possible team of directors to catapult the

Exchange into the information and technological age.

In closing I am exceedingly proud of the strides made by the Stock Exchange over these past years and I have every confidence that this stalwart of our economy will not only go from strength to strength but will be the driving force in the establishment of truly efficient, effective, cohesive and well-oiled capital market machinery.

To my fellow directors, I extend my sincerest thanks and appreciation for your unstinting support, commitment, foresight and your eagerness to go the more than extra mile. To the management and staff I owe you a tremendous debt of gratitude for your commitment to the development and well-being of the Stock Exchange.

The way forward for the Stock Exchange is indeed very bright and I am deeply honoured to have been a part of its growth and development over the years. My good wishes are with you for a strong and vibrant capital market.



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Kathleen Dhannyram
Chairman

THE GENERAL MANAGER'S REVIEW



Hugh L. Edwards
General Manager/CEO



THE GENERAL MANAGER'S REVIEW

INTRODUCTION

Several events created a relatively positive backdrop for global stock markets last year: interest rates world-wide generally were at low levels, feared terrorist disruptions at the Athens Olympics never materialized, and the U.S. presidential election concluded without another bitter deadlock.

A weakening dollar was good for foreign stock markets in 2004, enhancing modest gains in Europe and helping emerging-market stocks soar even higher.

European stock markets were among the biggest beneficiaries of the weak dollar. Frankfurt's Xetra Dax rose 16% and the Paris CAC 40 Index advanced 15.7% in dollar terms. The FTSE 100, enjoying both a strong currency and a relatively robust economy, climbed 15.6% in dollar terms.

Emerging markets did better still, rising 22% in dollar terms compared with 13% in the local currency. These stocks have been the world's top performers since the fall of 2001, though by the end of last year some investors were turning more cautious.

Based on the most recently available data from the Treasury Department, U.S. investors in 2004 were poised for their largest single-year purchase of foreign stocks. After 10 months, Americans were net buyers of \$62.1 billion of foreign shares and were on pace to exceed 2003's record \$71 billion.

These foreign investments came despite several factors that threatened to weigh on stocks world-wide. High oil prices sparked concerns about inflation and rising interest rates. Signs that Chinese policy makers appeared to be having success in slowing the economy began to weigh on commodity prices and shares of commodity producers in the second half of the year.

The Tokyo stock market, after a promising start, petered out as investors began to doubt the sustainability of Japan's economic rebound. The Nikkei index closed up 7.6%. In Latin America, Mexico and Brazil were standouts,

even in their own currencies, rising 46.9% and 17.8%, respectively. Russia, marred by a government battle with oil giant OAO Yukos and Moscow's dispute with the West over Ukrainian election results, still rose 7%.

Despite a pullback in the fourth quarter, oil prices surged higher for much of the year and energy stocks performed accordingly: the MSCI global energy index rose 25%. Utilities, which attracted attention with high dividends, rose 24%. At the opposite end, the pharmaceutical and information-technology sectors were the worst performers.

Here is a look at some of the world's major markets:

ASIA

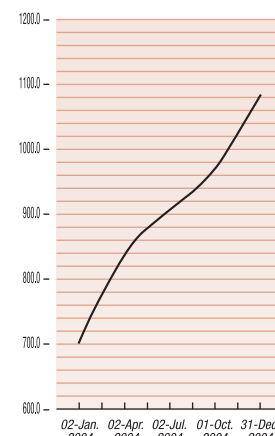
Asian Markets posted gains on solid economic growth in 2004 boosted primarily by foreign-capital inflows, healthy economic growth, peaceful elections and the prospect of a soft landing for China's economy.

Among Asian-Pacific developed countries, Australia, Singapore and Hong Kong bourses posted the biggest gains, with returns of 22.8%, 17.1% and 13.2%, respectively. Smaller stock markets in Indonesia, the Philippines, Pakistan and Malaysia also posted double-digit returns. Japan's market rose, as its economy teetered on the brink of a downturn. But in an otherwise buoyant region, stocks of Chinese companies listed in Hong Kong and on mainland exchanges fell, as did those in one of the 2003's best performers, Thailand.

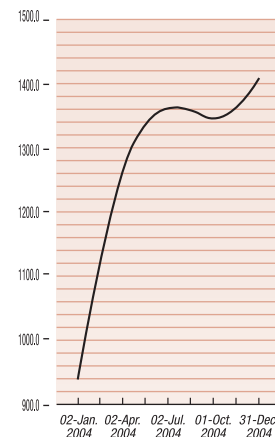
Most Asian stock markets reacted minimally to the devastating earthquake and tsunami that struck the region in the final week of 2004. Analysts said risks such as natural disasters can't be factored into stock prices because they are sporadic and unforeseen. Also, the full scope of the devastation didn't become apparent until the very end of the year.

The IPO market powered ahead, with \$34 billion of initial public offerings coming to market in Asia, excluding Japan but including Australia, compared with \$25 billion in 2003. Thai, South Korean and Indian stock markets

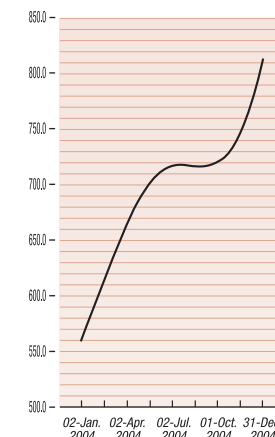
COMPOSITE INDEX
JAN 1983 = 100



NON-BANKING FINANCE SUB INDEX
JAN 1983 = 100

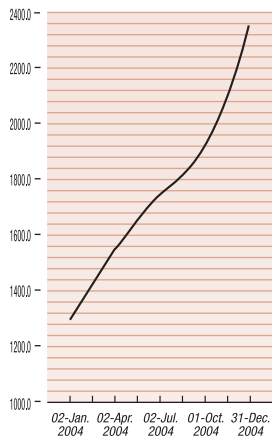


COMMERCIAL BANKS SUB INDEX
JAN 1983 = 100

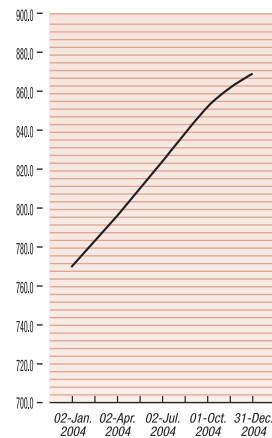


THE GENERAL MANAGER'S REVIEW (cont'd)

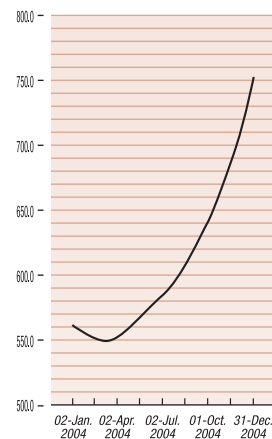
CONGLOMERATES SUB INDEX JAN 1983 = 100



MANUFACTURING I SUB INDEX JAN 1983 = 100



MANUFACTURING II SUB INDEX JAN 1983 = 100



swallowed the biggest IPOs in their history. A summary of the individual markets follow:

Japan

The Tokyo stock exchange had a volatile year, as expectations of continued economic recovery dwindled late in 2004, as export growth slowed. Many investors focused on whether the Legislature will roll back tax relief, a move some say could have stifled consumer spending and slow growth further. Notwithstanding, the Nikkei Stock Average rose 7.6% on the year.

Hong Kong

Investors in Hong Kong endured a bumpy year, with the benchmark Hang Seng Index falling 21.3% from its high in early February to mid-May, on fears of an economic slowdown in China. As those concerns eased and the city pulled out of its own five-year tussle with deflation, the stock market boomed, ending the year up 13.2%

China

The Hang Seng China Enterprises Index, which tracks shares of China-registered companies listed in Hong Kong, fell 6.2% in 2004, compared with 2003's more-than-twofold increase. Some fund managers fear the index could fall further this year, on concerns about corporate governance and earnings resilience in the face of a possible China slowdown.

In mainland China, the Shanghai and Shenzhen stock markets posted steep declines, falling 15.2% and 16.5% in 2004, respectively. Still, on a price-to-earnings basis, these markets remained some of the most expensive in Asia. The Hang Seng Index traded at about 16 times estimated 2004 earnings.

Malaysia

Malaysia was another winner last year, as its benchmark Composite Index rose 14.3% as political power was transferred peacefully from former Prime Minister Mahathir Mohammed. Investors also poured money into the country on speculation that Malaysia will soon de-peg its currency, the ringgit, from the U.S. dollar.

South Korea

South Korean markets eased slightly late in 2004 as the central bank cut economic-growth

forecasts, citing weak consumer spending and slower export growth ahead. Seoul's Kospi Index rose 10.5%.

Thailand

The SET Index, one of the biggest winners in 2003, fell 13.5% as an insurgency in the country's south resurfaced, bird flu erupted and concerns about nonperforming loans soured investor sentiment.

EUROPE

In 2004, European stock markets rose for a second straight year, driven by a rally in small- and mid-capitalization stocks. With oil prices setting records, energy stocks also boosted many indexes. The Dow Jones Stoxx 600 index of European shares rose 9.5% to 251.02, easily eclipsing the 4.5% rise for the narrower Dow Jones Stoxx 50 index of major European companies. Although a Christmas rally took it to fresh 2 1/2-year highs, the Stoxx 600 still was 38% below its bull-market peak set nearly five years ago.

Australia's ATX index surged 57.4%, making it the year's best-performing market in western Europe. Telekom Austria AG, one of the largest stocks in the index, rose 42% as its net profit increased rapidly; it also was the target of a failed takeover bid by Swisscom AG. Shares in oil-and-gas group OMV, another major ATX stock, surged 88%. The company spent 1.5 billion euros (about \$2 billion) to buy Romanian oil firm Petrom.

Eastern Europe's stock markets were big winners in the year their countries joined the European Union. Hungary's BUX index jumped 55% as the price of shares in the country's largest bank, OTP, more than doubled. In the Czech Republic, the PX-50 index climbed 57%. Poland's WIG index rose 28%. A 1.8 billion euro sale of shares in PKO Bank Polski SA in November was the region's biggest initial public offering of the year.

The year's gains came in the face of anemic European growth forecasts. Economists estimated that the economies of the 12 countries comprising the euro zone expanded 1.8% in 2004. Still, as companies showed they could wring out higher profits, analysts raised their 2004 earnings growth forecasts for Dow Jones Stoxx 600 companies to 28% as the year closed, from 16% at the start of 2004.

THE GENERAL MANAGER'S REVIEW (cont'd)

Despite the continued recovery in stock prices, individual investors remained leery. Germans pulled a net 3.4 billion euros from stock mutual funds in the first 11 months of 2004 – after being net investors throughout the bear market. Italians, who had been sellers of stock funds throughout the bear market, pulled out another 1.8 billion euros through November.

United Kingdom

The blue-chip FTSE 100 rose 7.5% despite four interest-rate increases by the Bank of England totaling a full percentage point, a currency that reached 12-year highs against the dollar and a continued shift by pension funds of money into bonds instead of stocks.

Energy giant BP PLC, the stock with the biggest weighting in the index, rose 12%. Continuing its U.S. expansion, Royal Bank of Scotland PLC spent \$10.5 billion to buy Charter One Financial Inc. of Cleveland. Its stock ended up 6%. As the year ended, London Stock Exchange PLC, which owns the London bourse, was the target of approaches from rivals Deutsche Borse AG and Euronext NV. The looming bidding war helped drive up the stock 74%.

Germany

The DAX index of 30 blue-chip stocks rose 7.3% as investors focused on corporate cost-cutting rather than the country's anemic economic growth. In a sign of the telecommunications sector's restored financial health, Deutsche Telekom AG announced that it would resume paying a dividend after a two-year absence. Its shares climbed 14%.

France

The CAC-40 index finished up 7.4%. Engineering group Alstom SA once again was in financial trouble and needed its third capital infusion in four years. In a controversial move, the French government helped bail it out by providing more than 2 billion euros. The stock fell 33%.

Italy

The benchmark S&P/Mib index rose 14.9%. Telecom Italia SpA unveiled a 21 billion euro buyout of the 44% of Telecom Italia Mobile SpA it didn't already own. Both Telecom Italia and TIM Shares climbed 28%.

Netherlands

The AEX index was among Europe's laggards,

rising just 3.1%. Holland was rocked by a scandal involving the vast overstatement of oil and natural-gas reserves at Royal Dutch/Shell, which cost the chairman his job. While shares of other energy companies soared on higher energy costs, and profits, Royal Dutch shares rose just 0.7%.

Spain

Spain's Ibex-35 index climbed 17.4%. In a move that potentially heralds an era of cross-border European banking mergers, Spanish banking giant Banco Santander Central Hispano SA acquired Abbey National PLC of the U.K. The impact was negative as its shares fell 2.8%.

Scandinavia

Sweden's All-Share index climbed 17.6%. Shares in telecommunications-equipment maker Telefon AB L.M. Ericsson surged 64%, making it the strongest performer among the largest shares. Finland's HEX rose 3.3% as shares in Nokia Corp., the world's largest maker of mobile phones, fell 15% as it slashed phone prices. Power group Fortum Oyj, the stock with the largest market value in the index, surged 66.5%.

LATIN AMERICA

Buoyed by strong commodity prices and a recovering U.S. economy, Latin American stocks enjoyed double-digit gains for a second consecutive year, with indexes in Columbia and Mexico posting some of the world's strongest returns.

In 2004 it was estimated that Latin American economies expanded 5.5% marking the region's fastest expansion in nearly a quarter century. What was more, the growth wasn't accompanied by the runaway inflation and uncertainties of past decades, which made it a safer environment for international investment funds.

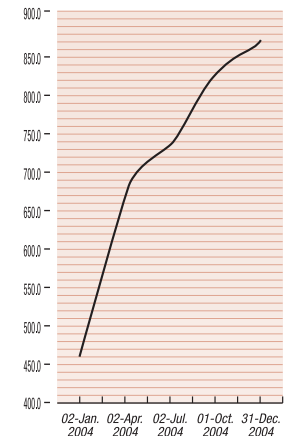
Record oil prices boosted the economies of oil-exporting nations. Mexico, which enjoyed a much-needed oil boost, became an investor favorite.

In Canada, stocks posted solid increases, fueled by higher energy prices and strong financial-company shares.

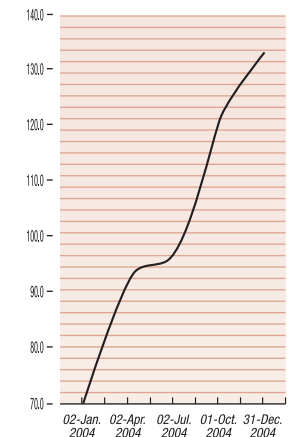
Mexico

Investors who had been hesitant to bet on

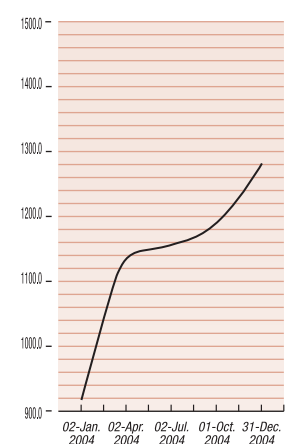
**PROPERTY
SUB INDEX**
JAN 1983 = 100



**TRADING
SUB INDEX**
JAN 1983 = 100



**All T&T
INDEX**
JAN 1983 = 100



THE GENERAL MANAGER'S REVIEW (cont'd)

Mexico poured in after an economic recovery in the U.S. started to expand south of the border, pushing the local economy to an estimated 4% growth for the year. Mexico sold more than 80% of its nonoil exports to the U.S., which accounted for a third of Mexico's gross domestic product, or the value of all goods and services produced in a nation.

The benchmark index of stocks traded on the Mexico City exchange – the IPC index – surged 48% in dollar terms to close the year near a record, and making it the world's 10th-best performer among the world's most active exchanges.

Canada

The S&P/TSX Composite Index, Canada's main stock-market benchmark, rose 12.5%, following a 24% jump in 2003.

Oil and natural-gas producer Talisman Energy Inc. surged 32%, while natural-gas giant EnCana Corp.'s shares leapt 34%. Overall, the S&P/TSX energy-sector index jumped 29%.

Brazil

International investors returned to Brazil in May, after retreating earlier in the year, as South America's biggest economy showed signs of an export-led expansion. The Bovespa index rose 28% to end the year at a record after more than doubling in 2003 in dollar terms.

Rising oil prices helped boost shares of state-owned oil company Petrobras SA by 36%, and demand from China helped drive a domestic economic recovery that lifted the shares of steelmakers such as Gerdau and Companhia Siderurgica Nacional. Brazilian financial stocks also rose as the credit quality of banks' loan portfolios improved, even as they increased an average of 30% during the year.

Columbia

In Columbia, a respite from the country's long-running civil war paved the way for the IGBC index of most heavily traded stocks to more than double in dollar terms, making it the world's second-best performer among major exchanges in 2004, after the stock exchange in Cairo, Egypt.

The stock market took off as investors reaped the rewards of a steadily strengthening currency, as well as momentum in the domestic economy.

Columbia's benchmark index rose 116% in dollar terms in 2004 after rising 46% in 2003.

Economic growth in Columbia accelerated for a third consecutive year amid a growing sense that the government of President Alvaro Uribe was turning the corner in the nation's half-century struggle against armed insurgents.

THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED

In the year just ended, the local stock market Composite Index was up 54.82%, and the All T&T Index also ended up 41.47%. From all indications, the other neighboring stock markets also fared well, this according to a report published by the Wall Street Journal. The **Bahamas** market gained 19.70%, **Barbados** was up 26.73%, **Bermuda** recorded an 8.11% rise, **Venezuela** was up 34.90% and **Jamaica** posted 66.68% gain. In Central America, the **Panama** market ended in positive territory, up 18.49% while **Costa Rica** closed the year down, 10.08%.

On the local market, traded volume in 2004 was 343.9 million with an underlying market value of \$4.62 billion. The corresponding figures for 2003 were 436.5 million and \$2.8 billion respectively. Market Capitalization increased to \$107.60 billion, an increase of 58.22% when compared to the previous year. As to the performance of individual issues, twenty-nine (29) advanced and four (4) declined.

In the context of new listings, the Exchange welcomed two (2) new companies in 2004. The first, Sagicor Financial Corporation was listed in August, while Dehring, Bunting & Golding Limited was listed in October.

Relative to the trading in company stocks, National Commercial Bank (Jamaica) Limited, was the most actively traded issue dominating the market with a volume of 94.91 million shares. Capital & Credit Merchant Bank Limited and Trinidad Cement Limited on volumes of 44.51 million and 31.86 million shares respectively, also gained the fancy of investors. Notable activity was also recorded in Jamaica Money Market Brokers Limited on a volume of 28.51 million shares and in RBTT Financial Holdings Limited, as 22.25 million shares changed hands.

As to the Sectorial Indices, which are

THE GENERAL MANAGER'S REVIEW (cont'd)

interpreted as market sentiment guides and investment performance yardsticks, all the sub sectors ended the year up, with the Conglomerate Sector leading the way with a gain of 1,051 points to close the year at 2,356.84. The Non Banking Finance Sector was next, increasing 467 points closing on 1,411.03. The Property Sector and the Banking Sector also gained ground, advancing 413 points and 259 points respectively. The Other Sectors, namely the Manufacturing II, Manufacturing I and Trading also drifted forward on gains of 185.11, 98.08 and 63.45 points respectively.

SECOND TIER MARKET

Despite efforts by Management to broaden this segment of the market, Mora Ven Holdings and FNCU Venture Capital Company Limited remained the only companies on this Board in the year just ended. However, trading in FNCU Venture Capital Company securities was suspended in September 2004.

In terms of activity on the Second Tier Market 129,939 shares were traded as compared to 15,227 one year earlier.

MUTUAL FUND MARKET

In the year just ended 1,770,671 shares crossed the floor with a market value of \$8.78 million. The corresponding figures for 2003 were 3,096,624 shares with an underlying market value \$15.37 million. The 2004 figures represent a decrease of 43% in both volume and value.

BOND MARKET

There was no recorded activity in the Bond Market.

SUBSEQUENT DEVELOPMENT

On March 18, 2005 securities trading on the Exchange became fully automated with the introduction of the Horizon Trading System. In January 2003, the Exchange implemented the first phase of its development program with the establishment of the Trinidad and Tobago Central Depository (CSD).

The Automated Trading System complements the CSD and thus completes the Exchange's Automated Trading, Clearance and Settlement Platform. The automated trading system relies on a set of rules to automatically match orders entering the system from trading workstations that are resident on the Trading Floor of the Exchange or remotely at the Brokerage house.

The rules are geared towards price discovery and trade execution processes, and also to keep the public informed as to activity in, and the price of, transactions in the market place. There is also in place a proper system for disseminating quotations and last sale data, and for processing transactions. All of these features will enhance transparency in the market place that will redound to the benefit of the public and investors.

FINANCIAL OPERATIONS

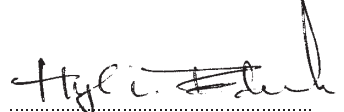
In 2004, revenues of the Trinidad and Tobago Stock Exchange Limited and its consolidated subsidiary were \$15,864,352. Net Revenues for the year were \$8,669,047 million before taxes and \$6,474,398 million after taxes compared to net revenues of \$6,610,663 million before taxes and \$5,013,945 after taxes in 2003. Stockholders' Equity increased by 19.5% to \$31.9 million at December 31, 2004.

Commission revenues, which consist of Transaction Charges and Commission Rebates and are a function of trading volume and share prices, were \$10.19 million and \$1.3 million respectively. Other Income increased to \$232,452 from \$112,426 in 2003. The average daily value of shares was \$19.8 million, up from \$15.6 million one year earlier.

Investment Income increased by 13.37% to \$1,558,038 from \$1,374,240 in the year just ended.

Total consolidated expenses for the year, exclusive of income taxes stood at \$7.2 million. Salaries accounted for 36.6% of total expenditure, Maintenance of Equipment 13.2%, Regulatory Fees 12.8%, Rental & Administrative Expenses 8.6%. Included in the foregoing expenditure are expenses related to the operations of the Central Securities Depository, which commenced operation in January 2003, and the Automated Trading System which was established March 2005. The Board by encouraging the establishment of an efficient Trading, Clearing and Settlement System, has clearly demonstrated that it stands clearly on the side of responsible and responsive change.

Management also wishes to acknowledge with gratitude, the contribution of the Board of Directors as well as the Exchange's staff, who have clearly demonstrated by their dedicated efforts that they recognize we operate a service institution. Their commitment has indeed, been most exemplary.



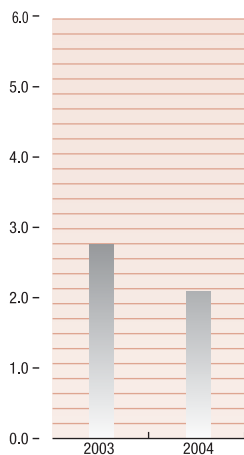
Hugh L. Edwards
General Manager

THE SHARE MARKET IN 2004

Cautious optimism or a reason for euphoria

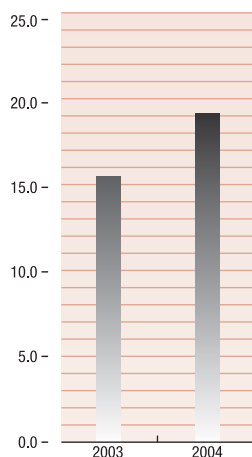
AVERAGE DAILY VOLUME

(in millions)



AVERAGE DAILY VALUE

(in TT\$ millions)



A buoyant economy, concomitant with a sustained low interest rate environment, against the backdrop of excessive liquidity in the system, all augured well for the equity market in Trinidad and Tobago, which saw total volume registering at 18.51 million shares in **January**, for a corresponding market value of \$104.6 million. On a comparative basis, year on year volume increased by an impressive 170.54%, and value by 35.47%. Volume on the Main Board was dominated by Jamaican-based companies, with Jamaica Money Market Brokers Limited and National Commercial Bank (Jamaica) Limited together accounting for 66.24% of the overall traded total, on volumes of 9.73 million and 2.53 million shares respectively. National Flour Mills Limited also captured much attention from investors as 1.50 million of the company's shares changed hands. Trinidad Cement Limited and Guardian Holdings Limited earned their moment in the spotlight with volumes of 0.90 million and 0.81 million shares traded respectively. On an individual stock basis, 22 securities advanced, 2 declined and 11 traded firm. Of the issues advancing, Republic Bank's \$4.45 climb to \$58.05 was the most prominent. The \$1.80 rise in RBTT Financial Holdings Limited to \$36.00 and Scotiabank's \$1.30 increase to \$29.00 were the other two movements of note. Heading the casualty list was Capital & Credit Merchant Bank Limited down \$0.12 to \$0.68. Lever Brothers (West Indies) Limited as the other declining issue fell \$0.11 to \$30.20. The dominance of advances over declines impacted favorably on both major Stock Exchange indices as the Composite Index accumulated a record 29.75 points to reach 718.88, and the All T&T Index climbed a hefty 42.96 points to 954.93. The performance of the major indices was mirrored in the sub-sectors, with Conglomerates moving up 46.61 points to 1,352.94. Non-Banking Finance (+24.49) points to 968.18, Banking (+21.74) points to 580.53 and Manufacturing I (+22.87) points to 793.21 were the other sectors posting strong gains. In other market activity, the Mutual Fund Market recorded a volume of 137,000 shares traded in Praetorian Property Mutual Fund, for a market value of \$657,600. The price of the fund remained at \$4.80. On the Second Board no shares were traded in either Mora Ven Limited or FNCU Venture Capital Limited. The issues maintained their respective prices of \$1.00 and \$2.70.

Building on the foundation set in the previous month, market momentum in **February** continued to intensify, with twenty-five issues posting strong price gains, nine issues trading firm and only one

issue posting a decline. "Blue Chip" stock RBTT Financial Holdings Limited single-handedly lifted the market to its biggest gain for the year to date, when the Bank gained an astonishing \$9.15 to close on \$45.15. Finishing as a strong second was Republic Bank Limited which began the month on \$58.05 and ended on \$66.01, a gain of \$7.96. Also among the favorites were National Enterprises Limited up \$2.20 to \$8.70, Neal & Massy Holdings Limited up \$2.16 to \$29.31 and Agostini's Limited which added \$1.80 to close on \$7.85. In contrast, BWIA (West Indies) Airways Limited was the sole casualty of the month, losing \$0.50 of its value to close at \$2.50. Sectoral wise, all the sub-sectors performed favorably, being driven by the dominance of advancing issues on the Main Board. The best performer was Non-Banking Finance which added 124.10 index points to close on 1,092.28. Conglomerates was up 76.27 points to 1,429.22, Property climbed 73.43 points to 547.80 and Banking moved to 648.93, for a month-to-month gain of 68.40 points. Predictably, impressive growth was also recorded in the Stock Exchange's two major indices, with the Composite Index climbing 74.38 points to end on 793.25, and the All T&T Index accumulating 126.33 points to end on 1,081.25. Overall, market volume totaled 28.09 million shares, which was 52% more than the 18.51 million shares traded in January. The underlying market value was \$127.20 million, a month-to-month gain of 21.61% or \$22.60 million. The issues most heavily favored by investors were National Commercial Bank (Jamaica) Limited with 17.8 million shares traded, Trinidad Cement Limited with 2.51 million and Jamaica Money Market Brokers Limited with 1.77 million shares. Significant volumes were also recorded in Caribbean Communications Network Limited and Angostura Holdings Limited on volumes of 1.47 million shares and 1.12 million shares respectively. Activity occurred in twenty-five other stocks on the Main Board. Trading on the Mutual Fund Market saw 391,394 of Praetorian Property Mutual Fund's shares change hands for a market value of \$1.88 million. The price held steady at \$4.80. In terms of activity and dollars, the Second Tier Market recorded another inactive month. The price of FNCU Venture Capital climbed \$0.05 to \$1.05, while Mora Ven Holdings Limited held steady at \$2.70.

The equity market outlook for the month of **March** remained positive as total volume stood at 45.6 million by month's end, with a corresponding market value of \$286.3 million. Jamaican-based companies continued to capture much attention from investors, with National Commercial Bank

THE SHARE MARKET IN 2004 (cont'd)

(Jamaica) Limited posting the month's leading volume of 28.64 million, while increasing \$0.37 to \$2.00 in the process. Notable activity was also seen in Capital & Credit Merchant Bank Limited (+\$0.12 to \$0.80), National Enterprises Limited (+\$1.45 to \$10.15) and Jamaica Money Market Brokers Limited (+\$0.45 to \$1.60), on volumes of 4.02, 2.53 and 2.50 million shares respectively. In terms of share price volatility, advancing issues once again got the better of declining issues, this time 25 to 5. Other winners for the month were PLIPDECO Limited up \$3.46 to \$16.87, Ansa Mc Al Limited up \$2.65 to \$27.40, Guardian Holdings Limited which began the month on \$31.80 and increased to \$33.50, and Ansa Finance & Merchant Bank Limited which ended \$1.00 higher at \$14.00. Heading the casualty list was National Flour Mills Limited which lost \$0.90 to close on \$3.10, followed by BWIA (West Indies) Airways Limited down \$0.70 to \$1.80, and Trinidad Cement Limited which retreated \$0.35 to close on \$5.65. In respect to the sub-sectors, five out of seven gained ground. Non-Banking Finance was the best performing sector with a 155.01 point gain to 1,247.29. Property up 136.59 points to 684.39 and Conglomerates up 112.20 points to 1,541.42 were the other sectors posting strong gains. Conversely, Manufacturing II was the hardest hit giving up 27.94 points to close on 541.64, while Manufacturing I gave back 17.10 points to end on 800.63. The Composite Index spurred on by the dominance of the positive price movements closed on 839.38, for a month-to-month gain of 46.12 points, while the All T&T Index continued marching forward with a 37.07 point rise to 1,118.32. Over on the Second Tier Market, both Mora Ven Holdings Limited and FNCU Venture Capital Limited duplicated the pattern set in previous months by remaining inactive. The prices of the issues held steady at \$1.05 and \$2.70 respectively. Praetorian Property Mutual Fund enjoyed its second highest volume for the year to date, as 187,750 shares were traded for a value of \$0.93 million. The Fund ended the month on \$5.00, a gain of \$0.20.

FIRST QUARTER HIGHLIGHTS

	2004	2003	%Change
Volume ('000)*	92,943	121,773	-23.68
Value (TT\$'000)*	543,638	290,420	87.20
Transactions*	8,536	1,899	349.50
Market Capitalization (TT\$'000)	82,225,145	51,117,540	60.86
Composite Index	839.38	564.20	48.77

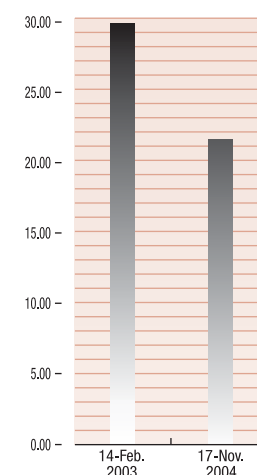
*Includes block-transactions

The bull run on the local market carried over into the second quarter of 2004, though at a much slower pace, as total volume in **April** stood at 15.92 million shares for a market value of \$239.4 million. Notwithstanding that volume decreased by 65.08% and value by 16.38% from the previous month, the local companies continued to under perform the Jamaican giants. For yet another occasion National Commercial Bank (Jamaica) Limited maintained the top spot on the market with 3.01 million shares traded, while rewarding investors with an increase of \$0.70 in the process. Jamaica Money Market Brokers Limited, which ended the month up from \$1.60 to \$2.00, followed on a volume of 3.0 million shares. Strong performances were also exhibited by Guardian Holdings Limited (+\$0.50 to \$34.00) on a volume of 2.09 million shares and RBTT Financial Holdings Limited with 1.91 million shares traded. Altogether, 20 issues advanced, 4 declined, and 11 remained unchanged on the Main Board. Among the advancing issues as well were Republic Bank Limited up \$1.24 to \$68.00, Grace, Kennedy & Company Limited up \$1.10 to \$8.80, and Capital and Credit Merchant Bank Limited which closed \$0.60 higher on \$1.40. With respect to the downward movers, Berger Paints Limited was the hardest hit, giving up \$2.00 to end the month on \$3.95. Lever Brothers (West Indies) Limited also conceded some of it's value, ending \$1.00 lower on \$29.00, while both Furness Trinidad Limited and LJ Williams Company Limited Ordinary 'B' shared \$0.05 losses to end on \$5.55 and \$1.45 respectively. Predictably, the fate of the major Stock Exchange indices was positive, as the Composite Index added 41.90 index points to close on 881.28, while the All T&T Index gained 12.37 points to close on 1,130.70. A concomitant effect was also noted in the sectoral performances as all the sub-sectors posted appreciable gains. The best performing sector was Non-Banking Finance, which closed at 1,330.10 for a month-to-month gain of 82.81 points. Conglomerates was up 63.17 points to 1,604.59, while Manufacturing II climbed 44.41 points to 586.05. In other market activity, Praetorian Property Mutual Fund saw 176,136 shares traded for a market value of \$882,586.00. The price of the issue held steady at \$5.00. On the Second Board, a total of 3,396 of Mora Ven's shares changed hands for a market value of \$9,169.20, with the price holding steady at \$2.70. FNCU Venture Capital Limited posted another inactive month.

In **May**, share price volatility mirrored continued investor demand and confidence in the local market as 14 securities recorded strong price gains, 7 ended the month in the red, and 14

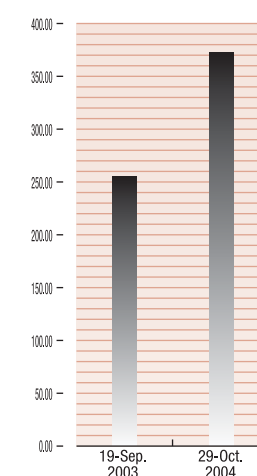
MOST ACTIVE DAY BY VOLUME

(in millions)



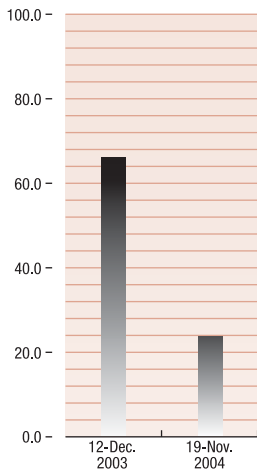
MOST ACTIVE DAY BY VALUE

(in TT\$ millions)

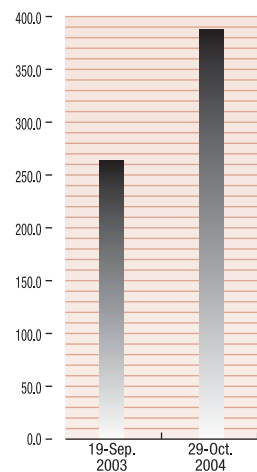


THE SHARE MARKET IN 2004 (cont'd)

MOST ACTIVE WEEK BY VOLUME (in millions)



MOST ACTIVE WEEK BY VALUE (in TT\$ millions)



remained unchanged. In terms of the advancing issues Republic Bank's \$2.00 climb to \$70.00 was the most prominent. The \$0.75 rise in Ansa Merchant Bank Limited to \$28.65 and Grace, Kennedy's \$0.70 rise to \$9.50, were the other top movements of note. Heading the casualty list was RBTT Financial Holdings Limited down \$0.90 to \$44.40. Also losing ground were Berger down \$0.25 to \$3.70, followed by Furness Trinidad Limited and LJ Williams Company Limited Ordinary 'B' both down \$0.15 to \$5.40 and \$1.30 respectively. The dominance of advances over declines impacted favorably on the sub-sectors. Conglomerates added 53.14 points to its previous month's winnings closing at 1,657.73. Non-Banking Finance gained 36.98 points and closed on 1,367.09, while Property climbed 19.74 points to 707.29. By contrast, Manufacturing II was the only sector to record a deficit, down 5.22 points to 580.83. Both major stock Exchange indices, spurred on by the month's good fortune, saw the Composite Index gaining 12.28 points to close on 893.56, while the All T&T Index which finished on 1,130.70 in April, advanced to 1,137.37 in May, a gain of 6.67 points. The supremacy of the Jamaican based stocks remained unchallenged as National Commercial Bank (Jamaica) Limited and Jamaica Money Market Brokers Limited dominated the local market on volumes of 8.88 million and 4.31 million shares respectively. Following were Guardian Holdings Limited with 4.23 million and Capital & Credit Merchant Bank Limited with 3.14 million shares. By month's end, total volume reached 26.91 million and value \$330.10 million from activity in thirty stocks. Month-on-month volume showed an increase of 69% and value an increase of 38%. On the Mutual Fund Market, Praetorian Property Mutual Fund recorded its weakest performance for the year to date, with a traded volume of 57,780 shares and value of \$288,907.00. Over on the Second Board both Mora Ven Holdings Limited and FNCU Venture Capital saw no trading activity, with no price changes.

Despite a willingness to pay more, buyers were unable to lure shares to the market in **June**. Although advances eclipsed declines 18 to 8, volume fell 29% to 19.10 million with a corresponding market value of \$215 million. Capital & Credit Merchant Bank Limited which held steady at \$2.00, and National Commercial Bank (Jamaica) Limited (-\$0.04 to \$2.76), shared most actively traded honours with volumes of 5.37 million and 5.15 million shares respectively. RBTT Financial Holdings Limited (-\$0.75 to \$43.65), contributed 1.95 million shares to the overall total, while Guardian Holdings Limited (+\$0.60 to \$35.10), weighed in

with 1.44 million shares. Of the eighteen advances, Ansa Mc Al's \$2.35 rise to \$31.00 was the largest. Other big winners were Republic Bank Limited (+\$2.25 to \$72.25), Neal & Massy Holdings Limited (+\$1.40 to \$32.00) and Barbados Shipping & Trading Company Limited (+\$1.10 to \$19.25). On the downside, Berger Paints Limited dropped \$0.60 to \$3.10, BWIA (West Indies) Airways Limited was down \$0.38 to \$1.42 and Jamaica Money Market Brokers Limited shed \$0.14 to \$1.86. With respect to sectoral performance, all the sub-sectors with the exception of Non-Banking Finance, which declined 6.85 points to 1,360.24, gained ground. Conglomerates moved up 95.48 points to 1,753.22, Property surged 27.63 points to 734.92, and Manufacturing I climbed 12.44 points to end on 821.50. The All T&T Index continued its winning ways by posting an 18.11 point rise to 1,155.49, while the Composite Index gained 11.15 points to 904.71. On the Second Tier Market, both Mora Ven Holdings Limited and FNCU Venture Capital Limited ended another month completely inactive, with no price changes. On the Mutual Fund Market, notwithstanding that Praetorian Property Mutual Fund recorded its lowest volume for the year to date of 46,500 shares, the price of the issue moved up \$0.05 to \$5.10.

SECOND QUARTER HIGHLIGHTS

	2004	2003	%Change
Volume ('000)*	61,918	58,494	5.85
Value (TT\$'000)*	784,584	319,771	145.36
Transactions*	9,908	3,190	210.60
Market Capitalization (TT\$'000)	88,726,685	50,117,061	77.04
Composite Index	904.71	560.36	61.45

*Includes block-transactions

In terms of activity and dollars, trading regained its lustre in **July**, with total volume registering at 29.2 million shares and value at \$358.3 million. Chiefly responsible for this boost was First Caribbean International Bank Limited, which commanded 41.1% of the market with 12.01 million shares, while moving \$0.30 to \$9.50 in the process. Other key players for the month were: Guardian Holdings Limited (+\$0.05 to \$35.15) which posted a volume of 4.15 million shares, Capital & Credit Merchant Bank Limited on a volume of 2.97 million and Jamaica Money Market Brokers Limited (\$0.04 to \$1.90), on a volume of 2.48 million shares. The gap between advances and declines remained obvious as price gains outweighed

THE SHARE MARKET IN 2004 (cont'd)

losses 19 to 6. Of the advancing issues, Ansa Mc Al's \$1.00 climb to \$32.00, was the most prominent. Also advancing were PLIPDECO Limited up \$0.90 to \$19.05 and Republic Bank Limited which ended the month on a gain of \$0.75 to \$73.00. Not as fortunate were BWIA (West Indies) Airways Limited, which plummeted \$0.87 to close on \$0.55, National Enterprises Limited which fell from \$10.15 to \$9.92 and Angostura Holdings Limited which slipped \$0.20 to \$4.70. When using the sectorial indices to interpret market sentiment, the environment in July was very positive, as five out of seven sectors posted appreciable gains. The star performer was the Conglomerate sector, up 42 points to 1,794.92. Property was next with a 36 point surge to 770.45, while Manufacturing II closed 23 points higher on 612.27. Conversely, Trading and Non-Banking Finance were the two sub-sectors posting declines, with the former falling 3.53 points to 92.02 and the latter 3.20 points to 1,357.04. The Composite Index (914.01) and the All T&T Index (1,161.85), spurred on by the month's dominant advances, scored successive gains of 9.30 points and 6.36 points respectively. Over on the Second Board, both FNCU Venture Capital Limited and Mora Ven Holdings Limited duplicated the pattern set in previous months by remaining inactive, with no price changes. The 162,732 shares traded in Praetorian Property Mutual Fund, seemed to suggest a return to its normal performance levels. The issue ended the month on \$5.10, for a month-to-month gain of \$0.05.

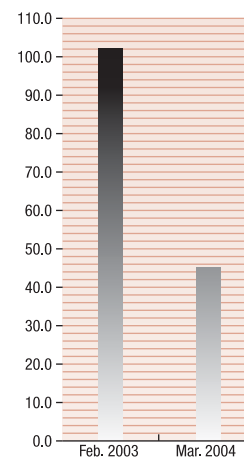
In **August**, the first listing of the year under review took place. The company, Sagicor Financial Corporation Limited, made its debut on August 24, bringing the number of listed companies on the Main Board to 33. In spite of the fact that no trading activity was recorded in the issue by month's end, the price of the stock drifted upwards from \$12.86 (listing price) to \$13.50. Great strides were also made by Republic Bank Limited, (+\$4.00 to \$77.00), Neal & Massy Holdings Limited, (+\$1.70 to \$34.05) and Ansa Mc Al Limited, (+\$1.30 to \$33.30). On the down side, National Enterprises Limited was the month's biggest loser down \$0.42 to \$9.50. National Flour Mills Limited lost \$0.40 to close on \$2.80, while BWIA (West Indies) Airways Limited shed \$0.29 to end the month on \$0.26. Volume on the Main Board retreated to 27.70 million shares, for a corresponding market value of \$251 million. A number of issues shared the title of most actively traded honours, with Capital & Credit Merchant Bank Limited leading the way on a volume of 9.72 million shares. First Caribbean International Bank Limited and National Commercial Bank (Jamaica) Limited produced

almost identical volumes of approximately 3.9 million. Both of the Stock Exchange's indices advanced substantially as the Composite Index ended 51.34 points higher on 965.35, and the All T&T Index added 20.86 points to close on 1,182.70. In the sub-sectors, impressive performances were recorded in Conglomerates which rose 74.84 points, Property which added 37.50 points and Manufacturing II up 30.77 points. On the Second Tier Market, Mora Ven Holdings Limited ended the month with bittersweet sentiments. On the one hand, the company recorded its strongest volume for the year, with 107,846 shares traded for a value of \$269,615.00. On the other, the price of the share retreated \$0.20 to \$2.50. The Mutual Fund Market enjoyed better fortune as 169,648 shares changed hands, for a corresponding market value of \$868,744.00. The price went from \$5.10 to \$5.16, a gain of \$0.06.

As if stopping to take a breath, the Bull Run which by now became a precedent on the local market, slowed down somewhat in **September**. By month's end, overall market volume and value stood at 19.23 million and \$126.03 million respectively, compared to the 27.70 and \$251 million of the preceding month. Forty-six percent or 8.78 million shares came from trading in Capital & Credit Merchant Bank Limited, Agostini's Limited, (+\$1.05 to \$10.30), posted a volume of 2.75 million shares, and National Commercial Bank (Jamaica) Limited (-\$0.30 to \$2.50), saw 1.60 million shares traded. There was activity in twenty-six other stocks. The advance/decline ratio on the Main Board was 16 to 8, with 12 issues remaining constant. Republic Bank Limited was the market's biggest winner, gaining \$2.71 to \$79.71. Other issues advancing were Ansa Mc Al Limited up \$1.25 to \$34.55 and Neal & Massy Holdings Limited which ended the month \$1.10 higher on \$35.15. On the losing end, RBTT Financial Holdings Limited retreated \$0.95 to \$42.50. Jamaica Money Market Brokers Limited fell \$0.30 to \$1.50, and Scotiabank T&T Limited slipped to \$31.40, down \$0.10. Sectoral performances were subsequently mixed. Conglomerates 52.60 points to 1,922.35, Trading 24.63 points to 117.46, Property 21.71 points to 829.66 were up, while Non-Banking Finance 24.46 points to 1,345.46, Banking 9.12 points to 727.48 and Manufacturing II 3.46 points to 639.58 were down. Rendered helpless to resist the month's more imposing declines, the Composite Index relinquished 2.62 points to close on 962.73. The All T&T Index fared a lot better, adding 15 points to its previous month's gain, to close on 1,197.69. Over on the Second Board, 3,000 shares in Mora Ven Holdings Limited

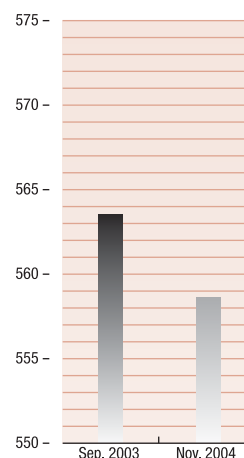
MOST ACTIVE MONTH BY VOLUME

(in millions)



MOST ACTIVE MONTH BY VALUE

(in TT\$ millions)



THE SHARE MARKET IN 2004 (cont'd)

changed hands, for a market value of \$7,500. The price held steady at \$2.50. The other issue on this Board, FNCU Venture Capital Limited was suspended by the Exchange on September 03. Market activity was also much slower on the Mutual Fund Market, with 48,000 shares being traded in Praetorian Property Mutual Fund, for a market value of \$246,910. The issue closed off the third quarter with a loss of \$0.16 to \$5.00.

THIRD QUARTER HIGHLIGHTS

	2004	2003	%Change
Volume ('000)*	91,420	83,671	9.26
Value (TT\$'000)*	993,723	790,369	25.72
Transactions*	7,847	4,749	65.23
Market Capitalization (TT\$'000)	95,689,278	53,807,772	77.84
Composite Index	962.73	600.01	60.45

*Includes block-transactions

In **October**, the bullish sentiment of investors returned with all its gusto, as the local stock market recorded its second strongest volume for the year to date. By month's end, volume stood at an improved 34.7 million shares with an underlying market value of \$559.02 million. This was largely due to National Commercial Bank (Jamaica) Limited which recorded a volume of 12.5 million shares, accounting for 36.14% of the month's traded volume. RBTT Financial Holdings Limited with (9.34 million), Capital & Credit Merchant Bank Limited (5.2 million), and Jamaica Money Market Brokers Limited (1.60 million) were also heavily fancied by investors. In an environment where trading activity was the second highest for the year, 15 issues advanced while 2 declined. Neal & Massy Holdings Limited was the market's biggest winner, gaining \$3.35 to \$38.50. Other winners were Republic Bank Limited up \$3.04 to \$82.75 and Barbados Shipping & Trading Company Limited which ended the month \$1.40 higher on \$21.70. On the downside, the newest addition to the Main Board, Dehring, Bunting & Golding, which was listed on October 15 at the price of \$2.29 fell to \$2.15. West Indian Tobacco Company Limited as the other casualty, fell \$0.10 to close on \$22.30. As to the sectoral indices, Conglomerates was the best performing sector up 157.38 points to 2,079.73. Non-Banking Finance (1,383.21) and Property (867.17) also posted hefty gains of 37.75 and 37.50 points respectively. Not as fortunate was Manufacturing I, down 0.43 index points to 851.65. Both major indices were lifted by these sterling performances. The All T&T Index moved to 1,226.80 for a gain of 29.10

points, and the Composite Index closed 23.61 points higher on 986.34. On the Second Tier Market, Mora Ven Holdings Limited posted a volume of 4,000 shares for a market value of \$10,000. The price held steady at \$2.50. Over on the Mutual Fund market, trading in Praetorian Property Mutual Fund produced 187,700 shares, for a market value of \$938,500. The price however, remained unchanged at \$5.00.

In the month of **November**, the sectoral indices (which can be interpreted as investment performance yardsticks and market sentiment guides), reflected a positive trading environment as all the sub-sectors gained ground. The Conglomerates sector stood out, climbing 207.79 points to 2,287.52, its biggest gain for the year. Manufacturing II also ended on a strong note, up 79.45 index points to 721.66, while Banking closed 72.01 points higher on 806.48. In terms of the Composite Index and the All T&T Index, the former increased 73.86 points to 1,060.20 while the latter moved from 1,226.79 to 1,285.21 up 58.41 points. The performance of the individual shares saw the dominance of advances over declines, 19:2. "Blue Chip" stars Republic Bank Limited (+\$8.25) and Neal & Massy Holdings Limited (+\$7.50) were the forerunners, moving to \$91.00 and \$46.00 respectively. Also posting strong gains were Ansa Mc Al Limited and First Caribbean International Bank Limited both up \$2.60 to \$40.60 and \$12.10, in that order. Heading the casualty list was RBTT Financial Holdings Limited down \$0.66 to \$41.84. Capital & Credit Merchant Bank Limited as the other declining issue of the month fell \$0.10 to \$2.95. Trading on the Main Board was the most dispersed for the year. Every stock with the exception of the dormant Valpark Shopping, and L.J. Williams 'A' recorded strong volumes. Trinidad Cement Limited was the most actively traded issue dominating the market with a volume of 21.53 million shares. National Commercial Bank (Jamaica) Limited followed on a volume of 5.05 million. Guardian Holdings Limited and Capital & Credit Merchant Bank Limited produced almost identical volumes of 1.56 million and 1.54 million shares respectively. Total volume registered at 34.40 million shares for a market value of \$303 million. This month's figures represented a decline of 1.03% in volume and 45.82% in value. On the Second Board, Mora Ven Holdings Limited ended the month absent of any trading activity, with no price changes. The Mutual Fund Market enjoyed better fortunes as 46,804 shares in Praetorian Property changed hands for a market value of \$224,020. The price remained at \$5.00.

THE SHARE MARKET IN 2004 (cont'd)

The bullish sentiment expressed by investors in the equity market all year lost steam in **December**, as total volume was down to 12.53 million or 63.54% and value to \$115.95 million or 61.72%. National Commercial Bank (Jamaica) Limited, notwithstanding the fact that it dropped \$0.15 to \$2.35, enjoyed the most attention from investors as 4.34 million shares changed hands. Other fancied issues were Capital & Credit Merchant Bank Limited (+\$0.05 to \$3.00) and BWIA (WI) Airways Limited (+\$0.03 to \$0.60) on volumes of 3.16 million and 0.68 million shares respectively. In terms of price movements, advancing issues retained their dominance over declining issues 10 to 2. Also among the advancing issues were Neal & Massy Holdings Limited up \$2.00 to \$48.00 and Barbados Shipping & Trading Company Limited which began the month on \$22.30 and ended at \$24.00. By contrast, RBTT Financial Holdings Limited as the other Main Board decliner, lost \$1.34 to end the year at \$40.50. The dominance of advances on the Main Board continued to have a positive effect on the sub-sectors. Due to Plipdeco Limited trading firm throughout the month, the Property sector closed without change. Of the other six sectors recording increases, the most outstanding of these was the 69.32 point climb in the Conglomerates sector to 2,356.84. Manufacturing II rose 26.11 points to 747.77 and Banking finished the month at 816.79, up 10.31 points. The Composite Index continued its winning ways by scoring a 14.43 point rise to 1,074.63. The All T&T Index mirrored the performance of its counterpart, rising 4.94 points to 1,290.15. On the Second Tier Market, Mora Ven Holdings Limited ended the year with a bang posting its second strongest volume for the year. A total of 9,697 shares changed hands for a market value of \$23,992.50. The other issue on this Board, FNCU Venture Capital remained in a state of suspension. The Mutual Fund market recorded a total of 159,227 shares in Praetorian Property being traded, with a corresponding market value of \$791,802.30. The price of the Fund slipped \$0.10 to \$4.90.

FOURTH QUARTER HIGHLIGHTS

	2004	2003	%Change
Volume ('000)*	97,620	172,529	-43.42
Value (TT\$'000)*	2,297,427	1,406,529	63.34
Transactions*	8,665	6,867	26.20
Market Capitalization (TT\$'000)	107,560.05	67,979,579	58.22
Composite Index	1,074.63	694.13	54.82

*Includes block-transactions

The year 2004, proved to be another interesting year for the local stock market. By year's end, a total of 311.8 million shares changed hands with a corresponding market value of \$3.02 billion. Market capitalization increased to \$107.60 billion, for a year on year increase of 58.22% or \$40 billion. Put-throughs amounted to \$1.60 billion on a volume of 32.05 million shares.

The performance of individual shares in 2004 saw a dominance of advances over declines, 29 to 4. Among the issues posting strong price gains were Republic Bank Limited up \$38.40 to \$92.00. Neal & Massy Holdings Limited rose \$21.10 to end the year on \$48.00, while Ansa Mc Al Limited posted an increase of \$18.70 to close on \$41.76. Among the declining issues were BWIA (West Indies) Airways Limited which retreated \$1.55 to \$0.60. Unilever Caribbean Limited, formerly Lever Brothers (West Indies) Limited also conceded some of its value falling \$1.31 to \$29.00, while National Flour Mills Limited slipped \$0.50 to end the year on \$2.85

From a sectoral perspective, all sectors posted exceptional gains. When compared to the previous year, the Conglomerates sector led the way, up a phenomenal 1,051 points to 2,356.84. Other big winners were Non-Banking Finance up 467 points to 1,411.03, Property up 413 points to 871.11 and Banking up 258 points to 816.79.

The fate of both major Stock Exchange indices were also very positive with the Composite gaining 381 points to close on 1,074.63, while the All T&T Index moved 378 points to close on 1,290.15.

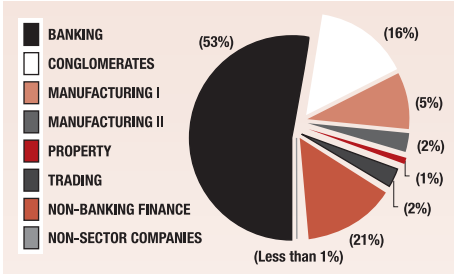
Over on the Second Tier Market, in terms of activity, 129,939 shares were traded as compared to 15,227 one year earlier.

The Mutual Fund Market, posted a volume of 1,770,671 shares for a market value of \$8.76 million. In 2003, 3,096,624 shares changed hands for a market value of \$15.37 million. This year's figures represented a decrease of 43% in both volume and value.

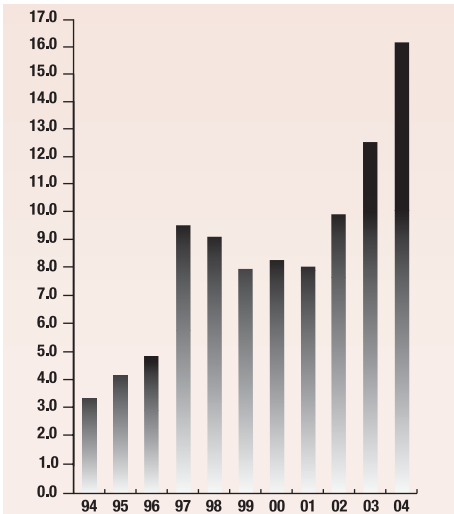
The Exchange saw the addition of two new issues to the Main Board in 2004. These were cross-listed stocks Sagicor Financial Corporation Limited and Dehring, Bunting & Golding Limited, which brought the total number of listed companies to 37.

SHARE MARKET ACTIVITY FOR 2004

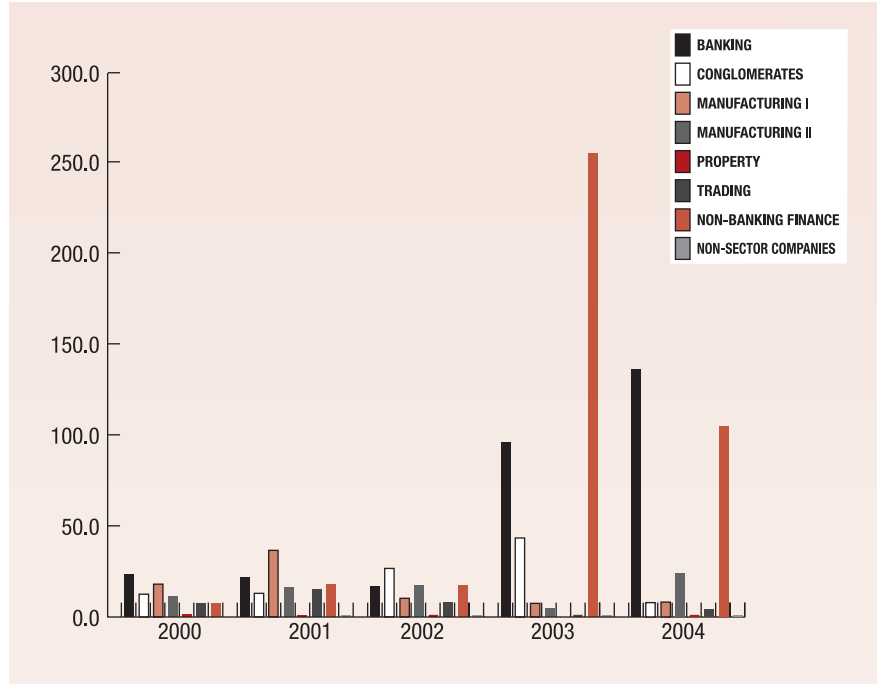
**MARKET CAPITALISATION
AS AT DECEMBER 31, 2004
BY SECTOR**



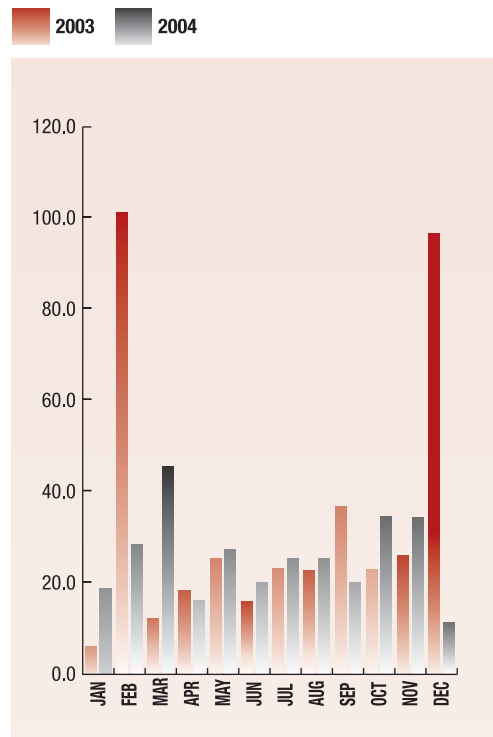
**AVERAGE SHARE PRICE (Year End)
(in dollars)**



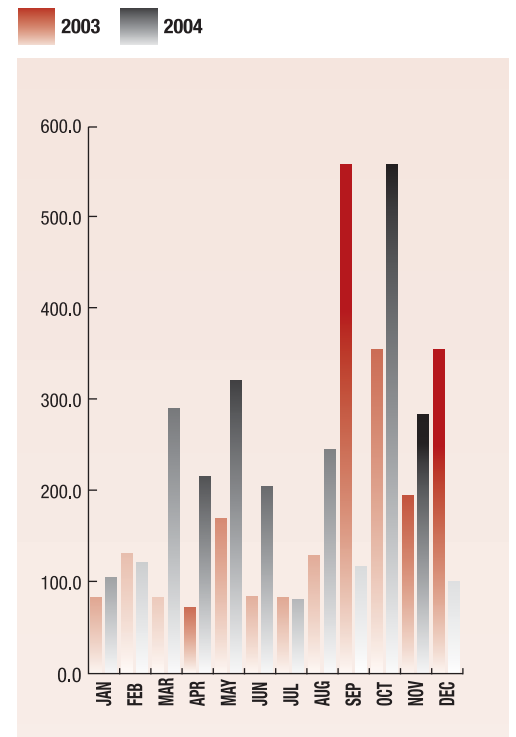
**VOLUME OF SHARES
SOLD BY SECTOR
(in millions)**



**MONTHLY TURNOVER VOLUME
(in millions)**



**MONTHLY TURNOVER VALUE
(in TT\$ millions)**



THE BOARD OF DIRECTORS' REPORT

The Board of Directors submit their report for the year ended December 31, 2004.

ACTIVITIES

The principal activity of the Stock Exchange and its subsidiary is the provision of facilities for trading, clearing and the settlement of transactions executed on the floor of the exchange.

FINANCIAL REVIEW

For the year ended December 31,	2004	2003	2002	2001	2000
Revenues From:					
Operations	14,306,314	11,522,993	4,772,591	4,679,951	4,121,930
Investments	1,558,038	1,374,240	1,487,142	1,750,277	1,611,826
Amortization of Capital Grants	7,669	9,733	12,429	16,043	26,936
Expenses	7,202,974	6,296,303	3,921,720	3,727,491	4,040,166
Income before taxes	8,669,047	6,610,663	2,350,442	2,718,780	1,720,526
Provision for income taxes	2,194,649	(1,596,718)	(333,524)	(753,077)	(562,305)
Net Income	6,474,398	5,013,945	2,016,918	1,965,703	1,158,221
Current Assets	32,816,122	28,301,343	22,747,247	21,445,798	17,428,680
Current Liabilities	2,855,820	3,045,052	1,045,134	1,432,805	723,863
Working Capital	29,960,302	25,256,291	21,702,113	20,012,993	16,704,817
Non-current assets and liabilities, net	2,035,676	1,511,409	808,145	857,217	975,884
Equity of six (6) member firms	15,292,247	12,678,108	10,473,673	9,765,552	8,782,700

DIVIDENDS

The Board of Directors has declared a dividend of \$TT1,553,440 (2003 - \$1,246,120) payable to the holders of shares entered on the Register of Members as at April 14th, 2005 of which 50% thereof is to Class A Shareholders and 50% to Class B Shareholders pro rata according to the number of shares held by each shareholder.

DIRECTORATE

Class A Directors

Mr. Peter Clarke and Mr. Subhas Ramkhelawan, two of the four Directors elected pursuant to Paragraph 4.1.1. retire in accordance with the provisions of 4.3. of the said By-law, and being eligible, offer themselves for re-election.

Class B Directors

Dr. Rollin Bertrand and Mr. Ranjit Jeewan, two of the four Directors elected pursuant to Paragraph 4.1.2. retire in accordance with the provisions of 4.3 of the said By-Law, and being eligible, offer themselves for re-election.

Independent Directors

Mr. Kyle Rudden, one of the three Independent Directors who was elected a Director by resolution of the holders of A Shares and B Shares voting separately, in accordance with the provisions of Paragraph 4.1.3. retires, and does not offer himself for re-election.

AUDITORS

The retiring Auditors, PricewaterhouseCoopers offer themselves for re-appointment.

BY ORDER OF THE BOARD

Anthony Taitt
Secretary
April, 2005.

BOARD OF DIRECTORS

From left to right:

Kathleen Dhannyram

*Chairman
Managing Director
Reliance Stockbrokers
Limited*

Dr. Rollin Bertrand

*Deputy Chairman
Chief Executive Officer
Trinidad Cement Limited
Group of Companies*



Winston P. Padmore

*Director
AIC Securities
Limited*

Ray A. Sumairsingh

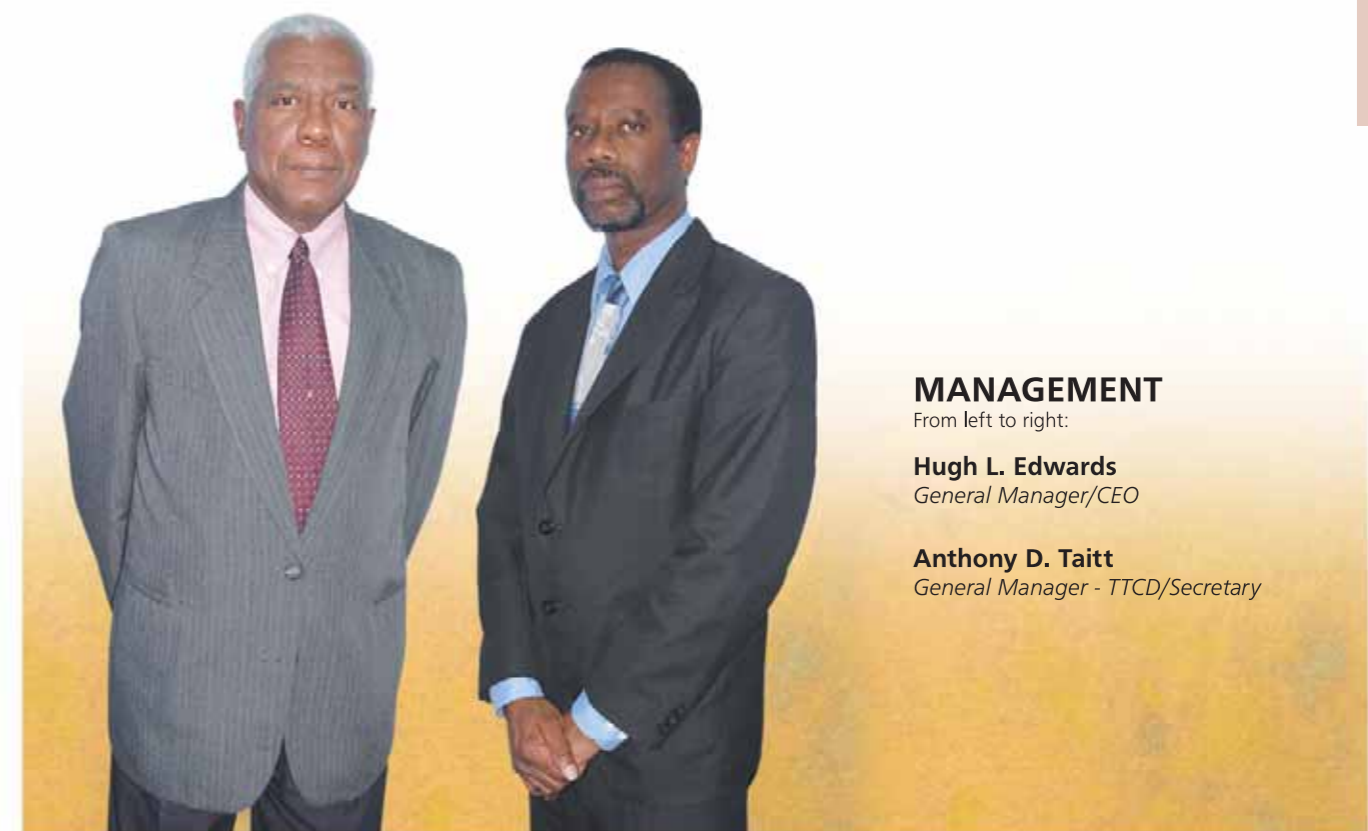
*Managing Director
ANSA Merchant Bank
Limited*

Andrew Mc Eachrane

*Director
Consultant*

Peter E. Clarke

*Chief Executive Officer
West Indies Stockbrokers
Limited*



MANAGEMENT

From left to right:

Hugh L. Edwards
General Manager/CEO

Anthony D. Taitt
General Manager - TTCD/Secretary



Subhas Ramkhelawan
*Managing Director
Bourse Securities
Limited*

Michael Phillip
*Company Secretary
Neal & Massy Holdings
Limited*

Ranjit Jeewan
Director

Dr. Dilip Ghosh
*Professor
University of
The West Indies*

Kyle Rudden
*Director
K.R. Consulting*



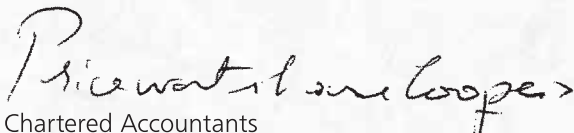
AUDITORS' REPORT

TO THE MEMBERS OF TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED

We have audited the consolidated balance sheet of Trinidad and Tobago Stock Exchange Limited as at 31 December 2004 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, as set out on pages 23 to 33. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company as at 31 December, 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


Chartered Accountants
Port of Spain
Trinidad, West Indies
2005

CONSOLIDATED BALANCE SHEET

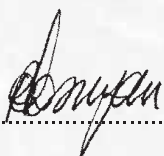
at 31st December

	Notes	2004	TT\$ 2003
ASSETS:			
Non-Current Assets			
Equipment	2	1,929,406	1,692,345
Available-for-sale investment	3	314,990	–
		<u>2,244,396</u>	<u>1,692,345</u>
Current Assets			
Accounts receivable and prepayments	4	812,753	1,594,559
Cash on deposit	5	31,423,688	23,889,837
Cash at bank		--	2,716,447
Cash in hand		500	500
Taxation recoverable		479,181	–
Loan to The Trinidad and Tobago Central Depository Contingency Fund	6	100,000	100,000
		<u>32,816,122</u>	<u>28,301,343</u>
Total Assets		<u>35,060,518</u>	<u>29,993,688</u>
EQUITY AND LIABILITIES:			
Capital and Reserves			
Share capital	7	1,411,483	1,411,483
Retained earnings		30,584,495	25,356,217
		<u>31,995,978</u>	<u>26,767,700</u>
Non-Current Liabilities			
Deferred income	8	55,592	63,261
Deferred tax liability	9	153,128	117,675
		<u>208,720</u>	<u>180,936</u>
Current Liabilities			
Borrowings	10	858,548	1,170,176
Accounts payable and accruals		1,146,884	998,860
Fees and commissions paid in advance		777,296	449,986
Current tax liability		73,092	426,030
		<u>2,855,820</u>	<u>3,045,052</u>
Total Liabilities		<u>3,064,540</u>	<u>3,225,988</u>
Total Equity and Liabilities		<u>35,060,518</u>	<u>29,993,688</u>

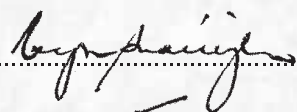
The accounting policies on pages 27 to 28 and the notes on pages 29 to 33 form an integral part of these financial statements.

On the 14th April 2005 the Board of Directors of the Trinidad and Tobago Stock Exchange Limited authorised these financial statements for issue.

Director:



Director:



CONSOLIDATED INCOME STATEMENT

year ended 31st December

	Notes	2004	TT\$ 2003
Revenue:			
Fees, commissions and charges	11	14,306,314	11,522,993
Expenses:			
Administrative		(621,463)	(329,976)
Finance		(5,109)	(2,629)
Marketing		(31,358)	(226,591)
Operating		(6,545,044)	(5,737,107)
		(7,202,974)	(6,296,303)
Operating Profit		7,103,340	5,226,690
Investment Income		1,558,038	1,374,240
Amortisation of Capital Grants	8	7,669	9,733
Profit Before Taxation	12	8,669,047	6,610,663
Taxation	13	(2,194,649)	(1,596,718)
Net Profit		6,474,398	5,013,945

The accounting policies on pages 27 to 28 and the notes on pages 29 to 33 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital \$	Retained Earnings \$	Total \$
Year ended 31 December 2003			
Balance at 1 January 2003	1,562,912	20,947,346	22,510,258
Share redemption	(151,429)	-	(151,429)
Dividends	-	(605,074)	(605,074)
Net Profit	-	5,013,945	5,013,945
Balance at 31 December 2003	<u>1,411,483</u>	<u>25,356,217</u>	<u>26,767,700</u>
Year ended 31 December 2004			
Balance at 1 January 2004	1,411,483	25,356,217	26,767,700
Dividends	-	(1,246,120)	(1,246,120)
Net Profit	-	6,474,398	6,474,398
Balance at 31 December 2004	<u>1,411,483</u>	<u>30,584,495</u>	<u>31,995,978</u>

The accounting policies on pages 27 to 28 and the notes on pages 29 to 33 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

year ended 31st December

	Note	2004	TT\$ 2003
Operating Activities			
Profit before taxation		8,669,047	6,610,663
Adjustments to reconcile profit to net cash from operating activities:			
Depreciation		563,354	284,838
Loss on disposal of plant and equipment		--	16,475
Interest income		(1,558,038)	(1,374,240)
Amortisation of capital grants		(7,669)	(9,733)
		<u>7,666,694</u>	<u>5,528,003</u>
Changes in operating assets/liabilities:			
Decrease/(increase) in accounts receivable and prepayments		781,807	(1,124,115)
Increase in payables and accruals		148,024	908,429
Increase in fees and subscriptions paid in advance		327,310	276,358
Tax payments		(2,620,615)	(639,879)
Tax refunds		-	148,956
		<u>6,303,220</u>	<u>5,097,752</u>
Investing Activities			
Purchase of investment		(314,990)	-
Investment in subsidiary		(370,701)	-
Interest received		1,558,038	1,374,240
Increase in cash on deposit		(7,533,851)	(3,670,571)
Purchase of equipment		(800,415)	(1,583,430)
Proceeds on disposal of plant and equipment		-	464,199
		<u>(7,461,919)</u>	<u>(3,415,562)</u>
Financing Activity			
(Redemption) of shares		-	(151,429)
Dividends		(1,246,120)	(605,074)
		<u>(1,246,120)</u>	<u>(756,503)</u>
Increase/(Decrease) In Cash and Cash Equivalents			
		<u>(2,404,819)</u>	<u>925,687</u>
Cash and Cash Equivalents			
At beginning of year		2,327,847	1,402,160
(Decrease)/Increase		(2,404,819)	925,687
		<u>(76,972)</u>	<u>2,327,847</u>
Represented by			
Cash in hand		500	500
Cash at bank		-	2,716,447
Bank overdraft	9	(77,472)	(389,100)
		<u>(76,972)</u>	<u>2,327,847</u>

The accounting policies on pages 27 to 28 and the notes on pages 29 to 33 form an integral part of these financial statements.

ACCOUNTING POLICIES

31st December 2004

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. BASIS OF PREPARATION

These financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b. FOREIGN CURRENCIES

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

c. FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and bank balances, investments and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

d. EQUIPMENT

Equipment is depreciated on a reducing balance basis, except for computer software which is depreciated on a straight-line basis, to write off the depreciable amounts of each asset over its useful life. Furniture and fixtures are depreciated on a reducing balance basis for assets purchased before 1998, but on a straight line basis for assets purchased after 1998.

The annual depreciation rates used are:

Computer equipment	25%
Computer software	33 1/3%
Furniture and fixtures	10%
Motor vehicles	25%
Office equipment	10%

e. INVESTMENTS

The investment held by the company is for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, and is therefore classified as available-for-sale.

All purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value.

Realised and unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included in the income statement in the period in which they arise.

ACCOUNTING POLICIES

31st December 2004

f. ACCOUNTS RECEIVABLE

Accounts receivable are stated net of provision for bad and doubtful debts.

g. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with bank.

h. DEFERRED INCOME TAXES

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary difference arose from depreciation on equipment and accrued interest income.

i. PENSION OBLIGATIONS

The company operates a contributory plan in the form of a Flexible Deferred Annuity Plan for all employees. The company's current year contribution is charged to the income statement.

j. REVENUE RECOGNITION

Contributions from members and interest income is recognised on an accruals basis.

Transaction charges are calculated at a rate of 0.15% of the transaction cost or \$1 whichever is higher for shares traded by member firms. Commission rebates are calculated on 2% of 1% of the value of the transaction.

k. OPERATING LEASES

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement as incurred over the period of the lease.

l. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December, 2004

1. INCORPORATION AND PRINCIPAL ACTIVITY

The parent company was incorporated in the Republic of Trinidad and Tobago on 30 April 1997 under the old Companies Act, and was continued on 12 October 1999. The company operates a stock exchange. The registered office is 1st floor, #1 Ajax Street, Wrightson Road, Port of Spain.

The 100% owned subsidiary company, The Trinidad and Tobago Central Depository Limited was incorporated on 30 September 1998 under the Companies Act 1995. The company commenced operations as a central securities depository on 21 January 2003. The registered office is 1st floor, #1 Ajax Street, Wrightson Road, Port of Spain.

2. EQUIPMENT

	Computer Equipment & Software \$	Furniture & Fittings \$	Motor Vehicles \$	Office Equipment \$	Total \$
Year ended 31 December 2003					
Opening net book amount	619,344	100,075	119,971	35,037	874,427
Additions	1,504,476	20,863	22,000	36,091	1,583,430
Disposals	(370,701)	-	(109,973)	-	(480,674)
Depreciation charge	(253,405)	(10,359)	(14,123)	(6,951)	(284,838)
Closing net book amount	1,499,714	110,579	17,875	64,177	1,692,345
At 31 December 2003					
Cost	2,362,889	185,294	22,000	95,211	2,665,394
Accumulated depreciation	(863,175)	(74,715)	(4,125)	(31,034)	(973,049)
Closing net book amount	1,499,714	110,579	17,875	64,177	1,692,345
Year ended 31 December 2004					
Opening net book amount	1,499,714	110,579	17,875	64,177	1,692,345
Additions	774,526	17,562	-	8,327	800,416
Depreciation charge	(539,927)	(11,998)	(4,469)	(6,960)	(563,354)
Closing net book amount	1,734,313	116,143	13,406	65,544	1,929,406
At 31 December 2004					
Cost	3,137,415	202,856	22,000	103,539	3,465,810
Accumulated depreciation	(1,403,102)	(86,713)	(8,594)	(37,995)	(1,536,403)
Closing net book amount	1,734,313	116,143	13,406	65,544	1,929,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December, 2004

	2004	2003
	\$	\$
3. AVAILABLE-FOR-SALE INVESTMENT		
Caribbean Information and Credit Rating Agency Limited	<u>314,990</u>	<u>–</u>
4. ACCOUNTS RECEIVABLE AND PREPAYMENTS		
Accounts receivable and prepayments	726,482	1,587,609
Interest receivable	<u>86,271</u>	<u>6,950</u>
	<u>812,753</u>	<u>1,594,559</u>
5. CASH ON DEPOSIT		
Unit Trust Corporation	11,529,238	5,013,729
Roytrin Mutual Fund	11,506,112	10,874,466
Republic Bank Mutual Fund	8,387,963	8,001,642
First Citizens Bank	<u>375</u>	<u>–</u>
	<u>31,423,688</u>	<u>23,889,837</u>
6. LOAN TO THE TRINIDAD AND TOBAGO CENTRAL DEPOSITORY CONTINGENCY FUND	<u>100,000</u>	<u>100,000</u>
<p>This balance represents an amount loaned to the Trinidad and Tobago Central Depository Contingency Fund to set up the fund. The loan bears no interest and has no fixed terms of repayments.</p>		
7. SHARE CAPITAL		
Authorised		
1,000,000 shares of no par value		
Issued and fully paid		
60 class A shares of no par value (2003 - 60 class A shares)	908,571	908,571
83 class B shares of no par value (2003 - 83 class B shares)	<u>502,912</u>	<u>502,912</u>
	<u>1,411,483</u>	<u>1,411,483</u>

Class "A" shares represents shares which are owned by brokers.
Class "B" shares represents shares owned by listed companies.

Each class of shares represents a 50% interest in the company and rank pari pasu.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December, 2004

	2004 \$	2003 \$
8. DEFERRED INCOME		
The deferred income balance relates to the un-amortised portion of a capital grant received from the Central Bank of Trinidad and Tobago.		
In 1997 the Central Bank of Trinidad and Tobago transferred equipment which had a net book value of \$282,670. The amount of this grant is being amortised over the remaining useful life of the assets transferred in accordance with the company's stated depreciation policy.		
Opening amount	63,261	72,994
Amortisation of Capital Grants (9,733)	(7,669)	
	<u>55,592</u>	<u>63,261</u>

9. DEFERRED TAX LIABILITY		
Opening amount	(117,675)	6,712
Charge to income statement	(35,453)	(124,387)
Closing amount	(153,128)	(117,675)

Deferred tax assets and liabilities and the deferred tax credit shown in Note 13 are attributable to the timing difference between depreciation and wear and tear allowance.

10. BORROWING		
Interest free loan	781,076	781,076
Bank overdraft	77,472	389,100
	<u>858,548</u>	<u>1,170,176</u>

The interest-free loan of US\$124,000 from the Inter-American Development Bank for the purchase of computer equipment related to the Regional Harmonisation Project. The borrowing is still outstanding and measures are being undertaken to convert this loan into a grant.

11. FEES, COMMISSIONS AND CHARGES		
Listing fees	2,576,741	3,037,500
Customer transaction charges	10,199,192	7,429,347
Commission rebates	1,297,929	943,720
Other income	232,452	112,426
	<u>14,306,314</u>	<u>11,522,993</u>

Transaction charges are calculated at a rate of 0.15% of the transaction amounts for shares traded by member firms. Commission rebates are calculated on 2% of 1% of the value of the transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December, 2004

	2004	2003
	\$	\$
12. PROFIT BEFORE TAXATION		
The following items have been charged in arriving at profit before taxation:		
Staff cost (Note 14)	2,635,617	2,015,846
Directors' fees	218,148	122,510
Depreciation	563,354	284,838
13. TAXATION		
Current tax	2,120,099	1,477,335
Deferred tax	35,453	124,387
Green fund levy	15,278	11,523
Prior year under/(over) provision	23,819	(16,527)
	<u>2,194,649</u>	<u>1,596,718</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>8,669,047</u>	<u>6,610,663</u>
Tax calculated at 30%	2,600,715	1,983,199
Income not subject to tax	(464,665)	(429,784)
Expenses not deductible for tax purposes	5,320	5,052
Prior year under/(over) provision	23,819	(16,527)
Green fund levy	15,278	11,523
Other permanent differences	14,182	43,255
	<u>2,194,649</u>	<u>1,596,718</u>

14. STAFF COSTS		
Salaries and benefits	2,436,843	1,901,122
Pension costs	198,774	114,724
	<u>2,635,617</u>	<u>2,015,846</u>
Average number of employees	<u>19</u>	<u>22</u>

15. PENSION PLAN

On 1st January 1993, the Stock Exchange implemented a defined contribution pension plan covering substantially all their employees in the form of a Flexible Deferred Annuity Plan. The policy of the Stock Exchange is to fund pension costs to a maximum of 10% of each employee's annual salary. The company's portion of the contribution which has been charged to the income statement is disclosed in Note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December, 2004

	2004	2003
	\$	\$

16. **FINANCIAL INSTRUMENTS**

(i) **Credit risk**

The company has no significant concentration of credit risk.

(ii) **Fair Values**

The carrying amount of the following financial assets and liabilities approximate to their value: cash and bank, cash on deposit, accounts receivables, accounts payables and accruals and short term borrowings.

17. **COMMITMENTS**

Capital commitment

The Trinidad and Tobago Stock Exchange Limited for the purposes of housing its operations has agreed to purchase a floor in Nicholas Towers at a price of \$7,500,000. This transaction is expected to be concluded in 2005.

Operating lease commitments

The future minimum lease payment under non cancelable operating leases are as follows:

Not later than 1 year	157,472	157,472
Later than 1 year and not later than 5 years	196,840	367,433

COMPENSATION FUND

TO THE MEMBERS OF TRINIDAD AND TOBAGO STOCK EXCHANGE COMPENSATION FUND

We have audited the balance sheet of Trinidad and Tobago Stock Exchange Compensation Fund as at 31 December 2004, the income statement, statement of changes in accumulated fund and cash flow statement for the year then ended, as set out on pages 35 to 38. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international standards on auditing. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December, 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
Port of Spain
Trinidad, West Indies
April, 2005

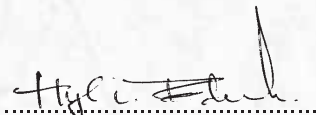
BALANCE SHEET

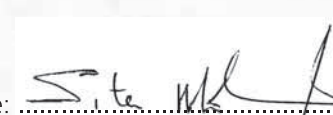
at 31st December

	Note	2004	TT\$ 2003
Assets			
Accounts receivable and accruals		133,571	195,091
Cash on deposit	2	6,904,296	6,126,415
Cash at bank		16,438	245,076
		7,054,305	6,566,582
Accumulated Fund and Liabilities			
Accumulated fund		7,012,794	6,356,601
Accrued expenses		41,511	209,981
		7,054,305	6,566,582

The accounting policies on page 37 and the notes on page 38 form an integral part of these financial statements.

On the 19th April 2005 the Trustees of the Trinidad and Tobago Stock Exchange Compensation Fund authorised these financial statements for issue.

Trustee: 

Trustee: 

INCOME STATEMENT

year ended 31st December

	Note	2004	TT\$ 2003
Revenue			
Contributions	3	1,271,659	797,899
Interest income		440,269	391,451
		1,711,928	1,189,350
Expenditure			
Audit fee		7,190	6,900
Bank charges		-	45
Allocation to the TTCD Contingency Fund		1,048,545	598,424
		1,055,735	605,369
Surplus For The Year		656,193	583,981
Fund Balance Brought Forward		6,356,601	5,772,620
Fund Balance Carried Forward		7,012,794	6,356,601

The accounting policies on page 37 and the notes on page 38 form an integral part of these financial statements.

STATEMENT OF CHANGES IN ACCUMULATED FUND

	TT\$ Accumulated Fund
Year ended 31 December 2003	
Balance at 1 January 2003	5,772,620
Surplus for the year	<u>583,981</u>
Balance at 31 December 2003	<u>6,356,601</u>
Year ended 31 December 2004	
Balance at 1 January 2004	6,356,601
Surplus for the year	<u>656,193</u>
Balance at 31 December 2004	<u>7,012,794</u>

The accounting policies on page 37 and the notes on page 38 form an integral part of these financial statements.

CASH FLOW STATEMENT

year ended 31st December

	2004	TT\$ 2003
Operating Activities		
Surplus of revenue over expenditure	656,193	583,981
Interest income	(440,269)	(391,451)
Net change in operating assets and liabilities	(106,950)	176,540
Net Cash Inflow From Operating Activities	108,974	369,070
Investing Activities		
Interest received	440,269	374,008
Investment in money market funds	-	(1,110,000)
Proceeds from investments	--	1,003,134
Net Cash Inflow From Investing Activities	440,269	267,142
Net Increase in Cash and Cash Equivalents	549,243	636,212
Cash and Cash Equivalents		
- At beginning of year	6,371,491	5,735,279
Increase	549,243	636,212
- At end of year	6,920,734	6,371,491
Represented By		
Cash at bank	16,438	245,076
Cash on deposit	6,904,296	6,126,415
	6,920,734	6,371,491

The accounting policies on page 37 and the notes on page 38 form an integral part of these financial statements.

ACCOUNTING POLICIES

31st December, 2004

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. **BASIS OF PREPARATION**

These financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b. **CONTRIBUTIONS**

Contributions are accounted for on an accruals basis.

c. **INTEREST INCOME**

Interest income is accounted for on an accruals basis.

d. **ACCOUNTS RECEIVABLE**

Accounts receivable are stated net of provision for bad and doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2004

1. **FORMATION AND PRINCIPAL ACTIVITY**

The fund was established under the Securities Industry Act 1995 for the providing, by way of ex gratia payment, compensation in whole or in part to members of the public incurring loss as a result of default by any member firm of the Stock Exchange in the conduct of stock exchange business by such member firm on behalf of such member of the public.

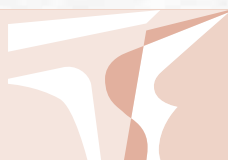
2. **CASH ON DEPOSIT**

	2004	2003
	\$	\$
Units of the Second Unit Scheme of the Trinidad and Tobago Unit Trust Corporation	1,876	1,773
Mutual Funds	4,266,531	3,706,396
Fixed deposits at financial institutions	2,635,889	2,418,246
	<hr/> 6,904,296 <hr/>	<hr/> 6,126,415 <hr/>

3. **CONTRIBUTIONS**

The rules of the Compensation Fund provide that the fund shall be financed by contributions from broker firms on the following basis:

"Two percent (2%) of the Firm's commission for the year. The contribution shall be paid on the Firm's monthly commissions, but no less than \$100.00 per month is to be submitted." Subsequently, seventy five percent (75%) of the two percent (2%) of the firm's commission received is paid on a monthly basis to The Trinidad and Tobago Central Depository Contingency Fund.



STATISTICAL APPENDIX

TTSE Daily Values of Major and Sectoral Indices - Monthly Close 2004 (Index January, 1983 = 100)

MAJOR INDICES

	Composite			All T&T		
	High	Low	Average	High	Low	Average
Jan	718.9	694.4	702.8	954.9	911.5	926.5
Feb	793.3	725.8	762.2	1,081.3	967.3	1,027.7
Mar	839.4	794.2	819.9	1,118.3	1,082.8	1,104.9
Apr	881.3	840.9	856.3	1,130.7	1,119.0	1,124.0
May	894.5	882.6	890.7	1,138.2	1,131.5	1,135.1
Jun	904.7	889.5	896.3	1,155.5	1,134.7	1,145.2
Jul	914.0	905.5	910.1	1,161.8	1,156.9	1,159.1
Aug	965.4	914.2	930.1	1,182.7	1,162.2	1,170.5
Sep	965.0	958.4	961.5	1,197.9	1,183.2	1,191.5
Oct	986.3	964.7	978.2	1,226.8	1,200.1	1,217.9
Nov	1,060.2	1,000.1	1,026.1	1,285.2	1,235.6	1,258.2
Dec	1,077.8	1,063.6	1,073.3	1,292.0	1,287.4	1,290.5

SECTORAL INDICES

	Banking			Conglomerates			Property		
	High	Low	Average	High	Low	Average	High	Low	Average
Jan	580.5	559.5	566.5	1,352.9	1,303.0	1,325.2	474.4	458.6	465.9
Feb	648.9	584.6	618.4	1,429.2	1,362.5	1,399.6	547.8	478.3	502.7
Mar	674.0	649.2	661.6	1,541.4	1,440.3	1,495.3	684.4	551.4	624.7
Apr	708.1	674.0	686.0	1,604.6	1,556.9	1,588.5	687.5	682.0	684.6
May	713.8	708.7	711.9	1,657.7	1,607.0	1,629.5	707.3	687.5	699.4
Jun	717.2	705.8	711.3	1,753.2	1,657.7	1,718.2	734.9	707.3	718.3
Jul	725.2	717.5	721.9	1,794.9	1,754.9	1,773.0	770.4	738.9	756.8
Aug	736.6	725.2	730.4	1,869.8	1,795.5	1,816.9	808.0	772.4	786.1
Sep	737.0	725.9	728.6	1,922.4	1,872.2	1,898.5	829.7	811.9	820.2
Oct	734.5	728.1	732.0	2,079.7	1,933.2	2,022.8	867.2	831.6	850.0
Nov	809.7	749.6	774.7	2,287.5	2,120.8	2,191.1	871.1	867.2	868.4
Dec	826.7	810.1	819.4	2,356.8	2,297.2	2,317.0	871.1	871.1	871.1

	Manufacturing I			Manufacturing II			Trading			Non-Banking Finance		
	High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average
Jan	793.2	770.3	783.3	563.6	562.7	563.0	79.1	69.3	73.5	968.2	940.4	947.3
Feb	817.7	795.1	808.0	569.6	564.3	567.3	91.8	80.0	87.4	1,092.3	992.1	1,049.7
Mar	822.3	800.6	816.6	570.7	537.2	553.6	92.3	90.0	91.0	1,247.3	1,090.9	1,187.0
Apr	806.0	797.2	801.3	590.5	551.1	567.9	93.9	91.2	92.9	1,330.1	1,248.7	1,276.6
May	809.1	804.2	806.5	581.7	580.8	581.3	94.8	93.6	94.0	1,379.1	1,336.6	1,366.8
Jun	821.5	809.4	815.7	589.5	580.4	581.5	96.3	94.3	95.0	1,361.3	1,347.2	1,354.4
Jul	827.5	823.9	825.8	612.3	589.5	598.4	95.3	92.0	93.2	1,366.6	1,356.4	1,360.8
Aug	842.2	826.1	832.8	643.0	615.8	626.0	92.8	86.0	90.4	1,377.0	1,357.0	1,369.0
Sep	852.1	840.5	846.8	646.5	637.8	644.2	117.5	93.1	109.1	1,365.3	1,345.5	1,352.2
Oct	853.9	851.6	852.6	642.2	639.6	640.6	122.6	117.5	122.2	1,383.2	1,324.9	1,367.1
Nov	859.3	851.6	855.4	721.7	642.7	671.7	128.5	122.6	126.7	1,409.2	1,383.3	1,392.9
Dec	868.4	859.3	865.3	747.8	726.0	744.7	132.5	128.9	132.1	1,411.0	1,409.2	1,410.9

STATISTICAL APPENDIX (cont'd)

TTSE Daily Values Of Major And Sectoral Indices - Yearly Review For The Period 2000-2004 (Index January, 1983 = 100)

	2004			2003			2002			2001			2000		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
MAJOR INDICES															
Composite	1077.8	694.4	1074.6	694.2	541.8	694.1	553.5	433.6	545.6	455.6	412.4	434.2	488.8	418.2	441.5
All T&T	1292.0	911.5	1290.1	912.0	653.8	912.0	654.2	492.0	654.2	509.2	418.5	492.0	539.2	432.9	492.6
SECTORAL INDICES															
Banking	826.7	559.5	816.8	559.6	437.3	558.8	460.7	383.6	442.1	415.2	369.3	383.6	420.7	360.1	389.8
Conglomerates	2356.8	1303.0	2356.8	1,306.3	932.2	1,306.3	932.7	633.0	932.3	642.2	555.4	641.3	736.6	607.8	607.8
Property	871.1	458.6	871.1	496.1	393.8	458.6	415.0	241.3	415.0	310.0	247.1	247.1	377.2	220.1	252.9
Manufacturing I	868.4	770.3	868.4	775.9	712.4	770.3	715.5	497.5	715.5	536.9	448.8	523.3	679.2	512.2	512.2
Manufacturing II	747.8	537.2	747.8	593.6	481.5	562.7	623.5	357.1	535.7	446.7	346.1	361.5	558.6	420.0	437.2
Trading	132.5	69.3	132.5	74.5	64.9	69.0	70.2	62.4	70.2	92.8	59.8	62.3	92.7	71.7	85.0
Non-Banking Finance	1411.0	940.4	1411.0	945.6	667.4	943.7	717.4	508.5	692.2	524.0	471.6	508.5	523.9	302.6	521.4

Market Capitalization Value by Sector (as at 31 December, 2004)

Sector	Number of Companies	Market Capitalization TT\$ Million	% Change From Previous Year
Banking	5	57,883.40	46.43
Conglomerates	4	17,195.30	81.14
Manufacturing I	6	4,898.50	12.66
Manufacturing II	4	2,145.90	32.90
Property	2	874.40	89.96
Trading	5	1,716.10	179.71
Non-Banking Finance	7	22,814.80	91.79
Non-Sector Companies	4	31.70	21.36
TOTAL	37	107,560.10	58.22

10 Largest Stocks by Capitalization (as at 31 December, 2004)

Security	Market Capitalization (TT\$ Millions)	% of Total Market Capitalization
First Caribbean International Bank Limited	19,815.61	18.42
Republic Bank Limited	14,630.97	13.60
RBTT Financial Holdings Limited	13,877.90	12.90
Ansa McAl Limited	7,320.08	6.81
Guardian Holdings Limited	6,725.82	6.25
National Enterprises Limited	6,120.01	5.69
National Commercial Bank Jamaica Limited	5,796.89	5.39
Neal & Massy Holdings Limited	4,263.46	3.96
Grace, Kennedy & Company Limited	3,850.70	3.58
Scotiabank Trinidad & Tobago Limited	3,762.00	3.50
Total	86,163.44	80.11

STATISTICAL APPENDIX (cont'd)

Share Listings 2004

Security	Date of Admission	Particulars	No. of Shares	Market Value (Effective)* TT\$ Millions
RBTT Financial Holdings Ltd.	January 20, 2004	Share Option	93,785	3,235.6
RBTT Financial Holdings Ltd.	February 10, 2004	Share Option	450,019	16,875.7
RBTT Financial Holdings Ltd.	February 20, 2004	Share Option	7,718	0.3
Prestige Holdings Ltd.	March 19, 2004	Share Option	200,000	1,330.0
RBTT Financial Holdings Ltd.	April 21, 2004	Share Option	411,524	18,621.5
Guardian Holdings Ltd.	May 14, 2004	Share Option	890,077	30,707.7
RBTT Financial Holdings Ltd.	May 21, 2004	Share Option	721,914	32,269.6
Ansa Mc Al Ltd.	June 04, 2004	Share Option	1,680,000	48,216.0
Ansa Finance Ltd.	July 14, 2004	Consideration for shares owned in TATIL	54,605,263	832,730.3
BWIA West Indies Airways Ltd.	August 17, 2004	27 for 1 Rights Issue	1,283,408,712	372.2
Sagicor Financial Corporation	August 24, 2004	Initial Listing	260,029,748	3,344.0
Neal and Massy Holdings Ltd.	September 21, 2004	Share Option	10,000	0.4
Dehring, Bunting & Golding	October 15, 2004	Initial Listing	290,385,751	668.0
Prestige Holdings Ltd.	November 16, 2004	Share Option	250,000	2.2
RBTT Financial Holdings Ltd.	December 14, 2004	Share Option	394,312	16,482.0

* Number of admitted shares x opening price.

Share Cancellations and Delistings 2004

Security	Date of Withdrawal	Particulars	No. of Shares
Caribbean Communications Network Ltd.	April 20, 2004	Withdrawal from Official List	400,000
FNCU Venture Capital Company Ltd.	September 09, 2004	Breached Venture Capital Act	4,455,000

PRICE ANALYSIS (for the period January 01, 2004 - December 31, 2004 (Calendar Year))

	Opening Price January 2004	Closing Price December 2004	Change %	Change \$	High \$	Low \$	Traded Volume	Traded Value \$
FIRST TIER MARKET								
Agostini's Ltd.	6.00	10.30	71.67	4.30	10.30	6.00	5,346,714	51,053,393.85
Angostura Holdings Ltd.	4.25	5.00	17.65	0.75	5.00	4.25	5,105,124	24,665,524.49
ANSA McAL Ltd.	23.06	41.76	81.09	18.70	41.76	23.10	1,656,212	53,658,240.15
ANSA Merchant Bank Ltd.	11.40	16.75	46.93	5.35	16.75	11.40	617,410	9,370,404.33
Barbados Shipping & Trading Co. Ltd.	17.10	24.00	40.35	6.90	24.00	17.10	551,125	10,732,475.64
Berger Paints Trinidad Ltd.	3.00	3.20	6.67	0.20	6.00	3.00	599,377	2,691,576.49
BWIA (West Indies) Airways Ltd.	2.15	0.60	(72.09)	(1.55)	3.00	0.21	1,709,206	1,051,758.81
Capital & Credit Merchant Bank Ltd.	0.80	3.00	275.00	2.20	3.05	0.65	44,505,140	101,342,454.52
Caribbean Communications Network Ltd.	6.92	10.50	51.73	3.58	10.50	6.92	2,456,935	18,994,360.16
Dehring Bunting & Golding Ltd.**	2.44	2.25	(7.79)	(0.19)	2.44	2.15	1,488,758	3,301,533.70
First Caribbean International Bank Ltd.	8.05	13.02	61.74	4.97	13.02	8.05	16,817,195	159,507,825.58
Flavorite Foods Ltd.	3.60	4.55	26.39	0.95	4.55	3.60	207,904	852,156.83
Furness Trinidad Ltd.	5.00	5.70	14.00	0.70	5.70	5.00	297,001	1,637,861.70
Grace, Kennedy & Co. Ltd.	5.80	12.10	108.62	6.30	12.10	5.80	7,039,635	67,042,676.66
Guardian Holdings Ltd.	31.80	35.10	10.38	3.30	35.15	31.80	19,229,829	660,685,357.58
Jamaica Money Market Brokers Ltd.	1.00	1.70	70.00	0.70	2.13	1.00	28,510,848	42,293,764.21
National Commercial Bank (Jamaica) Ltd.	1.56	2.35	50.64	0.79	2.80	1.58	94,909,525	201,210,827.36
National Enterprises Ltd.	5.91	10.20	72.59	4.29	10.20	5.91	9,592,494	93,824,078.78
National Flour Mills Ltd.	3.35	2.85	(14.93)	(0.50)	4.00	2.80	2,931,632	10,317,142.28
Neal & Massy Holdings Ltd.	26.90	48.00	78.44	21.10	47.35	26.75	3,662,343	128,378,100.19
PLIPDECO Ltd.	11.15	21.60	93.72	10.45	21.60	11.15	1,633,829	30,852,344.85
Prestige Holdings Ltd.	4.40	9.00	104.55	4.60	9.00	4.40	672,969	4,473,239.53
R.B.T.T. Financial Holdings Ltd.	34.20	40.50	18.42	6.30	45.30	34.20	22,247,171	962,293,290.06
Readymix (West Indies) Ltd.	6.05	6.95	14.88	0.90	6.95	6.05	143,109	971,011.10
Republic Bank Ltd.	53.60	92.00	71.64	38.40	92.00	53.60	657,054	48,719,078.05
Sagcor Financial Corporation Ltd.*	12.86	14.00	8.86	1.14	14.00	13.05	948,542	13,279,649.94
Scotiabank Trinidad & Tobago Ltd.	27.70	32.00	15.52	4.30	32.00	27.70	814,224	24,490,475.71
Trinidad Cement Ltd.	6.00	8.05	34.17	2.05	8.05	5.60	31,864,338	220,413,387.18
Trinidad Publishing Co. Ltd.	6.91	10.00	44.72	3.09	10.00	6.91	398,535	3,244,339.97
Unilever Caribbean Ltd.	30.31	29.00	(4.32)	(1.31)	30.31	29.00	1,277,010	37,386,483.95
Valpark Shopping Plaza Ltd.	5.00	5.00	Nil	Nil	5.00	5.00	Nil	Nil
West Indian Tobacco Co. Ltd.	19.91	22.35	12.26	2.44	22.45	19.91	1,139,652	24,422,005.43
Williams L.J. \$0.10 A	0.50	0.62	24.00	0.12	0.62	0.50	1,621,919	993,562.12
Williams L.J. B	1.20	1.20	Nil	Nil	1.50	1.20	1,166,105	1,447,444.97
PREFERENCE								
Alstons Ltd.	7.35	7.35	Nil	Nil	7.35	7.35	20,049	147,360.15
Trinidad Publishing \$50 6% CP	55.00	55.00	Nil	Nil	55.00	55.00	575	31,625.00
Williams LJ \$5 8% CP	3.55	3.60	1.41	0.05	3.60	3.55	7,625	27,450.00
MUTUAL FUND MARKET								
Praetorian Property Mutual Fund	4.80	4.90	2.08	0.10	5.16	4.80	1,770,671	8,776,502.10
SECOND TIER MARKET								
FNCU-Venture Capital Company Ltd.***	1.00	1.05	5.00	0.05	1.05	1.00	Nil	Nil
Mora Ven Holdings Ltd.	2.70	2.50	(7.41)	(0.20)	2.70	2.50	129,939	325,676.70

* Sagcor Financial Corporation was listed on August 24th

** Dehring Bunting & Golding Limited was listed on October 12th

*** Suspended on 03rd September 2004

GENERAL INFORMATION ON THE TTSE

GENERAL REQUIREMENTS FOR LISTING

Before a security may be admitted to trading, it must be approved for listing by the Trinidad and Tobago Stock Exchange Limited (the Exchange) and be registered under the Securities Industry Act of 1995. Listing is a procedure separate and distinct from registration, effected by having an application to list approved by the Exchange.

Registration, however requires (1) the filing of a registration statement with the Trinidad and Tobago Securities and Exchange Commission (the Commission) and (2) a certification by the Exchange to the Commission that it approves the particular securities for listing.

The listing requirements of the Exchange have two primary purposes; (1) they place before the Exchange the information essential to the "determination as to the suitability of the security for public trading on the Exchange", and (2) they make available to the public "such information as [the public] may reasonably be presumed to require as an aid to its judgment as to the merits of the security".

TRADING SYSTEM

Trading takes place on the Stock Exchange's Floor on Tuesdays, Wednesdays, and Fridays commencing at 9:30 a.m. Securities are traded in alphabetical order, at the conclusion of which a call-over procedure is employed before trading ceases. The Official List contains 36 stocks, two of which are listed on the Second Tier Market and one on the Mutual Fund Market. As of May 4, 1993 a formal Bond Market was established.

Members can act both as an agent for clients and as a principal for their own account. However, client orders take precedence over brokers' own transactions. The general sequence of priorities in the consummation of a transaction are:

- (a) price;
- (b) time; and
- (c) small size in the case of client calls for 500 shares or less.

The Exchange operates on a cash basis and settlement takes place within five business days of the original transaction date.

TRANSACTION COSTS

The commission charged by members pursuant to Securities Industry Act 1995 is negotiated and no longer fixed.

For executing transactions on the Floor of the Exchange, members are charged on a monthly basis 2.0 percent of their commissions earned during the period.

On every transaction, clients are required to pay 0.1 percent of the transaction cost or \$1.00 whichever is higher. There is no stamp duty.

RESTRICTIONS

Under the Foreign Investment Act No. 16 of 1991, a foreign investor is any of the following:

- (a) an individual who is neither a citizen of an approved Caricom member country nor a resident of Trinidad and Tobago;
- (b) any firm, partnership or unincorporated body of persons of which at least one half of its membership consists of persons to whom paragraph (a) or (c) are applicable;
- (c) under the control of a person to whom paragraph (a) or (b) are applicable or is deemed to be under control of a foreign investor as defined.

Relative to the purchase of securities by foreign investors, the Foreign Investment Act provides that foreign investors in aggregate must obtain a license to hold thirty percent (30%) or more of the total issued shares of a public company.

There are no foreign exchange restrictions in Trinidad and Tobago. In April 1993, the fixed exchange rate system was replaced by a market determined system of exchange rates.

COMPOSITE STOCK PRICE INDEX

The Trinidad and Tobago Composite Stock Price Index is a statistic that measures the general market trend. It is an expression of the current aggregate market value as a percent of a base aggregate market value established at January 1, 1983. The computation formula is as follows:

$$\text{TTCSPI} = \frac{\text{Current Aggregate Market Value}}{\text{Base Aggregate Market Value (Jan 1, 1983)}} \times 100$$

The market value of individual stocks is found by multiplying its closing price by its listed share capital. The summation of these individual market values constitutes the aggregate market value.

The index is calculated every trading day and uses only \$1.00 ordinary (common) listed stocks. The indices of the underlying Sectors that comprise the Composite are also calculated daily. These sectors are determined by the type of activity the companies found therein are engaged in and are classified accordingly as the Banking, Conglomerate, Manufacturing (I & II), Property, Trading and Non-Banking Finance Sectors respectively.

INFORMATION AND PUBLICATIONS

- Daily Trading Report, \$1.00 per copy
- Weekly Official List, \$2.50 per copy
- Listed Companies Manual, \$200.00 per copy
- Takeover and Merger Code, \$45.00 per copy
- Brochure on the Second Tier Market
 - Annual Report
- Brochure on the Central Depository Ltd.

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

All prices are quoted in Trinidad and Tobago dollars



THE TRINIDAD & TOBAGO STOCK EXCHANGE LIMITED

in 2004



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LIMITED**

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