



THE TRINIDAD AND TOBAGO  
STOCK EXCHANGE  
LIMITED

GIF	\$19.77	JMMBGL	\$1.91	NCBFG	\$6.53	FCI	\$9.30
FIRST	\$32.11	NGL	\$27.11	SFC	\$7.82	SBTT	\$61.9

# 2017 Annual Report



## Annual Report 2017

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## CONNECTED

### Mission Statement

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

### Contact Information

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

## Notice of Annual Meeting

NOTICE IS HEREBY GIVEN THAT THE **TWENTY-FIRST ANNUAL MEETING** OF THE SHAREHOLDERS OF **THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED** ("the Exchange") will be held at the **Kahuna Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair, Port of Spain on Friday April 20th, 2018 at 1 p.m.** for the following purposes:

### ORDINARY BUSINESS

- (1) To receive and consider the Audited Consolidated Financial Statements for the financial year ended December 31, 2017, together with the Reports of the Directors and the Auditors thereon.
- (2) To elect three (3) persons as Directors under paragraph 4.5.1 of By-Law No. 1, from the following four (4) nominees, for the respective terms set out below:
  - (a) Ms. Wendy Kerry, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following her election.
  - (b) Mr. Peter Inglefield, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
  - (c) Mr. Ranjit Jeewan, who is over the age of 70 and is eligible for re-election under paragraph 4.8.4 of By-law No.1, for a period ending at the close of the next Annual Meeting of the Shareholders of the Exchange following his election; and
  - (d) Ms. Carla Kelshall, who was nominated under paragraph 4.5.2 of By-Law No. 1, for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following her election.
- (3) To re-appoint Messrs. PricewaterhouseCoopers as the Auditors of the Exchange to hold office until the close of the next Annual Meeting of the Shareholders of the Exchange.
- (4) To transact any other business which may be properly brought before the Annual Meeting.

### BY ORDER OF THE BOARD

  
Fitzstone Services Limited

Secretary

10th Floor, Nicholas Tower  
63-65 Independence Square

Port of Spain

Trinidad, West Indies.

Dated: March 26<sup>th</sup>, 2018

**Notes:** (1) No service contracts were entered into between the Company and any of its Directors.

(2) The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111 (a) (i) of the Companies Act, Ch. 81 :01, the statutory record date applies. Only shareholders on record at the close of business on the date immediately preceding the date of this Notice, are therefore entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Company's Registered Office at 10111 Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain during usual business hours and at the Annual Meeting.

(3) A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder. Attached is a Proxy Form for your convenience which must be completed and signed in accordance with the notes on the Proxy Form and then deposited at the Registered Office of the Company, 10111 Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, Trinidad at least 48 hours before the time appointed for the Meeting.

(4) A shareholder which is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its Directors or of its governing body to represent it at the Annual Meeting.





## Management Proxy Circular

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

- 1. Name of Company:** TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED Company No: T2595 (C)
- 2. Particulars of Meeting:** Twenty-First Annual Meeting of the Shareholders of the Company to be held at the Kahuna Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair, Port of Spain on Friday April 20th 2018 at 1 p.m.
- 3. Solicitation:** It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of Resolutions (1) and (3) specified in the Proxy Form sent to the Shareholders with this Circular and with respect to Resolution (2), in the absence of a specific direction, it is intended that the Proxy hereby solicited by the Management of the Company will not be voted. In respect of any other resolution, in the absence of a specific direction, the said Proxy will be voted in the discretion of the Proxy-holder.
- 4. Any Director's statement submitted pursuant to Section 76(2):** No statement has been received from any Director pursuant to **Section 76(2) of the Companies Act, Chap 81 :01.**
- 5. Any Auditor's proposal submitted pursuant to Section 171(1):** No statement has been received from the Auditors of the Company pursuant to **Section 171(1) of the Companies Act, Chap 81 :01.**
- 6. Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):** The attached proposal has been received on behalf of Republic Securities Limited and Republic Financial Holdings Limited pursuant to **Section 116(a) of the Companies Act, Chap 81 :01.**

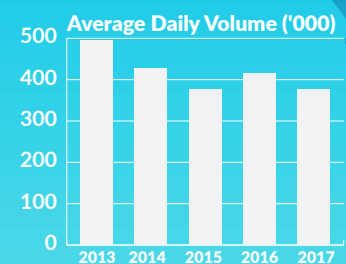
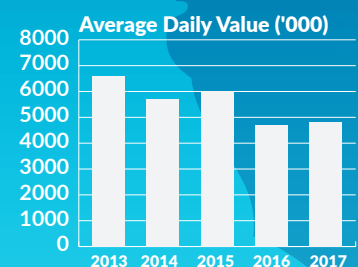
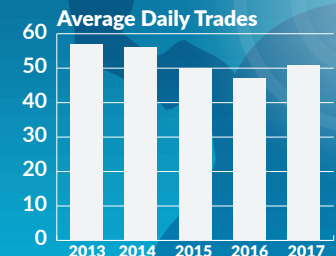
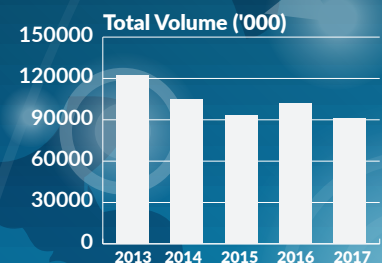
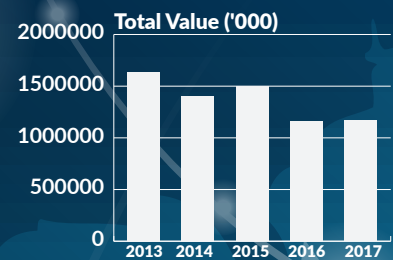
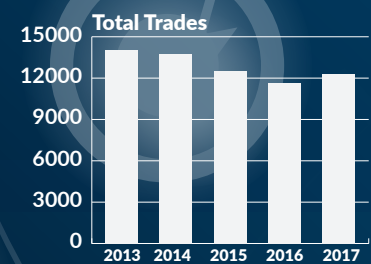
Date	Name and Title	Signature
March 26 <sup>th</sup> , 2018	Fitzstone Services Limited Company Secretary	

## Financial and Statistical Highlights

TTSE Operational Highlights		
	Dec. 31, 2017	Dec. 31, 2016
	(Million)	(Million)
Operating Revenues	20.96	22.88
Operating Expenses	(16.99)	(13.04)
Operating Profit/(Loss)	3.97	9.84
Investment Income	1.48	1.95
Profit Before Taxes	5.46	11.79
Taxation	(1.48)	(2.98)
Profit for the Year	3.98	8.81

TTSE Statistical Highlights		
	Dec. 31, 2017	Dec. 31, 2016
Total Volume Traded	91,001,422	102,194,840
Average Daily Volume Traded	376,039	413,744
Total Value Traded	1,165,860,136	1,164,763,644
Average Daily Value Traded	4,817,604	4,715,642
Total Trades	12,280	11,677
Average Daily Trades	51	47
Composite Index	1,266.35	1,209.53
All T&T Index	1,728.75	1,834.23
Cross Listed Index	108.38	78.17
Member Organisations	6	6
New Listed Companies	-	-
Total Listed Companies	33	33
Market Capitalisation	128,269,948,874	123,701,153,660

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



## Chairman's Report



**Ray A. Sumairsingh - Chairman**

### Introduction

The Trinidad and Tobago Stock Exchange Limited (the Exchange) and its subsidiary, the Trinidad and Tobago Central Depository Limited (TTCD), experienced another year of development and profitability.

The Exchange has focussed on development over the last few years, continuing to grow as we place an increased emphasis on promotion of market development and institutional strengthening. Most notably, 2017 saw the successful implementation of our new electronic trading platform which contributes in no small measure to our thrust towards long term efficiency and transparency in the market.

The Exchange continues to be mindful of the crucial role it plays in enabling the generation of capital within the domestic economy, and to this end, the Exchange aims to actively promote market development and encourage the mobilization of capital, whilst ensuring it is adequately equipped to effectively manage its resources and activities.

### Market and Institutional Development

The Exchange facilitated close to \$2 billion in capital raised with the Additional Public Offerings of First Citizens Bank and The Trinidad and Tobago NGL at \$1.025 billion and \$845.208 million respectively. The Exchange continues to engage market players to realise the potential offered in the securities market for generating capital for productive uses in the economy.

In 2017, the TTCD continued to expand with the addition of four (4) new registers, and an increase in the portfolio of assets held under Repurchase agreements as well as its Euroclear facility. The TTCD plans to diversify its revenue streams by expanding its custody services offered and continuing to develop its existing lines of business.

The Exchange views it as important to contribute to economic development by encouraging new listings and creating avenues for market enhancement and development. As part of its strategic initiatives, the Exchange aims to improve market liquidity, activity and investor appeal through the roll out of key technologies such as the implementation of online trading and the launch of regional trading access. The latter requires close collaboration with key stakeholders and strategic partners.

### Legislation and Regulation

The Exchange is guided by the Rules of the Exchange, which are under continuous review so that market activity is conducted as efficiently as possible and developing regulations are always integrated.

As the provider of the market's sole trading system, the Exchange continues to support the efforts of the Securities and Exchange Commission, the securities market regulator, through the provision of system surveillance capabilities. We are cognizant of our role in facilitating efficient listing and trading within the securities market and thus continue to shape our policies and procedures in order to maintain a robust and well regulated environment. With this in mind, we continue to align our policies and procedures with legislative and best practice requirements; as such, during 2017 we implemented guidance to provide for greater clarity to trading execution and will maintain this as a continuing focus in 2018.



Chairman's Report (continued)

***We take the view that with the challenges faced in the economic environment, the facility for capital raising offered by our organization is even more significant. We look at 2018 as a year to continue the strides made in collaboration with stakeholders for greater trading effectiveness and for ensuring that efficient mechanisms for capital market and economic development.***

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### **The Trinidad and Tobago Central Depository Limited (TTCD)**

The TTCD continues to grow as previously mentioned, with the expansion of its local and international custody services as well as the increase in the number of registers under its management, which currently stand at twenty nine (29) in total.

The TTCD continues to collaborate with market participants and maintain focus on increasing its core lines of business from depository and registrar functions to expand its custody line, meeting a demand that has emerged and is growing while diversifying its revenue streams.

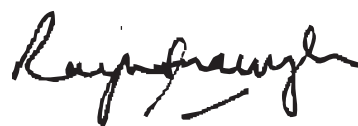
I wish to acknowledge and thank the Board of TTCD for their commitment and support in 2017. I also thank the staff of TTCD for their conscientious service in 2017.

### **Outlook and Acknowledgement**

I would like to thank the Chairpersons of the various Committees for their governance and acknowledge the guidance and support of all members of the Board of the Exchange.

I also wish to thank the Management and staff for their dedication during the year. We are also grateful to our stakeholders for their continued support.

We take the view that with the challenges faced in the economic environment, the facility for capital raising offered by our organization is even more significant. We look at 2018 as a year to continue the strides made in collaboration with stakeholders for greater trading effectiveness and for ensuring that efficient mechanisms for capital market and economic development. We remain optimistic that in this way we will aid in equity and market development, which we see as key to the economic development of Trinidad and Tobago, and we look forward to 2018 with confidence and enthusiasm.



Ray A. Sumairsingh  
Chairman

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## CEO's Report



**Michelle Persad - CEO**

### Market Review and Performance

#### Introduction

The Trinidad and Tobago Stock Exchange Limited experienced another profitable year against the backdrop of a slowly improving domestic economy. Although there was decreased market activity as compared to previous years, we continue to see sustained interest in the securities market as a source for capital with close to \$2 billion in capital raised and growth in our custody and registrar services as we aim to develop our existing lines of business and improve our core business functions.

***Regionally, the economic performance of the Caribbean is expected to have improved in 2017 in both tourism-dependent and commodity-exporting countries.***

#### Economic Environment

The world economy has seen a moderate recovery in 2017 as the economic environment in both advanced and emerging economies continues to improve. In its January 2018 World Economic Outlook, the International Monetary Fund estimated global growth at 3.7% in 2017 compared to a growth rate of 3.2% in 2016.

Growth in the advanced economies was buoyed by robust domestic demand as growth in the United States, the Euro area and Japan remained solid, with the United Kingdom experiencing a slowdown in economic activity due to the uncertainty of Brexit negotiations. The emerging market and developing economies have also shown improvement in 2017; China showed firm growth due to increased industrial output, Russia's growth rate was a result of generally higher energy prices, while Brazil is emerging from a recession.

Regionally, the economic performance of the Caribbean is expected to have improved in 2017 in both tourism-dependent and commodity-exporting countries. This growth prospect, however, may be undermined by a series of natural disasters which severely affected several economies in the Eastern Caribbean during the third quarter of 2017. The full impact of these disasters on the region is yet to be determined.

According to the Central Bank of Trinidad and Tobago's September Economic Bulletin, domestic economic activity is expected to have improved in 2017 after posting negative growth in 2016, due to increased economic activity in both the energy and non-energy sectors.

## CEO's Report (continued)

### Local Market Review

In 2017, the Composite, All T&T and Cross-Listed Index posted movements of 4.70%, -5.75% and 38.65% respectively. With the significant presence of cross listed securities in the T&T market, we continue to offer a vibrant investing environment with investor demand offering strong impetus for emergence as a capital markets centre.

The Banking Sector Index was the top performing index, with a gain of 28.98%. This performance was mainly from NCB Financial Group Limited (NCBFG), with a return of 25%.

Positive performance was also observed in the Energy Sector with a return of 26.19%, and also in the Trading Sector (10.89%), the Non-Banking Finance Sector (10.55%) and the Property Sector (6.49%).

Declines were experienced in the Manufacturing I Sector (-20.50%), the Manufacturing II Sector (-13.52%) and the Conglomerates Sector (-3.49%).

Overall, JMMB Group Limited (JMMBGL) was the top performer, with a gain of 83.33% to close the year at \$1.65. The second top performer was Guardian Holdings Limited (GHL) with a return of 34.62% as it closed at \$17.03 and National Gas Limited (NGL) closed in third position with a return of 26.19%, up \$5.50 and closed at \$26.50.

### Trading Activity – First Tier Market

The value of shares traded on the First Tier Market increased by 8% to \$1.025 billion. Trading volume, however, was lower by 8%, at 84.55 million shares. Trading in the ALL T&T securities decreased, with shares traded as a percentage of total volumes traded fell to 43.10% compared to 46.08% in 2016.

JMMBGL was the volume leader on the First Tier market with 16.3 million shares traded (or 17.56% of total trades) followed by NCBFG with 8.89 million shares (or 10.52% of total trades) and Grace Kennedy Limited (GKC) with 7.69 million shares (or 9.10% of total trades). With respect to value of shares traded, Republic Financial Holdings Limited (RFHL) was the most heavily traded stock with a trading value of \$132.26 million, followed by NGL with \$106.58 million.

### Market Events in 2017

Major market events in 2017 included:

- Additional Public Offering of First Citizens Bank Limited \$1.025 billion
- Additional Public Offering of National Gas Limited \$845.208 million

We now host 31 listings in total with a market capitalization of \$123.2 billion as at the end of 2017.

### The Government (GORTT) Bond Market

Secondary trading in the GORTT bond market decreased as the number of transaction fell from 155 in 2016 to 114 in 2017. The face value of bonds traded stood at \$986 million, a decrease of \$734 million from 2016.

### TTD Mutual Fund Market

The number of trades in the TTD Mutual Fund Market declined by 8% to end the year at 1,059. Both volume and value of shares traded also declined by 37% and 34% respectively. A total of 6.35 million CLICO Investment Fund (CIF) units were traded representing a trading value of \$146.58 million. The CIF share price fell by 7.16% to close the year at \$21.00. The Praetorian Property Mutual Fund (PPMF) traded 76,685 shares with a total value of \$0.224 million, PPMF's share price rose by 10.51% to close at \$3.05. The Calypso Macro Index Fund (CALYP) traded 3,655 shares with a total value of \$78,919, and with a fall in share price of 2.24% closing at \$21.40.

## CEO's Report (continued)

## The Trinidad and Tobago Central Depository Limited (TTCD)

The TTCD enjoyed a profitable year as we saw development of opportunities in the local custody business with increased activity in the custody of assets held under repurchase agreements. The TTCD also expanded its Registrar line of business with the addition of 4 new registers in 2017. With respect to its corporate action management, the TTCD managed forty-one (41) dividend payments totalling \$3.55 billion, compared to thirty-two (32) dividend payments totalling \$2.6 billion in 2016. Bond interest payments made in our capacity as paying agent totalled \$523 million. The TTCD continues to see value in its relationship with the Euroclear Bank whereby local investors may avail of the opportunity to custody their foreign securities through a local entity and local market players have capitalised on this benefit with the assets held in custody growing by 103% to US\$66.8 million.

## Financial Highlights

For a year with major increases in technological infrastructure changes and related costs, 2017 saw profitability across consolidated operations. Revenue totalled \$20.96 million, 8% less than the \$22.88 million seen in the prior year as reductions in Transaction Charges, Bond Trading Income and Other income were buoyed by increases in Registrar Income and Euroclear Income. Investment Income of \$1.5 million was just below the \$1.9 million in 2016 as one of the financial instruments matured during 2017 and replacement investments carried lower returns. Operating Expenses totalled \$16.99 million, an increase of just about 30% from the amount of \$13.04 million in 2016, with information technology expenses and salaries contributing to the majority of the increase as the organization focused on its technological infrastructure, replacement of its trading software and the development of its human resource capabilities. The outcome resulted in a consolidated Profit for the Year at \$3.98 million with Consolidated total assets closing the year at \$79.7 million, Shareholder's Equity at \$76.7 million and Retained Earnings at \$68.10 million.

## Going Forward

The Exchange is mindful of its role in facilitating the efficient mobilization and allocation of capital and to this end 2018 is expected to be an active one as a new listing already show signs of materializing and other transactions are expected to follow particularly in light of the Government's previous announcement regarding the establishment of a National Investment Fund in early 2018, as well as the potential for additional market transactions.

The Exchange has embarked on strategic initiatives which will enable further development in the securities market through leveraging and enhancing existing technological capabilities and increasing transparency in trade execution. This is in keeping with its strategic intent of increasing market efficiency and development while maintaining financial stability.

As we look forward to new opportunities and as we experience new directions and challenges we are committed to ensuring that we are adequately equipped to meet what lies ahead.

## Acknowledgment

On behalf of the Management, I express appreciation to the teams at the TTSE and the TTCD for their diligence and commitment without whom the success of the organisation would not be possible. We are also grateful for the guidance and support given by the members of the Board, who continue to provide strategic direction as the thrust of the TTSE and TTCD continues to be one of progress and development. We must also express our appreciation to our member broker firms and listed companies for their support and their willingness to collaborate for continuing progress in our securities market.



**Michelle Persad**  
Chief Executive Officer



# Management Discussion and Analysis

## Overview

The Management Discussion and Analysis aims to offer Management’s perspective on the Financial Statements and Operations of The Trinidad and Tobago Stock Exchange Limited and its subsidiary (the Group), for the year ended December 31<sup>st</sup>, 2017. The information is provided to assist readers in understanding the Group’s financial performance during the specified period and significant trends that may impact the future performance of the Group. This analysis should be read in conjunction with the Consolidated Financial Statements.

*The information is provided to assist readers in understanding the Group’s financial performance during the specified period and significant trends that may impact the future performance of the Group. This analysis should be read in conjunction with the Consolidated Financial Statements.*

## Summary of Operations

For the financial year ended December 31<sup>st</sup>, 2017 the Group recorded a profit after tax of \$3.98 million, a decrease of \$4.82 million or 55% decline from \$8.8 million earned in the previous year. Higher profits in the prior period were mainly driven by greater market activity on The Trinidad and Tobago Stock Exchange (the Stock Exchange). Conversely, there were increases operating expenses in 2017 as the Group invested significantly to enhance the technological infrastructure and human resource capabilities of the organization during the current financial year. The Group continues to be profitable which demonstrates its ability to generate positive returns to its shareholders as well as fulfilling its function as a Self-Regulatory Organisation (SRO).

## Total Revenue

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

Revenue for the year ended December 31<sup>st</sup>, 2017 totalled \$21 million, representing a decrease of \$1.9 million or 8% decline from 2016. As previously mentioned, the decrease in revenue was mainly attributed to the lower market activity which mainly affected Transaction Charges.

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

Diagram: Revenue and Profit

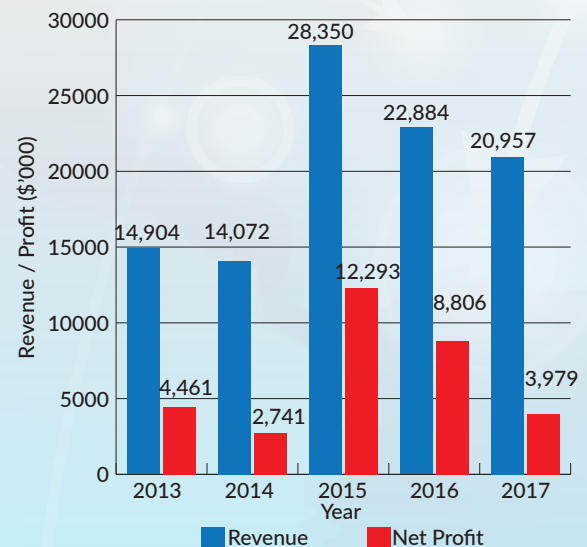
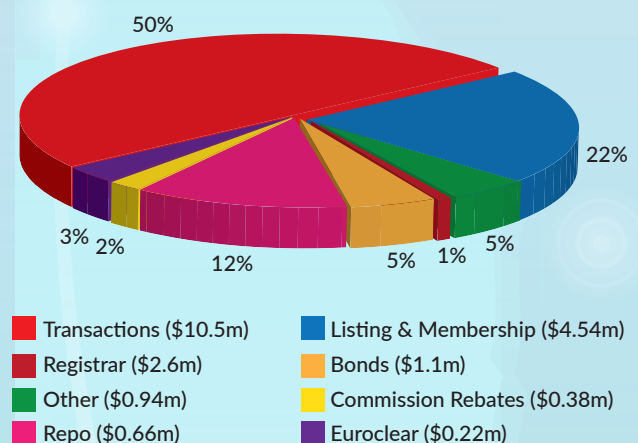


Diagram 2: Revenue Streams



Management Discussion and Analysis (continued)

### Investment Income

Investment income continues to be a key source of income for the Group. For the year ended December 31<sup>st</sup>, 2017 investment income stood at \$1.5 million compared to \$1.9 million in 2016. The decrease in investment income of \$0.4 million over 2016 was mainly due to changes in the portfolio as maturing investments were reinvested in a lower interest rate environment. In 2017, 58% of Investment Income was derived from interest on Government of Trinidad and Tobago (GOTT) Bonds and the remaining 42% from investment in Money Market Funds. Overall the Group earned a return on investments of 2.31% for the year ended December 31<sup>st</sup>, 2017.

### Expenses

Expenses for 2017 totalled \$16 million, an increase of \$3.9 million or 33% from 2016. The increase is mainly attributable to an increase in staff costs as we continued to invest in our human resources capital in 2017, as well as in information technology expenses, as we increased focus on developing our technological infrastructure.

### Total Assets

The Group continues to maintain a strong asset base and liquidity position to support its operation and associated risks. As at December 31<sup>st</sup>, 2017 the Group total assets stood at \$79.7 million which represents an increase of \$1.8 million or 2% from 2016. Total assets of the Group mainly comprised of: Cash on Deposits (35%); Available for Sale Investments (46%); and Property and Equipment (10%).

Diagram 3: Investment Income

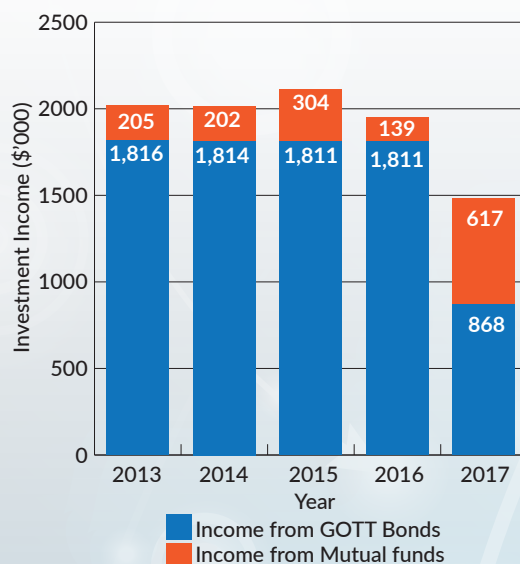


Diagram 4: Expenses



Management Discussion and Analysis (continued)

Diagram 5: Total Assets

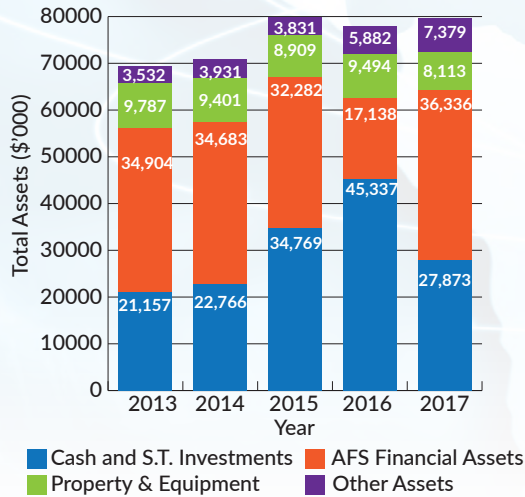
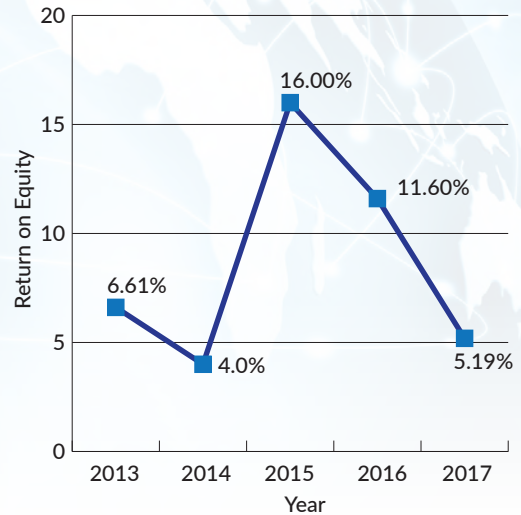


Diagram 6: Return on Equity



Return on Equity

The objective of the organization continues to be twofold as it seeks to maintain profitability while ensuring it is well-equipped to meet its responsibilities as an SRO. Despite the sporadic occurrence of new listings, combined with trading volatility which is inherent in securities markets and high cost of operations, the Group is able to consistently generate a healthy Return on Equity (ROE), ranging between 4.00% and 16.00% over the past 5 years.

Accounting Policies

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



## 2017 Market Activity Review - 1<sup>st</sup> Quarter

### TRINIDAD AND TOBAGO DOLLAR MARKETS

#### First Tier Market

The First Tier market witnessed mixed results in January and February before ending the quarter lower with total number of trades, volume of shares traded and the value of trades falling YOY by 14.22%, 68.65% and 57.63%, respectively. When compared to 1Q-2016, total number of trades, volume of shares traded and the value of trades were lower by 0.63%, 31.49% and 21.42%, respectively, as shown in Table 1.

**Table 1: First Tier Market 1Q-2017 Performance**

Period	Jan	Feb	Mar	1Q-2017 (%Δ)
Volume of Trades (%Δ)	(1.85)	19.09	(14.22)	(0.63)
Volume of Shares Traded (%Δ)	18.44	(6.75)	(68.65)	(31.49)
Traded Value (%Δ)	(26.19)	80.68	(57.63)	(21.42)

#### First Citizens Bank Limited (FIRST) – Additional Public Offering

During his presentation of the 2017 Budget, the Minister of Finance announced several measures intended to fund the Government's fiscal gap including the divestment of its shareholding in First Citizens Bank Limited (FIRST), via an Additional Public Offering (APO). On March 13th 2017, the Government of the Republic of Trinidad and Tobago (GORTT) offered 48,495,665 shares in FIRST at a price of TT\$32.00. The offer closed on April 07<sup>th</sup>, 2017 and shares were allocated to successful applicants on April 28<sup>th</sup>, 2017. At the close of the Offer, subscriptions totalled TT\$1.025 billion.

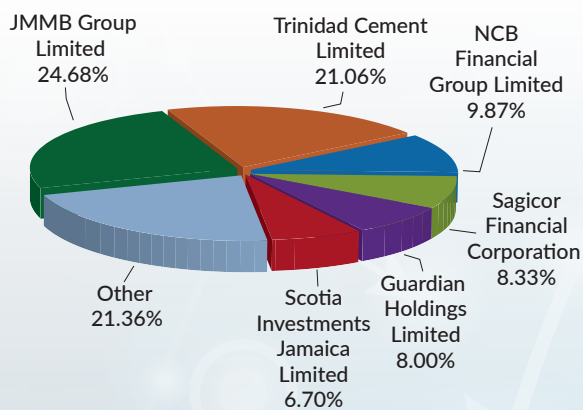
#### Trinidad Cement Limited (TCL) – Offer and Take-Over Bid

On December 05th 2016, TCL's Board of Directors was presented with an Offer and Take-Over Bid (the Offer) Circular of even date, issued by CEMEX, S.A.B. de C.V. (CEMEX) wherein CEMEX announced that one of its indirect subsidiaries, Sierra Trading (Sierra), made an offer and take-over bid to all shareholders of TCL to acquire up to 132,616,942 ordinary shares in TCL at a price of TT\$4.50 in cash per TCL share. On January 09th 2017 Cemex S.A.B. de C.V. revised its take-over offer for TCL to TT\$5.07 per share. The offer closed on January 24th 2017 and the tally of TCL shares deposited by shareholders in response to the Offer was 114,313,299 TCL shares.

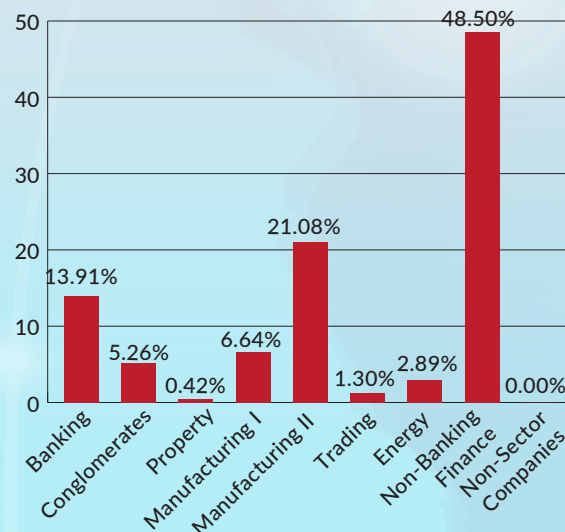
#### Listings and De-listings

Pursuant to its Scheme of Arrangement which allowed for the delisting of shares in National Commercial Bank Jamaica Limited (NCBJ) and the subsequent listing of NCB Financial Group Limited (NCBFG) shares to existing shareholders of NCBJ at a ratio of 1:1; NCBJ was de-listed from the TTSE effective Thursday 16<sup>th</sup> March, 2017. Accordingly, 2,466,762,828 NCBFG shares was simultaneously listed on the TTSE valued at \$3.75 per share. Shareholders carry the same rights, benefits and obligations under the NCBFG as they enjoyed under NCBJ.

**Diagram 1: 1Q-2017 Security Performance by Volume as % of First Tier Volume Traded**



**Diagram 2: 1Q-2017 Sector Performance by Volume as % of the First Tier Market**



## 2017 Market Activity Review - 1st Quarter (continued)

### Individual Share Performance

#### Volume of Shares Traded

The three (3) most active securities measured by volume of shares traded were JMMB Group Limited (JMMBGL), TCL and NCBFG, (refer to Diagram 1). The most active sector by volume was the Non-Banking Finance Sector with 9.46 million shares traded (or 48.50% of the market trades), followed by the Manufacturing II Sector with 4.11 million shares traded (or 21.08%), (refer to diagram 2).

#### Market Value of Shares Traded

By security, West Indian Tobacco Company Limited (WCO) recorded the highest market value of shares traded, with a total of \$37.98 million, representing 20.62% of the market's total trade value for the period, followed by Guardian Holdings Limited (GHL) with \$22.28 million and TCL with \$21.20 million, representing 12.09% and 11.51% respectively, of the market's total trade value for the quarter, (refer to diagram 3). On a sectoral level, the Non-Banking Finance Sector was the largest contributor with \$48.15 million or 26.14% of the period's total traded value, followed by the Manufacturing I Sector with \$45.12 million or 24.49% (refer to diagram 4).

#### Price Movement

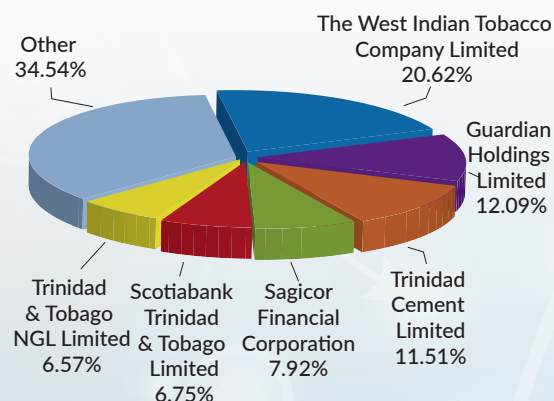
Shares advances outpaced declines over the previous quarter by a ratio of 16:11. Leading the advances was JMMBGL which enjoyed an increase of \$0.30 (+33.33%) followed by L.J. Williams Limited "B" (LJWB), GHL and NCBFG with increases of 30.30% (or \$0.20), 26.32% (or \$3.33) and 26.00% (or \$0.78), respectively over the last quarter.

One Caribbean Media Limited (OCM) was down 14.82% or \$2.95 while FIRST, Republic Financial Holdings Limited (RFHL) and TCL registered declines of 9.52% (or \$3.33), 5.95% (or \$6.45) and 4.55% (or \$0.20), respectively over the previous quarter.

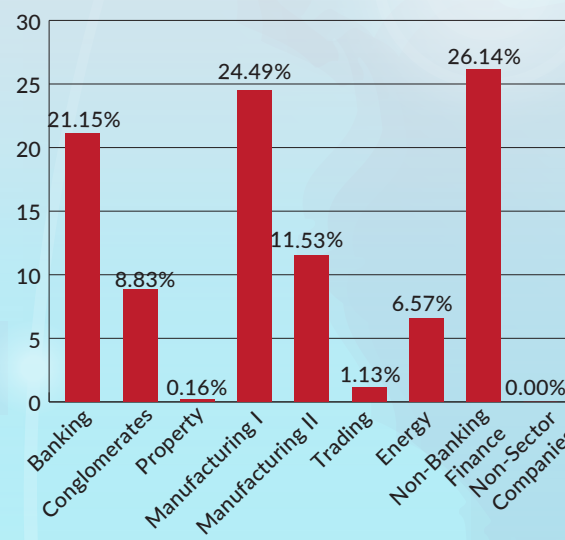
### Indices Performance

The Composite and Cross Listed Indices rose by 2.01% and 12.55%, respectively, over the previous quarter while the All T&T Index fell by 1.24%, as shown in Table 2. Accordingly, the Composite Index and the Cross Listed Index increased by 24.26 points to 1,233.79 and 9.81 points to 87.98, respectively, while the All T&T Index fell by 22.69 points to end the quarter at 1,811.54.

**Diagram 3: 1Q-2017 Performance by Value as % of First Tier Trade Value**



**Diagram 4: 1Q-2017 Sector Performance by Market Value as % of First Tier Trade Value**

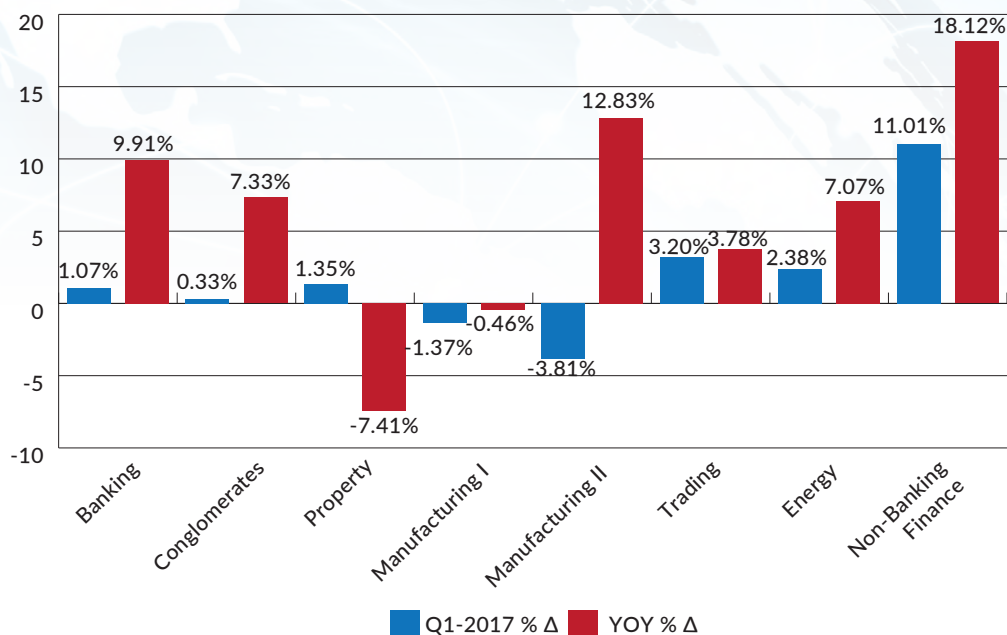


**Table 2: Market Index 1Q-2017 Performance**

Index	1Q-2017 (unit Δ)	1Q-2017 (% Δ)
Composite	24.26	2.01
All T&T	(22.69)	(1.24)
Cross Listed	9.81	12.55

## 2017 Market Activity Review - 1st Quarter (continued)

Diagram 5: 1Q-2017 Sectoral Indices Performance



Six (6) of the eight (8) sector indices increased during the 1Q-2017. The Non-Banking Finance Sector experienced the largest increase of 11.01% or 108.51 points, while the Manufacturing II Sector experienced the largest decline of 3.81% or 18.29 points. When compared to the same period of the previous year, similarly six (6) of the sector indices trended upwards with the Non-Banking Finance Sector also experiencing the largest increase of 18.12% or 167.89 points (refer to diagram 5).

Overall, the first tier market capitalisation increased by 2.02% to \$120.67 billion during the 1Q-2017, which was 9.05% higher than the market capitalisation at the end of the 1Q-2016.

## Second Tier Market

There was no market activity on the second tier market during the review period. As such, the price and market capitalisation for Mora Ven Holdings Limited (MOV), the only security listed in this market, remained unchanged at \$14.49 and \$119.61 million, respectively.

## Mutual Fund Market

Trading activity in the mutual fund market was down YOY with the number of trades falling to 327, representing a decline of 15.50%. Accordingly, total traded volume fell to 3.10 million shares (a decrease of 20.01%) while total value of shares traded for the quarter stood at \$68.71 million (a decrease of 23.12%).

Market capitalisation decreased by 0.28% to \$5.28 billion during the quarter. This was 1.39% lower than the market capitalisation at the end of the 1Q-2016.

### Individual Share Performance

CLICO Investment Fund (CIF) dominated the quarter's activity representing 98.05% and 99.71% of total volume and value traded, respectively. Praetorian Property Mutual Fund (PPMF) was the second highest representing 0.26% of total value traded while Calypso Macro Index Fund (CALYP) represented 0.03% of total value traded.

Share declines outpaced advances at a ratio of 2:1 during 1Q-2017. Investors of PPMF realised positive returns, as the share price moved upwards by \$0.25 to close at \$3.01, representing an increase of 9.06% over the last quarter.

Regarding declines, CIF experienced the largest decline of 0.53% or \$0.12 to end the quarter at \$22.50, followed by CALYP with a decline of 0.05% or \$0.01 to end the quarter at \$21.88.

## Government Bond Market

The government bond market witnessed YOY increases in trading activity with total trades increasing to 46 trades (+100.00%) over in the same quarter of the previous year. Accordingly, total face value and total traded value increased to \$358.52 million and \$365.63 million, respectively, up 29.94% and 28.60%, respectively over 1Q-2016.



## 2017 Market Activity Review - 1st Quarter (continued)

### Listings and De-listings

On February 14<sup>th</sup> 2017, a bond issued by the Government of the Republic of Trinidad and Tobago (GORTT) with a face value of TT\$1,000 million was listed on the Stock Exchange. The details of this bond appear in Table 3 below:

**Table 3: GORTT Bond Listing 1Q-2017**

Details	Bond
Symbol	B148
ISIN	TTK00825B148
Face Value	TT\$1,000 Million
Issue Price	\$100.00
Coupon Rate	4.10%
Interest Rate Type	Fixed
Interest Calculation	365 day basis
Maturity Date	February 14 <sup>th</sup> , 2025
Tenor	8 Years
Payment Schedule	Semi Annual
Coupon Payment Dates	August 14 <sup>th</sup> ; February 14 <sup>th</sup>
First Interest Payment	August 14 <sup>th</sup> , 2017
Last Interest Payment	February 14 <sup>th</sup> , 2025

With respect to de-listings, one (1) GORTT bond was delisted during the quarter. The details of this bond appear in Table 4 below:

**Table 4: GORTT Bond Delisting 1Q-2017**

Security Description	Symbol	Coupon Rate	Tenor	Maturity Date
\$300M GORTT 11.65% 31.05.2016	E312	11.65%	15	May 31 <sup>st</sup> 2016

## UNITED STATES DOLLAR MARKET

### Mutual Fund Market

There was no market activity on the USD mutual fund market during the review period. As such, the share price and market capitalisation for Bourse Brazil Latin Fund (BBLF), the only security listed in this market, remained unchanged at \$8.10 and \$9.01 million, respectively.

Table 5 below indicates the YOY changes in various categories based on trade activity.

**Table 5: 1Q-2017 Highlights**

	2017	2016	% Change
Trades <sup>1</sup>	3,182	3,261	(2.42)
Volume ('000) <sup>1</sup>	22,605	32,344	(30.11)
Value (TT\$'000) <sup>1</sup>	252,928	323,796	(21.89)
Put Through Transactions <sup>1,2,3</sup>	135	115	17.39
Put Through Volume ('000) <sup>1,2,3</sup>	2,726	812	235.71
Put Through Value (TT\$'000) <sup>1,2,3</sup>	88,314	33,273	165.42
Market Capitalisation (TT\$'000,000) <sup>1</sup>	126,073	116,138	8.55
Composite Index	1,233.79	1,133.16	8.88
All T&T Index	1,811.54	1,812.34	(0.04)
Cross Listed Index	87.98	60.30	45.90

1 This represents total trades on the First Tier, Second Tier and Mutual Funds markets.

2 The figures for 2016 excludes 17 extraordinary put-through transactions with a total volume of 9,349,115 valued at \$287.14 million. These transactions were processed to facilitate the establishment and subsequent listing of a mutual fund.

3 The figures for 2017 excludes 9 put-through transactions with a total volume of 2,120,770 valued at \$72.23 million.

## 2017 Market Activity Review - 2<sup>nd</sup> Quarter

### TRINIDAD AND TOBAGO DOLLAR MARKETS

#### First Tier Market

The mixed trend experienced in the first quarter continued into the second quarter of 2017. Notable improvements were recorded in May, however the market's performance moderated in June with the total number of trades and the value of trades declining by 41.46% and 19.35%, respectively. When compared to 2Q-2016, total number of trades, volume of shares traded and the value of trades were lower by 5.43%, 23.86% and 6.38%, respectively, as shown in Table 6.

**Table 6: First Tier Market 2Q-2017 Performance**

Period	April	May	June	2Q-2017 (%Δ)
Volume of Trades (%Δ)	10.29	30.82	(41.46)	(5.43)
Volume of Shares Traded (%Δ)	(70.09)	55.26	5.77	(23.86)
Traded Value (%Δ)	(37.21)	81.21	(19.35)	(6.38)

#### Trinidad and Tobago NGL Limited (NGL) - Additional Public Offering (APO)

On June 05<sup>th</sup>, 2017, the GORTT, through its nominee The National Gas Company of Trinidad and Tobago (NGC), opened its APO in which a total of 40,248,000 Class B shares in NGL were offered at a price TT\$21.00 per share. The offer opened on June 05<sup>th</sup>, 2017, and closed on June 28<sup>th</sup>, 2017. A total of 40,248,000 Class B shares in NGL were allocated following the close of the APO.

#### Readymix (West Indies) Limited (RML) - Offer and Take-Over Bid

On March 24<sup>th</sup>, 2017, TCL's Board of Directors approved the issuance of an Offer and Take-Over Bid to acquire for cash, all of the issued and outstanding ordinary shares in RML, not already held by TCL at a price of TT\$11.00 per ordinary share. Approximately 1.6M ordinary RML shares were deposited by RML shareholders in response to the offer and take-over bid which closed on May 01<sup>st</sup>, 2017. TCL advised that as at May 29<sup>th</sup>, 2017, the number of ordinary shares pursuant to the offer and to subsequent acquisitions made by TCL on the Exchange amounted to 3,136,009

ordinary shares or 97.23% of the outstanding ordinary shares in RML.

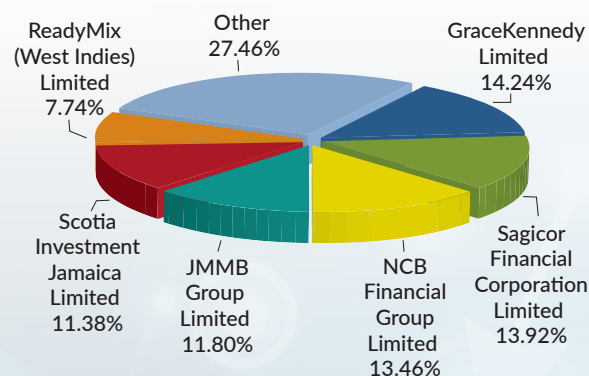
An application to de-list RML was submitted to the Trinidad and Tobago Securities and Exchange Commission.

#### Individual Share Performance

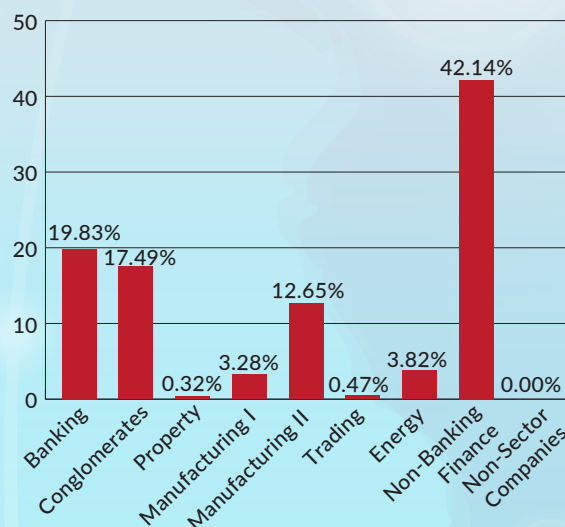
##### Volume of Shares Traded

The three (3) most active securities measured by volume of shares traded were GraceKennedy Limited (GKC), Sagicor Financial Corporation Limited (SFC) and NCBFG, (refer to Diagram 6). On a sectoral level, the Non-Banking Finance Sector continued to dominate market activity, registering a total of 9.59 million shares traded (or 42.14% of the market trades) for the quarter, followed by the Banking Sector with 4.51 million shares traded (or 19.83%), (refer to Diagram 7).

**Diagram 6: 2Q-2017 Security Performance by Volume as % of First Tier Volume Traded**



**Diagram 7: 2Q-2017 Sector Performance by Volume as % of the First Tier Market**



## 2017 Market Activity Review - 2<sup>nd</sup> Quarter (continued)

### Market Value of Shares Traded

On a security level, RFHL was the leader in market value of shares traded with a total of \$61.84 million for the quarter, representing 22.61% of the market's total traded value, followed by ANSA McAL Limited (AMCL) with \$28.96 million or 10.59% and SFC with \$28.56 million or 10.44% (refer to Diagram 8). On a sectoral level, the Banking Sector was the largest contributor with \$101.51 million or 37.12% of the period's total traded value, followed by the Non-Banking Finance Sector with \$56.20 million or 20.55% (Refer to Diagram 9).

### Price Movement

Share declines outpaced advances at a ratio of 17:8 during 2Q-2017. Scotia Investments Jamaica Limited (SIJL) was down 22.00% or \$0.55 while FirstCaribbean International Bank Limited (FCI), National Flour Mills Limited (NFM) and OCM registered declines of 13.11% (or \$1.16), 11.92% (or \$0.31) and 11.50% (or \$1.95), respectively, over the previous quarter.

Shareholders of Agostini's Limited (AGL) realised positive returns as the share price advanced by \$1.50 or 8.11% while investors of NCBFG, Point Lisas Industrial Port Development Corporation Limited (PLD) and JMMBGL enjoyed increases of 7.14% (or \$0.27), 3.47% (or \$0.13) and 2.50% (or \$0.03) respectively, over the previous quarter.

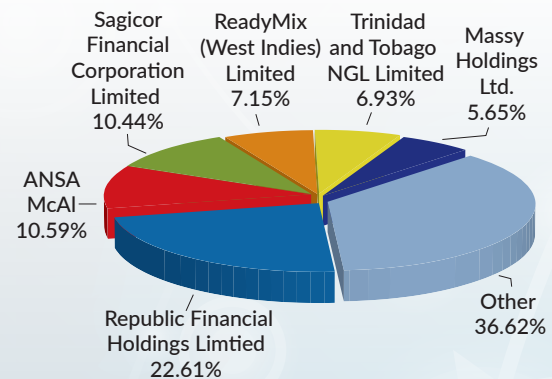
### Indices Performance

The Composite, All T&T and Cross Listed Indices ended the quarter at 1,209.18, 1,791.04 and 84.06, respectively, declining by 1.99%, 1.13% and 4.46%, respectively, over the last quarter, as shown in Table 7.

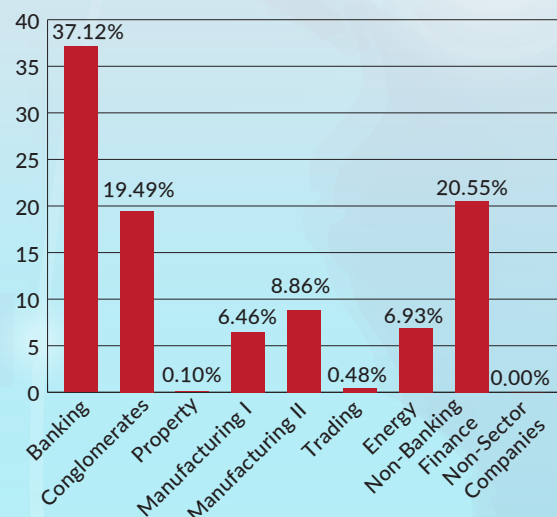
Three (3) of the eight (8) sector indices increased during 2Q-2017. The Trading Sector enjoyed the largest increase of 4.98% or 8.78 points to end the period at 185.06, while the Manufacturing I Sector experienced the largest decline of 2.41% or 69.53 points. Six (6) of the sector indices rose on a YOY basis, with the Manufacturing II Sector recording the largest increase of 16.44% or 64.00 points (Refer to Diagram 10).

Overall, the first tier market capitalisation decreased by 1.99% to \$118.26 billion during the 2Q-2017. This was however 6.63% higher than the market capitalisation at the end of the 2Q-2016.

**Diagram 8: 2Q-2017 Performance by Value as % of First Tier Trade Value**



**Diagram 9: 2Q-2017 Sector Performance by Market Value as % of First Tier Trade Value**

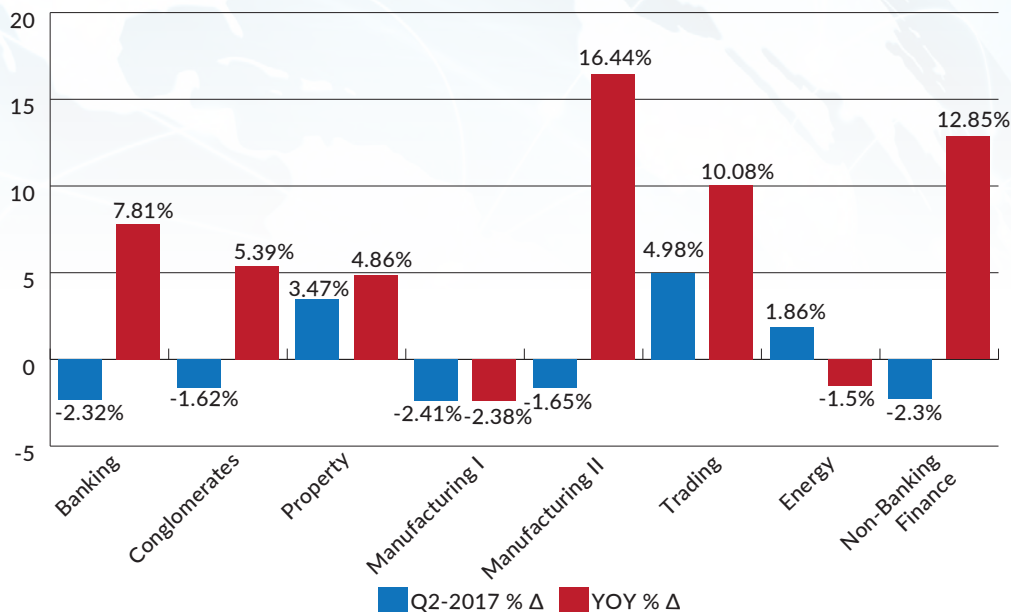


**Table 7: Market Index 2Q-2017 Performance**

Index	2Q-2017 (unit Δ)	2Q-2017 (% Δ)
Composite	(24.61)	(1.99)
All T&T	(20.50)	(1.13)
Cross Listed	(3.92)	(4.46)

2017 Market Activity Review - 2<sup>nd</sup> Quarter (continued)

Diagram 10: 2Q-2017 Sectoral Indices Performance



## Second Tier Market

There was no market activity on the second tier market during the quarter and as such the share price and market capitalisation remained unchanged at \$14.49 and \$119.6 million, respectively.

## Mutual Fund Market

The total number of trades in the mutual fund market was 218 trades representing a decline of 23.24% over the same period of the previous year. Accordingly, total traded volume and value of shares traded fell to 1.31 million shares (a decrease of 57.89%) and \$29.27 million (a decrease of 45.34%), respectively.

## Individual Share Performance

CIF continued to dominate the quarter's activity representing 98.86% and 99.68% of the total volume and value traded, respectively, while CALYP and PPMF registered trade values of \$0.06 million (0.19% of total trade value) and \$0.04 million (0.13% of total trade value), respectively.

With regards to price movements, the mutual fund market recorded one (1) price increase and one (1) price decline over the period. PPMF increased by \$0.01 (or 0.33%) to close at \$3.02, while CALYP experienced a decline of \$0.48 (or 2.19%) to close at \$21.40.

Market capitalisation decreased by 0.18% to \$5.27 billion during the quarter. This was 1.41% lower than the market capitalisation at the end of the 2Q-2016.



## 2017 Market Activity Review - 2<sup>nd</sup> Quarter (continued)

### Government Bond Market

Total trades in the government bond market for 2Q-2017 was 17, representing a decline of 77.03% when compared to the same quarter of 2016. Accordingly, total face value and total traded value of \$97.66 million and \$103.04 million, respectively, represented declines of 86.81% and 86.59%, respectively, when compared to 2Q-2016.

### UNITED STATES DOLLAR MARKET

#### Mutual Fund Market

BBLF recorded a traded volume of 1,000 shares with a traded value of \$8,080.00. The fund's price declined by \$0.02 to close the quarter at \$8.08, representing a decrease of 0.25% over the last quarter. Accordingly, the market capitalisation for 2Q-2017 was down 0.25% to \$8.99 million, which was 14.95% lower than the market capitalisation at the end of the 2Q-2016.

Table 8 below indicates the YOY changes in various categories based on trade activity.

**Table 8: 2Q-2017 Highlights**

	2017	2016	% Change
<b>Trades<sup>1</sup></b>	2,902	3,122	(7.05)
<b>Volume ('000)<sup>1</sup></b>	24,074	33,011	(27.07)
<b>Value (TT\$'000)<sup>1</sup></b>	302,720	345,635	(12.42)
<b>Put Through Transactions<sup>1,2,3</sup></b>	76	155	(50.97)
<b>Put Through Volume ('000)<sup>1,2,3</sup></b>	945	815	15.95
<b>Put Through Value (TT\$'000)<sup>1,2,3</sup></b>	20,742	19,939	4.03
<b>Market Capitalisation (TT\$'000,000)<sup>1</sup></b>	123,658	116,378	6.26
<b>Composite Index</b>	1,209.18	1,135.61	6.48
<b>All T&amp;T Index</b>	1,791.04	1,787.98	0.17
<b>Cross Listed Index</b>	84.06	64.32	30.69

1 This represents total trades on the First Tier, Second Tier and Mutual Funds markets.

2 The put through figures for 2016 excludes 21 extraordinary put-through transactions with a total volume of 103.63 million shares valued at \$1,347.22 million.

3 The put through figures for 2017 excludes seven (7) extraordinary put-through transactions with a total volume of 33,594,572 valued at \$1,042.29 million. These transactions were related to the allocation of shares to successful applicants in the FIRST APO and the transfer of shares in Readymix (West Indies) Limited (RML) from shareholders who participated in the TCL take-over bid of RML.

## 2017 Market Activity Review - 3<sup>rd</sup> Quarter

### TRINIDAD AND TOBAGO DOLLAR MARKETS

#### First Tier Market

The quarter's performance rebounded impressively from the declining trend experienced in the previous quarters with improved results recorded across the board in volume of trades, volumes of shares traded and traded value. When compared to Q3-2016, total number of trades, volume of shares traded and the value of trades increased by 8.97%, 34.41% and 43.30%, respectively, as shown in Table 9.

**Table 9: First Tier Market 3Q-2017 Performance**

Period	July	August	Sept	3Q-2017 (%Δ)
Volume of Trades (%Δ)	4.59	19.61	3.94	<b>8.97</b>
Volume of Shares Traded (%Δ)	40.63	47.13	17.99	<b>34.41</b>
Traded Value (%Δ)	87.65	12.07	24.78	<b>43.30</b>

#### Scotia Investments Jamaica Limited (SIJL) - Cancellation of Shares and De-listing from the TTSE

On June 08<sup>th</sup>, 2017, SIJL received a formal written proposal from its parent company, Scotia Group Jamaica Limited (Scotia Group) to consider and, if thought fit, initiate a Scheme of Arrangement (SOA) to take Scotia Investments private via the cancellation of the shares held by all the minority shareholders at a price of J\$38.00 per share. The proposal was accepted by the directors of SIJL and thereafter, on August 30<sup>th</sup>, 2017, shareholders voted in favour of the SOA. Regulatory requirements were satisfied and the SOA became effective on September 29<sup>th</sup>, 2017. As a result, trading in SIJL was suspended on the TTSE effective October 02<sup>nd</sup>, 2017 and following approval from the TTSEC, SIJL was thereafter delisted on February 21<sup>st</sup>, 2018.

#### Individual Share Performance

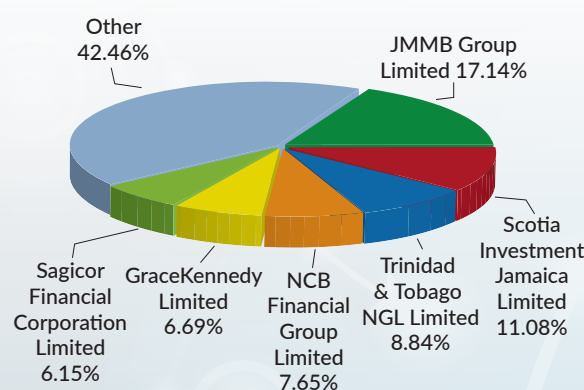
##### Volume of Shares Traded

The three (3) most active securities measured by the volume of shares traded were JMMBGL, SIJL and NGL (Refer to Diagram 11). The Non-Banking Finance Sector continued to lead in market activity with 7.50 million shares traded (or 39.94% market trades), followed by the Banking Sector with 3.42 million shares traded (or 18.21%), (Refer to Diagram 12).

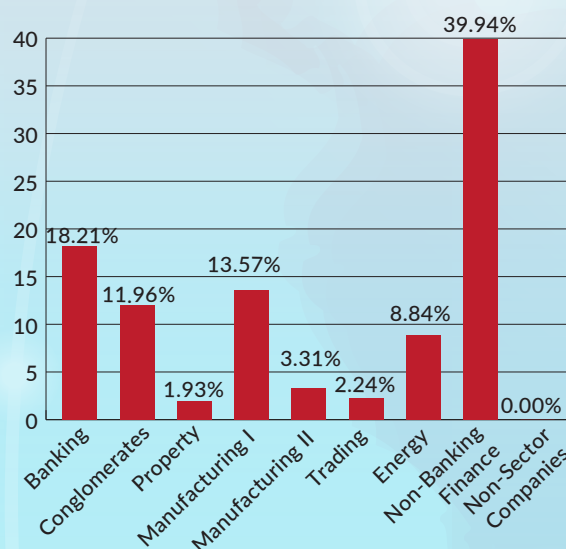
#### Market Value of Shares Traded

Massy Holdings Ltd. (MASSY) had the highest market value of shares traded, with a total of \$40.54 million, representing 14.32% of the market's traded value, followed by NGL with \$38.17 million or 13.48% of traded value and RFHL with \$35.68 million or 12.61% (Refer to Diagram 13). On a sectoral level, the Banking Sector was the most active, registering \$81.82 million in total value of shares traded or 28.90% of the period's total traded value, followed by the Manufacturing I Sector which contributed \$61.65 million or 21.78% (Refer to Diagram 14).

**Diagram 11: 3Q-2017 Security Performance by Volume as % of First Tier Volume Traded**



**Diagram 12: 3Q-2017 Sector Performance by Volume as % of the First Tier Market**



## 2017 Market Activity Review - 3<sup>rd</sup> Quarter (continued)

### Price Movement

Share advances outpaced declines at a ratio of 13:12 during the quarter. Shareholders of NCBFG enjoyed the highest price increase as the share price advanced by \$1.05 or 25.93%, while SIJL, JMMBGL and GKC enjoyed increases of 17.44% or (\$0.34), 9.76% or (\$0.12) and 6.67% (or \$0.18), respectively over the quarter.

NFM was down by 12.66% or \$0.29 while GHL, Unilever Caribbean Limited (UCL) and OCM registered declines of 6.95% (or \$1.12), 5.10% (or \$2.65) and 5.07% (or \$0.76), respectively, over the quarter.

### Indices Performance

The Composite and Cross Listed Indices rebounded from its decline in the previous quarter, advancing by 2.68% and 12.04%, respectively, to end at 1,241.60 and 94.18, respectively. The All T&T Index ended at 1,782.18 or 0.49% lower when compared to the previous quarter, as shown in Table 10.

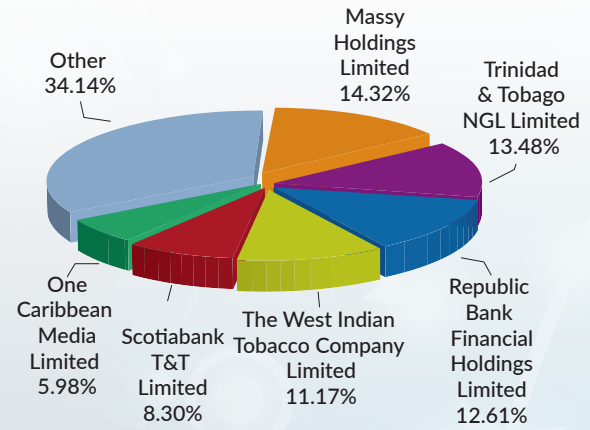
Six (6) of the eight (8) sector indices advanced during 3Q-2017 with the Banking Sector experiencing the largest increase of 5.76% or 50.91 points to end the period at 934.40. The Manufacturing I Sector was down 1.13% or 31.68 points over the last quarter. Similarly, six (6) of the sector indices rose on a YOY basis with the Manufacturing II Sector experiencing the largest increase of 30.98% or 108.20 points to end the quarter at 457.51 (Refer to Diagram 15).

Overall, the first tier market capitalisation increased by 2.69% to \$121.45 billion during the 3Q-2017 which was 7.53% higher than the market capitalisation at the end of the 3Q-2016.

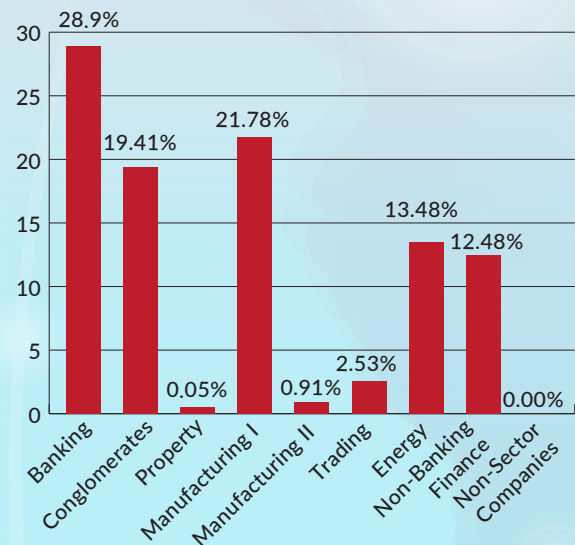
**Table 10: Market Index 3Q-2017 Performance**

Index	3Q-2017 (unit Δ)	3Q-2017 (% Δ)
Composite	32.42	2.68
All T&T	(8.86)	(0.49)
Cross Listed	10.12	12.04

**Diagram 13: 3Q-2017 Performance by Value as % of First Tier Trading Value**

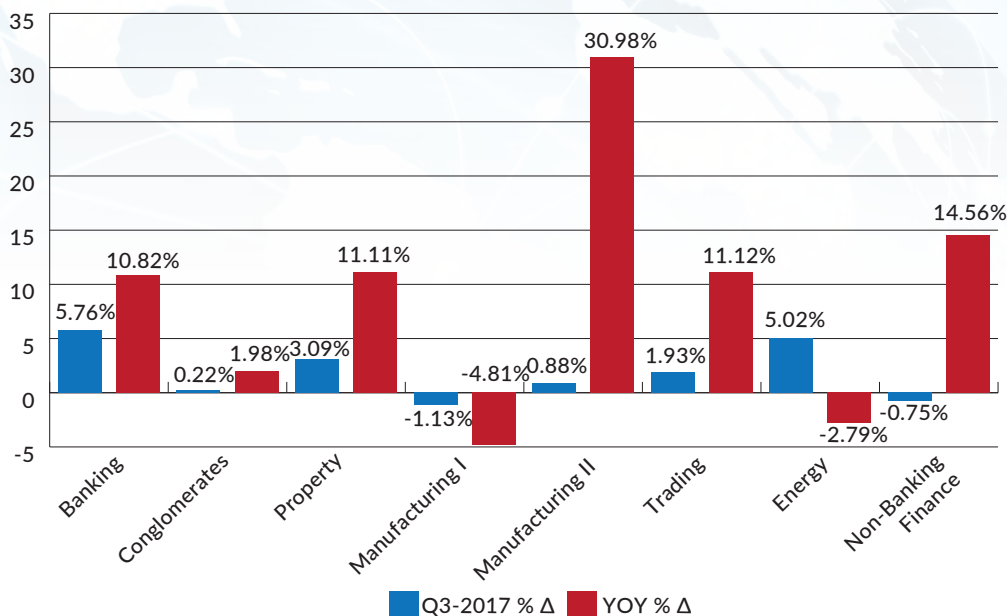


**Diagram 14: 3Q-2017 Sector Performance by Value as % of First Tier Trading Value**



2017 Market Activity Review - 3<sup>rd</sup> Quarter (continued)

Diagram 15: 3Q-2017 Sectoral Indices Performance



## Second Tier Market

There was no market activity on the second tier market during the quarter and as such the share price and market capitalisation remained unchanged.

## Mutual Fund Market

The total number of trades in the mutual fund market was 287 trades representing an increase of 9.54% over the same period of the previous year. However, volume and value of shares traded ended the quarter at 1.14 million shares and \$24.28 million, respectively, representing YOY declines of 4.79% and 9.29%, respectively.

### Individual Share Performance:

CIF continued to dominate trading activity in 3Q-2017 with total volume and total value of shares traded registering 1.13 million shares and \$24.26 million, respectively. Trading in CIF represented 99.56% and 99.94% of the market's total traded volume and value, respectively. Trading in PPMF was valued at \$0.02 million (or 0.06% of total trade value).

With regard to price movements, the mutual fund market recorded one (1) price increase and one (1) price decline over the period. PPMF increased by \$0.03 (or 0.99%) to close at \$3.05, while CIF declined by \$0.99 (or 4.40%) to close at \$21.51.

Accordingly, Market capitalisation was down 3.81% over the quarter to close the quarter at \$5.07 billion. This was 4.13% lower than the market capitalisation at the end of the 3Q-2016.



## 2017 Market Activity Review - 3<sup>rd</sup> Quarter (continued)

### Government Bond Market

Total trades in the government bond market for 3Q-2017 was 11, representing a decline of 72.5% when compared to the same quarter of the previous year. Accordingly, total face value and total traded value of \$43.61 million and \$43.04 million, respectively, represented declines of 91.33% and 91.53%, respectively, when compared to 3Q-2016.

#### De-listings

During the review period one (1) GORTT bond was delisted. The details of this bond appear in Table 11 below:

Table 11: GORTT Bond Delisting 3Q-2017

Security Description	Symbol	Coupon Rate	Tenor	Maturity Date
\$29.5M GORTT 6.25% 06.02.2017	B065	6.25%	25	February 06 <sup>th</sup> 2017

### UNITED STATES DOLLAR MARKET

#### Mutual Fund Market

BBLF recorded a traded volume of 11,800 shares with a traded value of \$95,324.00. The fund's price remained unchanged \$8.08 and as such, there was no change in its market capitalisation for 3Q-2017. However, on a YOY basis, 3Q-2017's market capitalisation was 0.25% lower than the market capitalisation at the end of the 3Q-2016.

Table 12 below indicates the YOY changes in various categories based on trade activity.

Table 12: 3Q-2017 Highlights

	2017	2016	% Change
Trades <sup>1</sup>	3,045	2,793	9.02
Volume ('000) <sup>1</sup>	19,917	15,167	31.32
Value (TT\$'000) <sup>1</sup>	307,358	224,312	37.02
Put Through Transactions <sup>1,2</sup>	162	138	17.39
Put Through Volume ('000) <sup>1,2</sup>	873	1,041	(16.14)
Put Through Value (TT\$'000) <sup>1,2</sup>	29,354	37,602	(21.94)
Market Capitalisation (TT\$'000,000) <sup>1</sup>	126,641	118,359	7.00
Composite Index	1,241.60	1,156.83	7.33
All T&T Index	1,782.18	1,817.13	(1.92)
Cross Listed Index	94.18	66.11	42.46

1 This represents total trades on the First Tier, Second Tier and Mutual Funds markets.

2 The figures for 2017 excludes four thousand, two hundred and ninety-eight (4,298) extraordinary put-through transactions with a total volume of 101,925,011 valued at \$1,785.17 million related to the allocation of shares to successful applicants in the NGL APO and a settlement arrangement between two parties.

## 2017 Market Activity Review - 4<sup>th</sup> Quarter

### TRINIDAD AND TOBAGO DOLLAR MARKETS

#### First Tier Market

Despite mixed results in October and November, the fourth quarter ended on a positive note with the month of December recording impressive increases in the number of shares traded (60.88%), volume of shares traded (148.73%) and value of shares traded (225.63%). When compared to 3Q-2016, total number of trades, volume of shares traded and the value of trades increased by 28.41%, 19.69% and 24.65%, respectively, as shown in Table 13.

**Table 13: First Tier Market 4Q-2017 Performance (YOY)**

Period	Oct	Nov	Dec	4Q-2017 (%Δ)
Volume of Trades (%Δ)	14.57	16.67	60.88	<b>28.41</b>
Volume of Shares Traded (%Δ)	(12.52)	(11.40)	148.73	<b>19.69</b>
Trade Value (%Δ)	35.94	(36.94)	225.63	<b>24.65</b>

#### ANSA Coatings Limited's Offer to acquire remaining shares in Berger Paints Trinidad Limited (BER)

On November 01<sup>st</sup>, 2017, ANSA Coatings International Limited (ACIL) a wholly owned subsidiary of AMCL, made an Offer to the registered shareholders of BER to acquire all the remaining issued ordinary shares of BER at a cash price of TT\$6.76 per ordinary share. The Offer opened on November 01<sup>st</sup> 2017, and was scheduled to close on December 06<sup>th</sup> 2017, however was extended to December 22<sup>nd</sup> 2017. In compliance with the Offer and Securities Industry (Take-Over) By-Laws 2005, ACIL took up 692,277 BER shares in response to the Offer, representing 94% of the outstanding ordinary shares.

#### NCB Global Holdings Limited (NCBGH) offer to acquire majority stake in Guardian Holdings Limited (GHL)

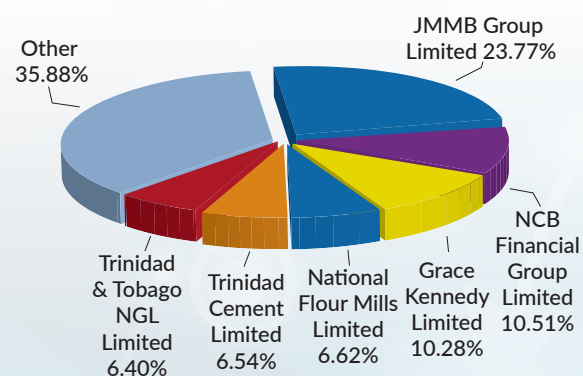
On December 08<sup>th</sup>, 2017, NCBGH issued its Offer and Take-Over bid to acquire up to 74,230,750 ordinary shares in GHL at an Offer price of US\$2.35. The Offer was expected to increase NCBGH's shareholdings in GHL to a minimum shareholding of 50.01% but limited to a maximum shareholding of 62%. The Offer was expected to close on January 12<sup>th</sup>, 2018, but was extended to February 06<sup>th</sup> 2018, and further extended

to February 23<sup>rd</sup>, 2018, pending the approval of the Offer from the Central Bank of Trinidad and Tobago (CBTT). The Offer thereafter lapsed on February 23<sup>rd</sup>, 2018, due to a failure of the condition 2.4.5 of the Offer Circular.

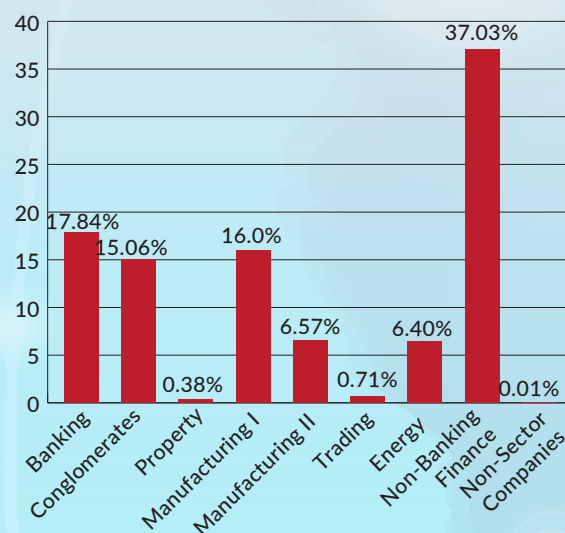
#### Praetorian Property Mutual Fund (PPMF) - Wind up

On November 07<sup>th</sup>, 2017, PPMF advised unitholders that, pursuant to a Resolution of the Class B Unitholders passed on July 21<sup>st</sup> 2016, the Termination Date for the said Fund was resolved to be November 14<sup>th</sup>, 2017. However, in order for the Trustee to dispose of the remaining properties in the Deposited Properties, the Termination Date of the Fund was further extended to November 14<sup>th</sup>, 2018. The extension was approved by an Ordinary Resolution of the Class B Unitholders and the execution of a Supplemental Trust Deed pursuant to Clause 27(A) of the Trust Deed. As a result, trading in PPMF was suspended as at end of day on November 09<sup>th</sup>, 2017.

**Diagram 16: 4Q-2017 Security Performance by Volume as % of First Tier Volume Traded**



**Diagram 17: 4Q-2017 Sector Performance by Volume as % of the First Tier Market**



## 2017 Market Activity Review - 4<sup>th</sup> Quarter (continued)

### Individual Share Performance

#### Volume of Shares Traded

The three (3) most active securities measured by volume of shares traded were JMMBGL, NCBFG and GKC (Refer to Diagram 16). On a sectoral level, the Non-Banking Finance Sector was the volume leader with 8.70 million shares traded (or 37.03%), followed by the Banking Sector with 4.19 million shares traded (or 17.84%). (Refer to Diagram 17).

#### Market Value of Shares Traded

NGL recorded the highest market value of shares traded for the quarter with a total of \$37.35 million, representing 13.15% of the market's total traded value. This was followed by AMCL with \$37.17 million or 13.09% and FIRST with \$34.04 million or 11.99% (Refer to Diagram 18). On a sectoral level, the Banking Sector was the largest contributor with \$82.41 million or 29.02% of the period's total traded value, followed by the Conglomerates Sector with \$70.50 million or 24.83% (Refer to Diagram 19).

### Price Movement

Share declines outpacing advances at a ratio of 16:9 during the 4Q-2017. Shareholders of NCBFG enjoyed the largest price increase as the share price advanced by \$1.17 or 22.94% while shareholders of JMMBGL, NGL and GHL enjoyed increases of 22.22% (or \$0.30), 15.22% (or \$3.50) and 13.53% (or \$2.03), respectively.

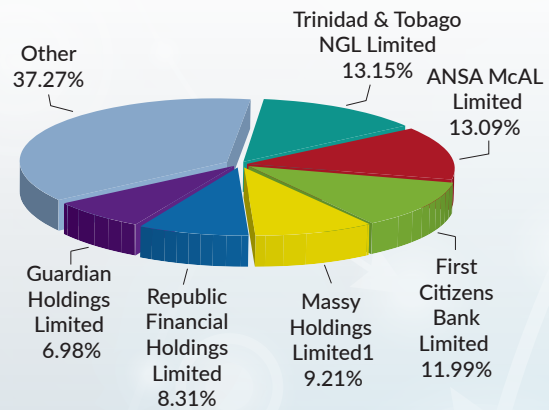
UCL was down 41.24% or \$20.35 over the last quarter while WCO, L.J. Williams Limited "A" (LJWA) and TCL registered declines of 19.97% (or \$24.96), 12.00% (or \$0.03) and 10.29% (or \$0.43), respectively over the previous quarter.

### Indices Performance

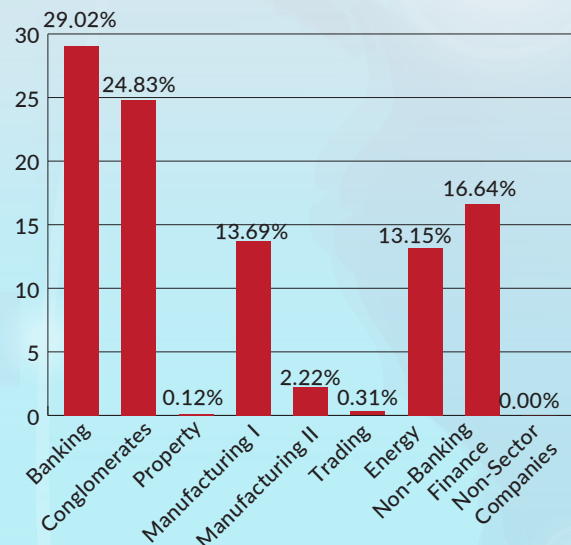
The Composite and Cross Listed Indices recorded increases of 1.99% and 15.08%, respectively over the previous quarter to end at 1,266.35 and 108.38, respectively. The All T&T Index was down by 3.00% to end the quarter at 1,728.75, as shown in Table 14.

Four (4) of the eight (8) sector indices increased during the 4Q-2017. The Energy Sector experienced the largest increase of 15.22% or 17.50 points to end the period at 132.50, while the Manufacturing I Sector experienced the largest decline of 16.46% or 457.61 points to end the period at 2,322.46. Five (5) of the sector indices rose on a YOY basis with the Energy Sector experiencing the largest increase of 26.19% or 27.50 points (Refer to Diagram 20).

**Diagram 18: 4Q-2017 Performance by Value as % of First Tier Trading Value**



**Diagram 19: 4Q-2017 Sector Performance by Value as % of First Tier Trading Value**

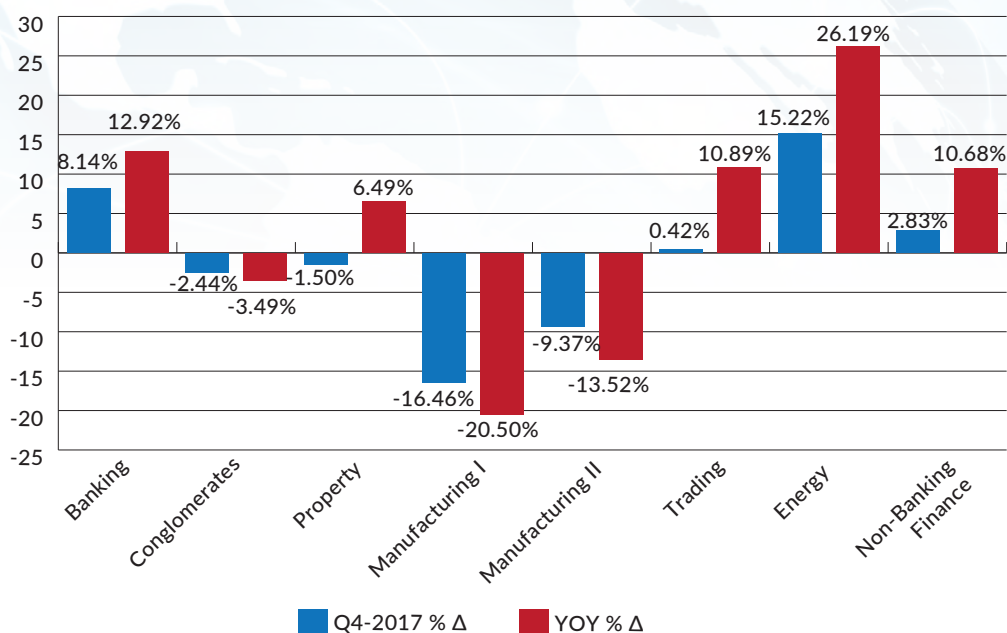


**Table 14: Market Index 4Q-2017 Performance**

Index	4Q-2017 (unit Δ)	4Q-2017 (% Δ)
Composite	24.75	1.99
All T&T	(53.43)	(3.00)
Cross Listed	14.20	15.08

2017 Market Activity Review - 4<sup>th</sup> Quarter (continued)

Diagram 20: 4Q-2017 Sectoral Indices Performance



Overall, the First Tier market capitalisation increased by 2.01% to \$123.89 billion during the 4Q-2017 which was 4.74% higher than the market capitalisation at the end of the 4Q-2016.

### Second Tier Market

There was no market activity on the Second Tier market during the review period and as such share prices and market capitalisation remained unchanged.

### Mutual Fund Market

The total number of trades in the mutual fund market was 227 trades representing an increase of 1.34% over the same period of the previous year. However, total volume and value of shares traded were lower at 0.90 million shares (a decrease of 55.71%) and \$18.90 million (a decrease of 56.28%) respectively.

#### Individual Share Performance:

Trading in CIF represented 100.00% of the total volume and value traded for the quarter.

The price of CIF declined by \$0.51 (or 2.37%) over the previous quarter.

Accordingly, market capitalisation decreased by 2.05% to \$4.97 billion during the quarter, this was 6.21% lower than the market capitalisation at the end of the 4Q-2016.

### Government Bond Market

The government bond market witnessed an improvement in activity in the last quarter of the year with total trades increasing to 40 trades (+122.22%) over the same quarter of the previous year. Accordingly, total face value and total traded value increased to \$486.33 million and \$541.43 million, representing an increase of 139.51% and 154.33% over 4Q-2016.

### UNITED STATES DOLLAR MARKET

#### Mutual Fund Market

BBLF recorded a traded volume of 2,000 shares with a traded value of \$16,180.00. The fund's price increased by \$0.02 to close the quarter at \$8.10 which represented an increase of 0.25%. Accordingly, the market capitalisation for 4Q-2017 increased by 0.25% to \$9.01 million, which represented no change when compared to the market capitalisation at the end of the 4Q-2016.



## 2017 Market Activity Review - 4<sup>th</sup> Quarter (continued)

Table 15 below indicates the YOY changes in various categories based on trade activity.

**Table 15: 4Q-2017 Highlights**

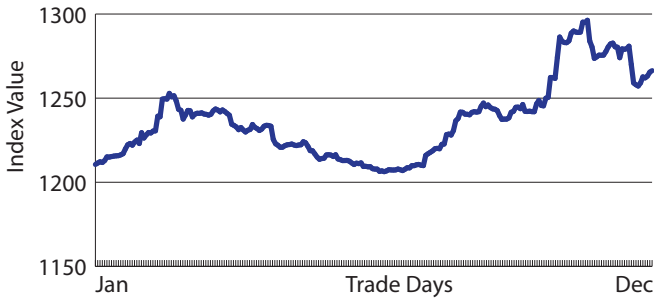
	2017	2016	% Change
<b>Trades<sup>1</sup></b>	3,151	2,501	25.99
<b>Volume ('000)<sup>1</sup></b>	24,406	21,672	12.61
<b>Value (TT\$'000)<sup>1</sup></b>	302,855	271,021	11.75
<b>Put Through Transactions<sup>1,2</sup></b>	294	116	153.45
<b>Put Through Volume ('000)<sup>1,2</sup></b>	4,540	9,302	(51.20)
<b>Put Through Value (TT\$'000)<sup>1,2</sup></b>	77,320	292,123	(73.53)
<b>Market Capitalisation (TT\$'000,000)<sup>1,2</sup></b>	128,978	123,701	4.27
<b>Composite Index<sup>1,2</sup></b>	1,266.35	1,209.53	4.70
<b>All T&amp;T Index</b>	1,728.75	1,834.23	(5.75)
<b>Cross Listed Index</b>	108.38	78.17	38.65

1 This represents total trades on the First Tier, Second Tier and Mutual Funds markets.

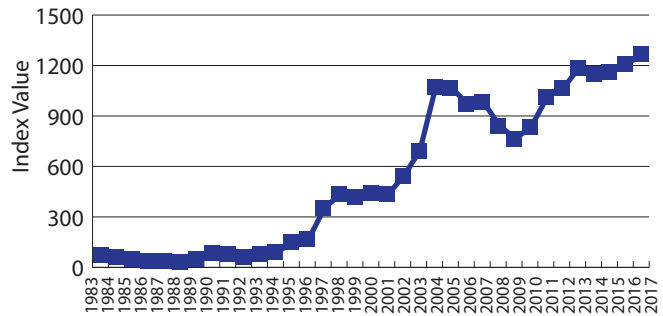
2 The figures for 2017 exclude forty seven (47) extraordinary put-through transactions with a total volume of 342,133 shares valued at \$2.31 million, which was related to the allocation of shares to ANSA Coatings International Limited pursuant to its take-over bid for Berger Paints Trinidad Limited (BER).

## 2017 Equity Market Activity

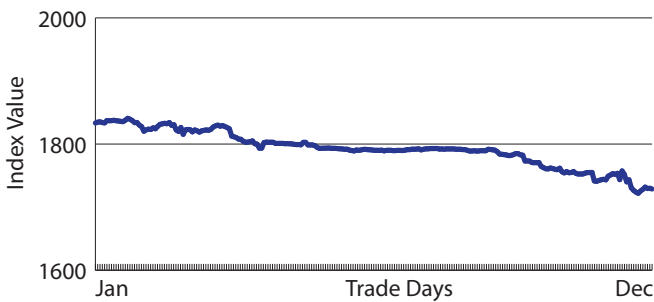
Composite Index 2017



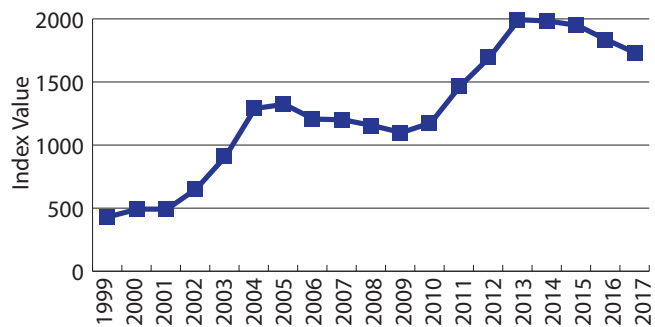
Composite Index 1983-2017



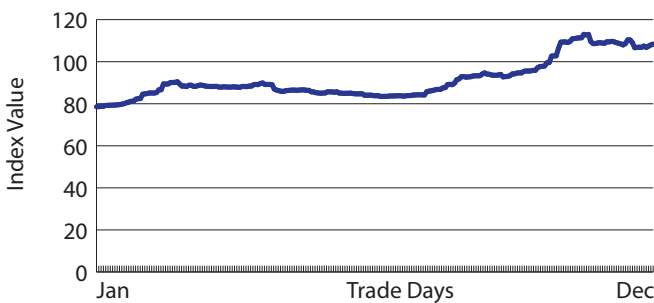
All T&T Index 2017



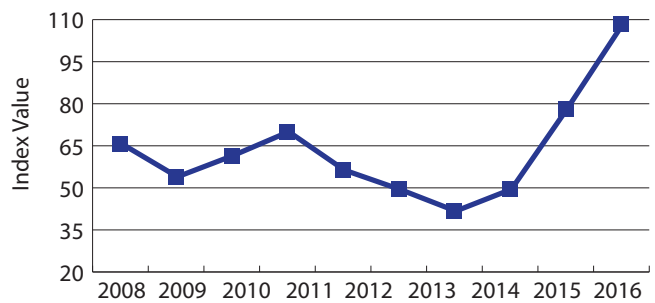
All T&T Index 1999-2017



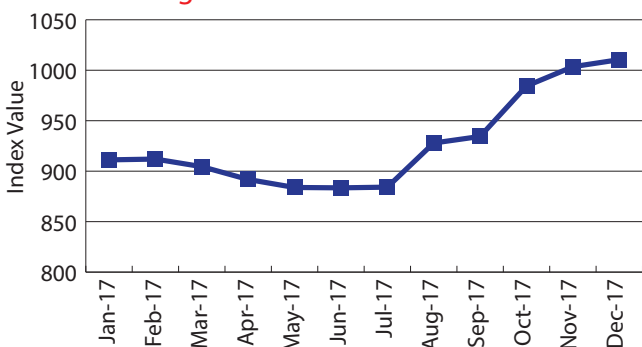
Cross Listed Index 2017



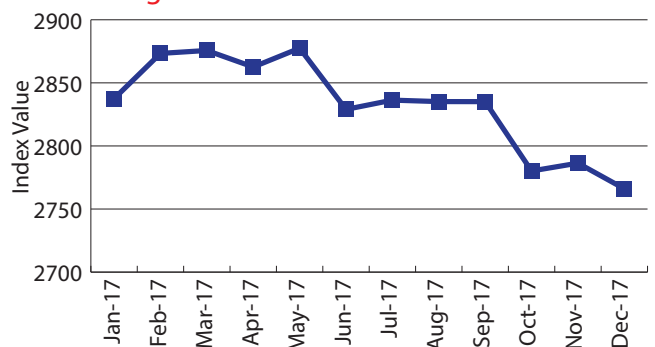
Cross Listed Index 2008-2017



Banking Sector 2017

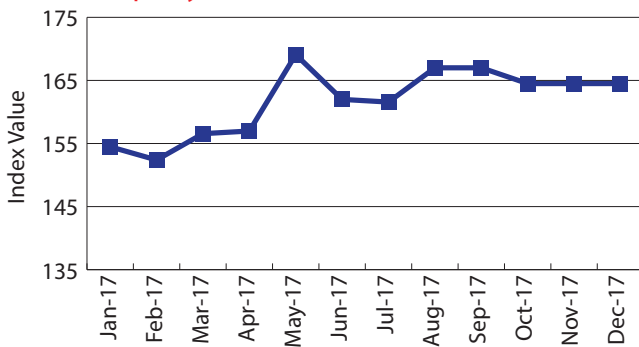


Conglomerates Sector 2017

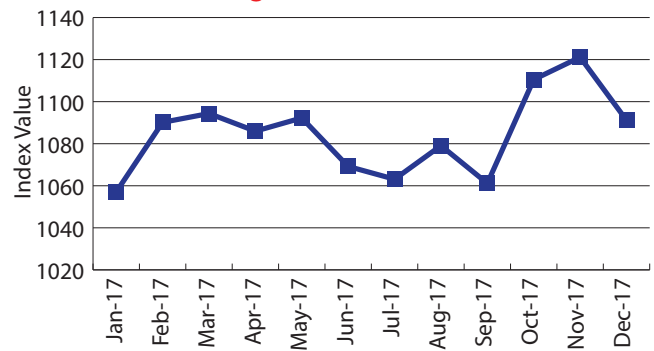


2017 Equity Market Activity (continued)

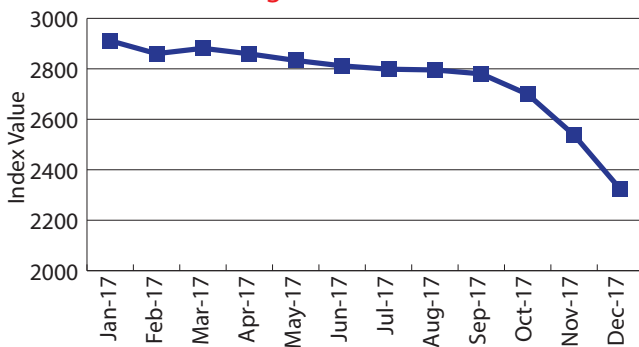
Property Sector 2017



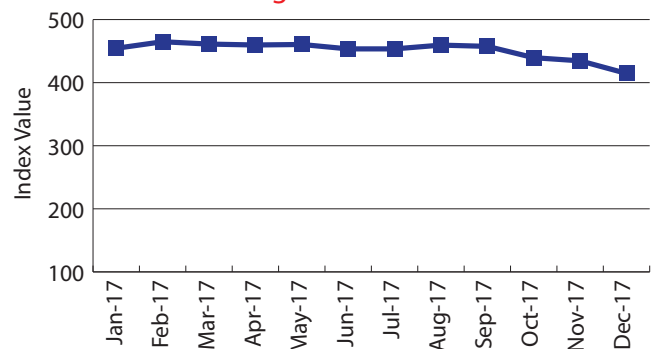
Non-Banking Finance Sector 2017



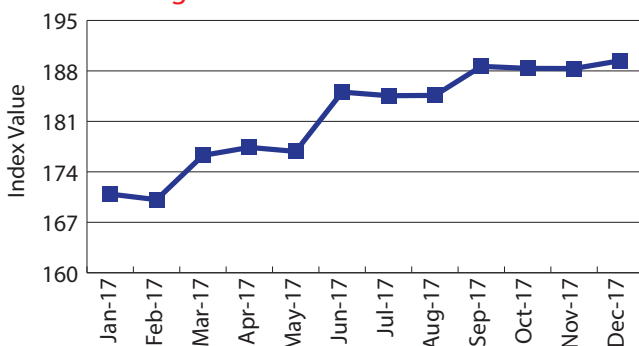
Manufacturing I Sector 2017



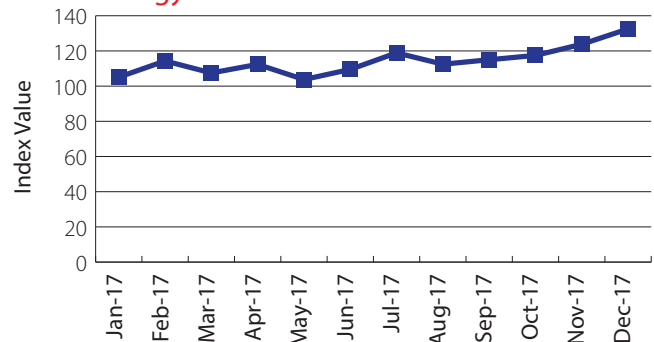
Manufacturing II Sector 2017



Trading Sector 2017

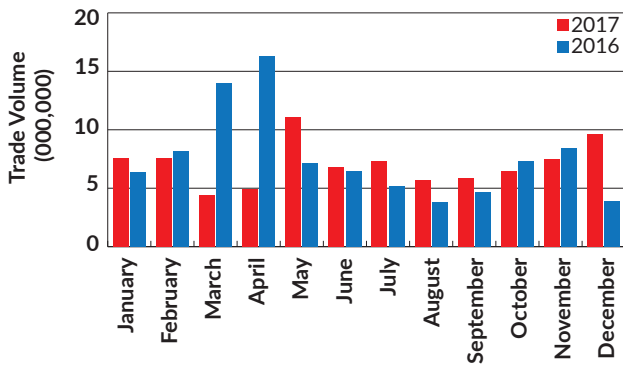


Energy Sector 2017

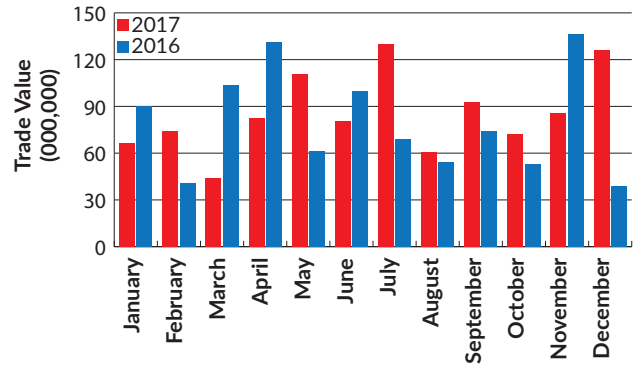


2017 Equity Market Activity (continued)

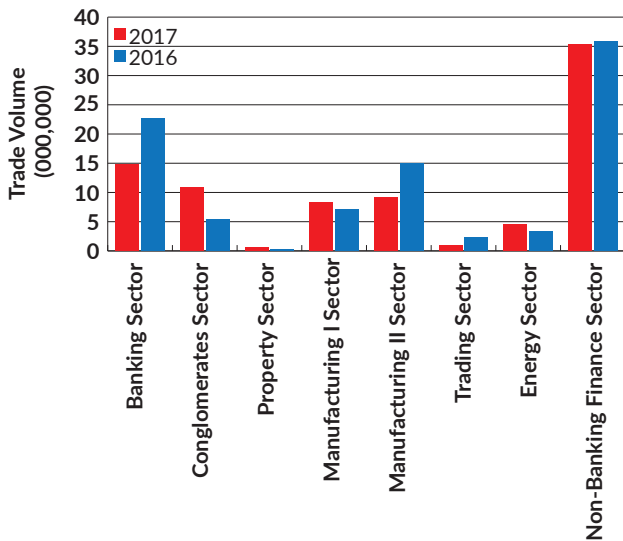
Monthly Traded Volume (Million)



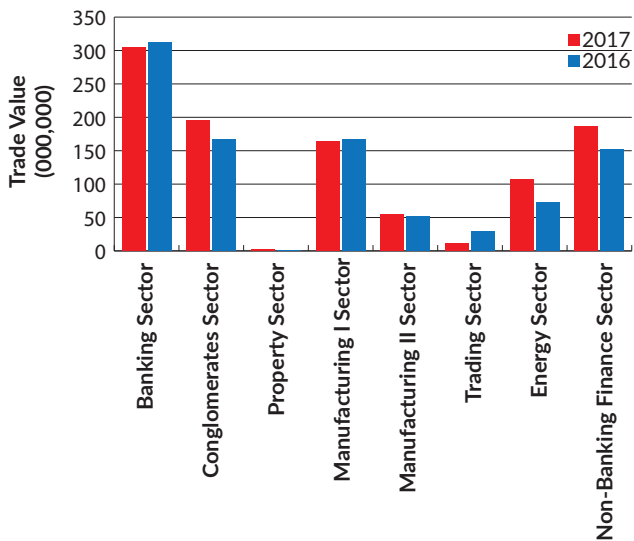
Monthly Traded Value (\$'Million)



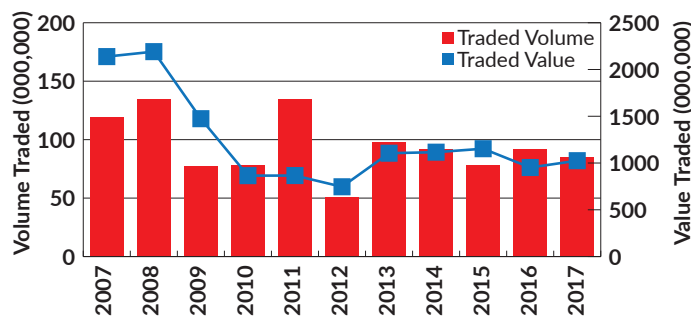
Volume by Sector (\$'Million)



Value by Sector (\$'Million)



Volume and Value of Shares Traded 2007-2017

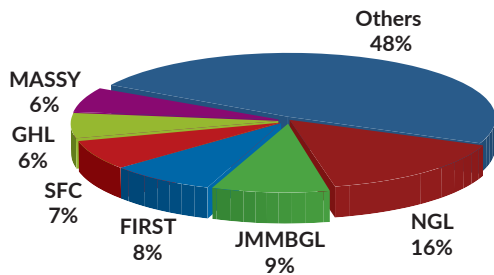


This diagram uses volume and value statistics from the First Tier market and excludes Put Throughs. N.B. Excludes one time transaction in Jamaica Money Market Brokers Limited in 2011

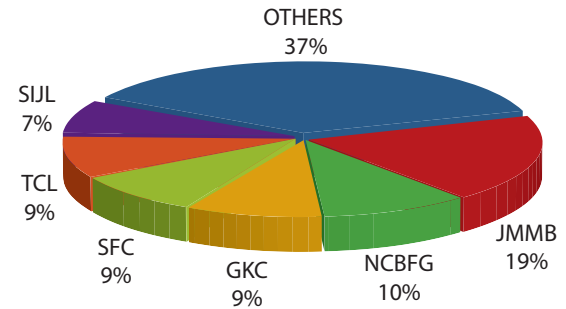


2017 Equity Market Activity (continued)

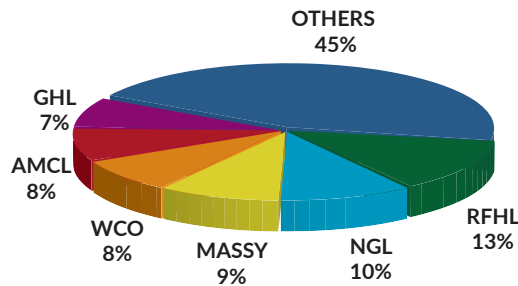
2017 Trades by Company



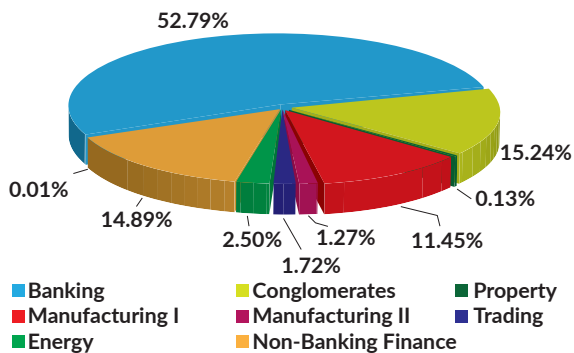
2017 Traded Volume by Company



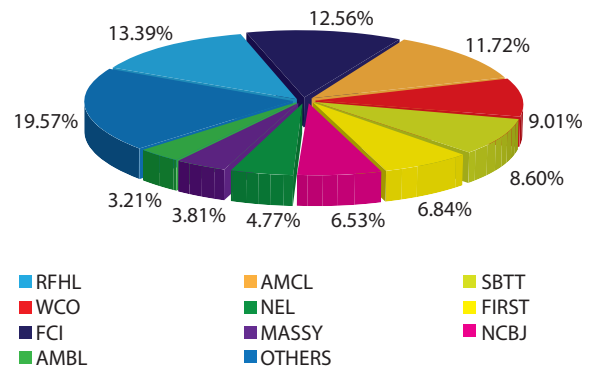
2017 Traded Value by Company



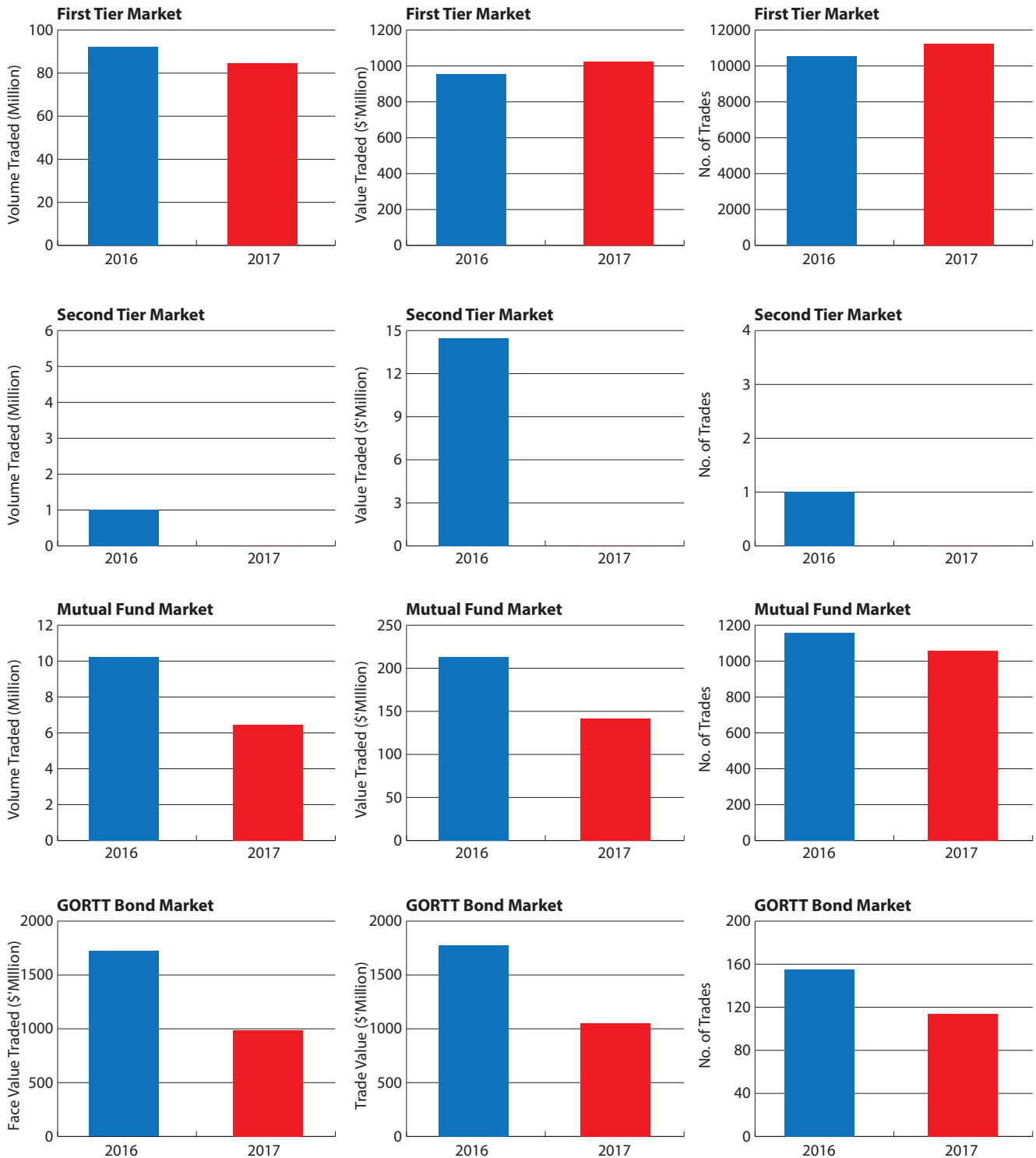
Market Capitalisation by Sector



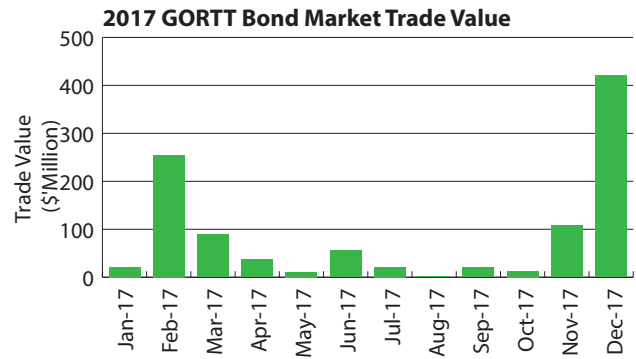
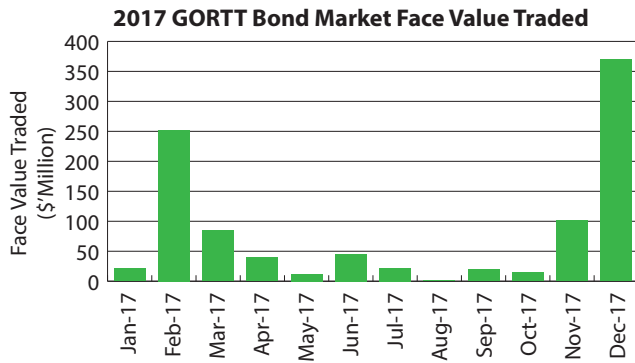
Market Capitalisation by Stock



## 2017 Trading Activity by Market



2017 Trading Activity by Market (continued)



## Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the financial year ended December 31<sup>st</sup>, 2017. The Directors confirm that to the best of their knowledge and belief, the Audited Financial Statements comply with the applicable financial reporting standards and present a true and fair view of the financial statements of the Company.

### 2017 Financial Highlights for the year (TT\$ Million)

Operating Revenue	20.96
Operating Expenses	(16.99)
Operating Profit	3.97
Investment Income	1.49
Profit before Taxes	5.46
Taxation	(1.48)
Profit for the year	3.98
<b>Other Comprehensive Income</b>	
Unrealised fair value loss recognised in revaluation reserve	(0.09)
Total Comprehensive Income for the year	3.89

### Dividends

The Directors declared a dividend of \$1.00 per share for the year ended December 31<sup>st</sup>, 2017 to be paid to shareholders whose name appear on the Register of Members of the Company at the close of business on March 29<sup>th</sup>, 2018.

## Directors' Report (continued)

### Disclosure of Interest of Directors and Officers in any Material Contract

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

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

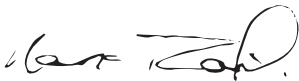
### Directors

1. In accordance with paragraphs 4.3 and 4.5.1 respectively of By-Law No. 1 of the Company, Mr. Peter Inglefield and Ms. Wendy Kerry retire from the Board of Directors and being eligible, offer themselves for re-election for a period ending at the close of the third Annual Meeting of the Shareholders of the Company following their election.
2. In accordance with paragraphs 4.3 and 4.8.4 respectively of By-Law No. 1 of the Company, Mr. Ranjit Jeewan, who is over the age of 70 and retires from the Board of Directors and, being eligible, offers himself for re-election for a period ending at the close of the next Annual Meeting of the Shareholders of the Company following his election.
3. In accordance with paragraph 4.5.2 of By Law No. 1 of the Company, Ms. Carla Kelshall has been nominated for election to the Board of Directors for a period ending at the close of the third Annual Meeting of the Shareholders of the Company following her election.

### Auditors

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

By Order of the Board



Fitzstone Services Limited  
Secretary  
10th Floor Nicholas Tower  
63-65 independence Square  
Port of Spain  
Trinidad  
Dated: March 26<sup>th</sup>, 2018



## Board of Directors



**Ray A. Sumairsingh**  
Chairman  
Executive Director  
ANSA McAL Ltd.



**Ian Narine**  
Deputy  
Chairman



**Peter Clarke**  
Director



**Peter Inglefield**  
Director



**Ranjit Jeewan**  
Director



**Subhas Ramkhelawan**  
Managing Director,  
Bourse Securities  
Limited



**Anton Gopaulsingh**  
Director



**Godfrey Gosein**  
Director



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



**Donna-Marie  
Johnson**  
Attorney-at-Law



**Michael Phillip**  
Company Secretary  
PLIPDECO

Executive Management: Michelle Persad - Chief Executive Officer

## Management Team

### Dale Dickson B.Sc.



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

### Eva Mitchell B.Sc., M.Sc.



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

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



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

### Venishea Paynter LL.B.



Venishea joined the TTSE in February 2017 as Regulatory/Legal Officer and provides guidance and support in relation to the legal and regulatory aspects of the operations and business. She is an Attorney-at-Law who was called to the Bar in 2001. From 2001 to 2016, she worked firstly in litigation for 5 years and then in the financial sector for approximately 10 years.

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



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

### Ravel Griffith B.Sc.



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

### Karen Stewart M.B.A.



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

## Corporate Governance Overview

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

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

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

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

The Board's disclosure is intended to give all stakeholders an understanding of the TTSE's governance and its application of the Principles of the Code during the year 2017 as part of its commitment to the framework for effective governance.

### Role of the Board

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

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

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

## Corporate Governance Overview (continued)

### Role of the Chairman

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

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

### Board Effectiveness

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

### The Composition of the Board

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

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

### Board Oversight

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

The Board holds meetings on a monthly basis to maintain oversight over routine business and for any special business additional meetings are convened as necessary. The Board held fifteen (15) meetings for the year 2017 and an Annual Meeting. The average number of Directors in attendance was nine (9).

### Board Sub-Committees

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

### Audit Committee

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

The following Directors are members of the Audit Committee:

- Mr. Peter Inglefield (Chairman)
- Mr. Michael Phillip
- Mr. Michael Toney
- Ms. Wendy Kerry



## Corporate Governance Overview (continued)

### Capital Market Development and Investments Committee

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

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

Mr. Ian Narine (Chairman)  
Mr. Ranjit Jeewan  
Mr. Subhas Ramkhelawan  
Mr. Peter Clarke  
Mr. Anton Gopaulsingh

### Information Technology Oversight Committee

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

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

Mr. Anton Gopaulsingh (Chairman)  
Mr. Ranjit Jeewan  
Mr. Ian Narine

### Human Resources Committee

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

The following Directors are members of the Human Resources Committee:

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

### Regulatory Committee

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

The following Directors are members of the Regulatory Committee:

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

### Nominations Committee

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

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



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**THE TRINIDAD AND TOBAGO  
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**ANNUAL REPORT 2017**

TTSE and its Subsidiary • Consolidated Financial Statements

**Financial Statements 2017**

## Statement of Management's Responsibilities

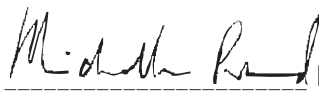
Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary which comprise the consolidated statement of financial position as at 31 December 2017 and the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

 Management

8 March 2018

 Management

8 March 2018

## Independent Auditor's Report

To the shareholders of  
The Trinidad and Tobago Stock Exchange Limited

### Report on the audit of the consolidated financial statements

#### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary (together, the Group) as at 31 December 2017, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Basis for opinion

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

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

#### Independence

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

#### Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2017 but does not include the consolidated financial statements and our auditor's report thereon.

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

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

## Independent Auditor's Report (continued)

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

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

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

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

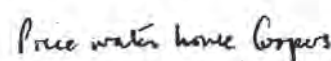
### Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

  
19 March 2018  
Port of Spain,  
Trinidad, West Indies

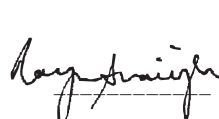
## Consolidated Statement of Financial Position

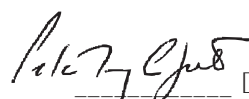
(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2017 \$	2016 \$
<b>Assets</b>			
<i>Non-current assets</i>			
Property and equipment	4	8,113,213	9,493,767
Intangible assets	5	1,729,173	575,533
Available-for-sale financial assets	6	<u>36,335,862</u>	<u>17,137,811</u>
		<u>46,178,248</u>	<u>27,207,111</u>
<i>Current assets</i>			
Trade and other receivables	7	4,228,544	4,010,750
Cash on deposit	8	27,872,549	45,336,754
Cash in hand and at bank		1,047,621	1,010,789
Taxation recoverable		<u>373,971</u>	<u>285,175</u>
		<u>33,522,685</u>	<u>50,643,468</u>
<b>Total assets</b>		<u><u>79,700,933</u></u>	<u><u>77,850,579</u></u>
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Stated capital	9	8,326,655	8,326,655
Revaluation reserve		301,186	390,114
Retained earnings		<u>68,099,175</u>	<u>67,211,835</u>
<b>Total equity</b>		<u>76,727,016</u>	<u>75,928,604</u>
<i>Non-current liabilities</i>			
Deferred tax liability	10	<u>239,294</u>	<u>227,226</u>
<i>Current liabilities</i>			
Trade and other payables	11	<u>2,734,623</u>	<u>1,694,749</u>
<b>Total liabilities</b>		<u>2,973,917</u>	<u>1,921,975</u>
<b>Total equity and liabilities</b>		<u><u>79,700,933</u></u>	<u><u>77,850,579</u></u>

The notes on pages 52 to 68 are an integral part of these consolidated financial statements.

On 8 March 2018, the Board of Directors of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary authorised these consolidated financial statements for issue.

 Director

 Director



## Consolidated Income Statement

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2017 \$	2016 \$
<b>Revenue</b>			
Fees, commissions and charges	12	20,956,850	22,883,713
<b>Expenses</b>			
Administrative	13	(988,292)	(933,211)
Marketing	13	(65,881)	(87,581)
Operating	13	<u>(15,931,877)</u>	<u>(12,022,518)</u>
		<u>(16,986,050)</u>	<u>(13,043,310)</u>
<b>Operating profit</b>		3,970,800	9,840,403
<b>Investment income</b>	14	<u>1,484,474</u>	<u>1,949,647</u>
<b>Profit before taxation</b>	15	5,455,274	11,790,050
<b>Taxation</b>	16	<u>(1,476,734)</u>	<u>(2,984,420)</u>
<b>Profit for the year</b>		<u><u>3,978,540</u></u>	<u><u>8,805,630</u></u>

The notes on pages 52 to 68 are an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2017 \$	2016 \$
<b>Profit for the year</b>	3,978,540	8,805,630
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Changes in fair value of available for sale financial assets		
Unrealised fair value losses recognised in revaluation reserve	<u>(88,928)</u>	<u>(2,823,608)</u>
<b>Total comprehensive income for the year</b>	<u><u>3,889,612</u></u>	<u><u>5,982,022</u></u>

The notes on pages 52 to 68 are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Stated capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
<b>Year ended 31 December 2016</b>					
Balance at 1 January 2016		8,326,655	3,213,722	65,376,861	76,917,238
Total comprehensive income for the year:					
Profit for the year		--	--	8,805,630	8,805,630
Other comprehensive income	6	--	(2,823,608)	--	(2,823,608)
Transactions with owners:					
Dividends		--	--	(6,970,656)	(6,970,656)
<b>Balance at 31 December 2016</b>		<u>8,326,655</u>	<u>390,114</u>	<u>67,211,835</u>	<u>75,928,604</u>
<b>Year ended 31 December 2017</b>					
Balance at 1 January 2017		8,326,655	390,114	67,211,835	75,928,604
Total comprehensive income for the year:					
Profit for the year		--	--	3,978,540	3,978,540
Other comprehensive income	6	--	(88,928)	--	(88,928)
Transactions with owners:					
Dividends		--	--	(3,091,200)	(3,091,200)
<b>Balance at 31 December 2017</b>		<u>8,326,655</u>	<u>301,186</u>	<u>68,099,175</u>	<u>76,727,016</u>

The notes on pages 52 to 68 are an integral part of these consolidated financial statements.

## Consolidated Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Profit before taxation	5,455,274	11,790,050
Adjustments to reconcile profit to net cash provided by/(used in) operating activities:		
Depreciation	445,474	495,504
Amortisation	770,066	105,564
Loss on disposal/write off of property and equipment	--	10,605
Loss on write off of intangibles	9,036	--
Gain on disposal of available for sale asset	--	(605,671)
Investment income	<u>(1,484,474)</u>	<u>(1,949,647)</u>
	5,195,376	9,846,405
Changes in operating assets/liabilities:		
Increase in trade and other receivables	(23,306)	(1,144,742)
Increase/(decrease) in trade and other payables	1,039,874	(393,232)
Net tax payments	<u>(1,553,461)</u>	<u>(3,269,923)</u>
<b>Net cash provided by operating activities</b>	<u>4,658,483</u>	<u>5,038,508</u>
<b>Cash flows from investing activities</b>		
Interest received	1,288,753	2,105,768
Proceeds from disposal of investment	8,631,000	20,784,100
Purchase of investment	(27,916,747)	(7,892,000)
Purchase of equipment	(120,600)	(1,091,026)
Purchase of intangible assets	<u>(877,062)</u>	<u>(395,716)</u>
<b>Net cash provided by investing activities</b>	<u>(18,994,656)</u>	<u>13,511,126</u>
<b>Cash flows from financing activities</b>		
Dividends	<u>(3,091,200)</u>	<u>(6,970,656)</u>
<b>Net cash used in financing activities</b>	<u>(3,091,200)</u>	<u>(6,970,656)</u>
<b>Net increase in cash and cash equivalents</b>	(17,427,373)	11,578,978
<b>Cash and cash equivalents at beginning of year</b>	<u>46,347,543</u>	<u>34,768,565</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>28,920,170</u></u>	<u><u>46,347,543</u></u>
<b>Represented by:</b>		
Cash on deposit	27,872,549	45,336,754
Cash in hand and at bank	<u>1,047,621</u>	<u>1,010,789</u>
	<u><u>28,920,170</u></u>	<u><u>46,347,543</u></u>

The notes on pages 52 to 68 are an integral part of these consolidated financial statements.

## Notes to the Consolidated Financial Statements

31 December 2017 • (Expressed in Trinidad and Tobago Dollars)

### 1 Incorporation and business activities

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

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

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

### 2 Summary of significant accounting policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group's financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

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

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

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

(ii) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2017 but not currently relevant to the Group*

Standard	Content	Applicable for financial years beginning on/after
IAS 12	Income taxes	1 January 2017
IAS 7	Statement of Cash Flows	1 January 2017

(iii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted by the Group*

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2017, but the Group has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

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



## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

#### b. Consolidation

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

The consolidated financial statements of the Group comprise the financial statements of the parent entity and its wholly owned subsidiary, The Trinidad and Tobago Central Depository Limited as of 31 December 2017.

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

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

#### c. Foreign currency

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

#### d. Intangible assets

##### Computer software

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

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

#### d. *Intangible assets (continued)*

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

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

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

#### e. *Property and equipment*

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

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

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

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

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

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

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

#### f. *Impairment of non financial assets*

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

#### g. *Financial assets*

##### *Classification*

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

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

##### *Recognition and measurement*

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

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

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

#### h. *Impairment of financial assets*

##### *Financial assets carried at fair value*

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

Impairment testing of trade receivables is described in note i.

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**2 Summary of significant accounting policies (continued)***i. Trade receivables*

Trade receivables are recognised at fair value less provision made for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

*j. Cash and cash equivalents*

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

*k. Stated capital*

Ordinary shares with discretionary dividends are classified as equity.

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

*l. Trade payables*

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

*m. Provisions*

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

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

n. *Taxation*

(i) Current tax

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

(ii) Deferred tax

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

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

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

o. *Pension obligations*

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

p. *Revenue*

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

q. *Investment income*

Investment income is recognised in the statement of income for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes interest earned on investments and accrued discount and premium on treasury bills and other discounted instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

r. *Operating leases*

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



## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 3 Critical accounting estimates and assumptions

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

#### a. Fair value of financial instruments

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

The carrying amount of the financial instruments is estimated to be \$57,518 (2016:\$75,817) higher/(lower) were the discount rate to differ by 1% from managements' estimate at year end.

### 4 Property and equipment

	Leasehold property \$	Office furniture and equipment \$	Motor vehicles \$	Total \$
<b>At 31 December 2015</b>				
Cost	8,457,288	6,277,567	155,000	14,889,855
Accumulated depreciation	(1,717,184)	(4,160,589)	(103,232)	(5,981,005)
Closing net book amount	<u>6,740,104</u>	<u>2,116,978</u>	<u>51,768</u>	<u>8,908,850</u>
<b>Year ended 31 December 2016</b>				
Opening net book amount	6,740,104	2,116,978	51,768	8,908,850
Additions	--	1,091,026	--	1,091,026
Disposal	--	(10,605)	--	(10,605)
Depreciation charge	(169,146)	(313,416)	(12,942)	(495,504)
Closing net book amount	<u>6,570,958</u>	<u>2,883,983</u>	<u>38,826</u>	<u>9,493,767</u>
<b>At 31 December 2016</b>				
Cost	8,457,288	7,224,656	155,000	15,836,944
Accumulated depreciation	(1,886,330)	(4,340,673)	(116,174)	(6,343,177)
Closing net book amount	<u>6,570,958</u>	<u>2,883,983</u>	<u>38,826</u>	<u>9,493,767</u>
<b>Year ended 31 December 2017</b>				
Opening net book amount	6,570,958	2,883,983	38,826	9,493,767
Additions	--	120,600	--	120,600
Disposal	--	--	--	--
Transfers	--	(1,055,680)	--	(1,055,680)
Depreciation charge	(169,145)	(266,622)	(9,707)	(445,474)
Closing net book amount	<u>6,401,813</u>	<u>1,682,281</u>	<u>29,119</u>	<u>8,113,213</u>
<b>At 31 December 2017</b>				
Cost	8,457,288	6,289,576	155,000	14,901,864
Accumulated depreciation	(2,055,475)	(4,607,295)	(125,881)	(6,788,651)
Closing net book amount	<u>6,401,813</u>	<u>1,682,281</u>	<u>29,119</u>	<u>8,113,213</u>

**Notes to the Consolidated Financial Statements (continued)**

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**5 Intangible assets**

	<b>Computer software \$</b>
<b>At 31 December 2015</b>	
Cost	2,434,541
Accumulated amortisation	<u>(2,149,160)</u>
Net book amount	<u>285,381</u>
<b>Year ended 31 December 2016</b>	
Opening net book amount	285,381
Additions	395,716
Disposals	--
Amortisation charge	<u>(105,564)</u>
Closing net book amount	<u>575,533</u>
<b>At 31 December 2016</b>	
Cost	2,830,257
Accumulated amortisation	<u>(2,254,724)</u>
Net book amount	<u>575,533</u>
<b>Year ended 31 December 2017</b>	
Opening net book amount	575,533
Additions	877,062
Disposals	(9,036)
Transfers	1,055,680
Amortisation charge	<u>(770,066)</u>
Closing net book amount	<u>1,729,173</u>
<b>At 31 December 2017</b>	
Cost	4,011,497
Accumulated amortisation	<u>(2,282,324)</u>
Net book amount	<u>1,729,173</u>

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**6 Available-for-sale financial assets**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Ansa Merchant Bank Limited - TTD Income Fund	95,737	93,742
Caribbean Information and Credit Rating Agency Limited (CariCris)	81,308	81,308
Government of Trinidad and Tobago (8.25% FRB 2017)	--	8,945,168
Government of Trinidad and Tobago (3.80% FRB 2022)	7,987,722	7,955,136
Government of Trinidad and Tobago (7.75% FRB 2024)	61,041	62,457
Government of Trinidad and Tobago (4.10% FRB 2025)	3,028,867	--
Government of Trinidad and Tobago (3.85% FRB 2029)	4,678,751	--
Trinidad and Tobago Mortgage Finance Company Limited (3.50% FRB 2019)	5,015,068	--
Trinidad and Tobago Mortgage Finance Company Limited (3.75% FRB 2020)	5,044,734	--
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	5,243,643	--
Guardian Holdings Limited (4.22% LOAN 2018)	5,098,991	--
	<u>36,335,862</u>	<u>17,137,811</u>

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	17,137,811	32,282,388
Additions	27,916,747	7,892,000
Disposals	(8,631,000)	(20,178,428)
Interest capitalised	1,233	1,206
Amortisation of premiums on bonds	--	(35,746)
Fair value losses	(88,928)	(2,823,608)
Balance at end of year	<u>36,335,862</u>	<u>17,137,811</u>

**7 Trade and other receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	3,255,640	2,985,744
Less: provision for impairment of trade receivables	--	--
Trade receivables – net	3,255,640	2,985,744
Prepayments	382,669	637,004
Interest receivable	553,440	358,952
Other receivables	36,795	29,050
	<u>4,228,544</u>	<u>4,010,750</u>

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 7 Trade and other receivables (continued)

As of 31 December 2017, trade receivables of \$2,132,025 (2016: \$2,315,415) were fully performing. As of 31 December 2017, trade receivables of \$1,123,615 (2016: \$670,329) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

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

	2017 \$	2016 \$
Up to 3 months	220,296	120,735
3 to 6 months	78,577	124,270
More than 6 months	824,742	425,324
Total	<u>1,123,615</u>	<u>670,329</u>

As of 31 December 2017, there were no impaired trade receivables (2016: Nil). There were no provisions as of 31 December 2017 (2016: Nil).

The creation and release of provision for impaired receivables are included in bad debt expense in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Other classes within trade and other receivables do not contain impaired assets.

### 8 Cash on deposit

	2017 \$	2016 \$
Trinidad and Tobago Unit Trust Corporation-TTD Income Fund	5,608,227	22,818,830
Trinidad and Tobago Unit Trust Corporation-USD Income Fund	7,844,535	12,541,152
Guardian Asset Management Limited-TTD Monthly Income Fund	9,592,457	9,455,139
Guardian Asset Management Limited-USD Monthly Income Fund	3,400,787	56,340
Republic Bank Limited-TTD Money Market Fund	900,705	56,340
Ansa Merchant Bank Limited-TTD Secured Fund	56,340	56,340
First Citizens Bank Limited-Abercrombie Fund	469,498	465,293
	<u>27,872,549</u>	<u>45,336,754</u>

These accounts are interest bearing and can be withdrawn at anytime.

### 9 Stated capital

Authorised

An unlimited number of common shares of no par value

Issued

Common shares (1,545,600 shares of no par value)

8,326,655

8,326,655

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**10 Deferred tax liability**

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

	Opening balance \$	(Credit)/charge for the year \$	Closing balance \$
<b>Year ended 31 December 2016</b>			
Accelerated tax depreciation	198,666	28,560	227,226
<b>Net deferred tax</b>	<u>198,666</u>	<u>28,560</u>	<u>227,226</u>
<b>Year ended 31 December 2017</b>			
Accelerated tax depreciation	227,226	12,068	239,294
<b>Net deferred tax</b>	<u>227,226</u>	<u>12,068</u>	<u>239,294</u>

**11 Trade and other payables**

	2017 \$	2016 \$
Trade creditors	1,023,597	451,657
Fees/subscriptions paid in advance	128,638	158,638
Other payables and accrued charges	1,582,388	1,084,454
	<u>2,734,623</u>	<u>1,694,749</u>

**12 Fees, commissions and charges**

Listing and membership fees	4,535,785	4,428,410
Customer transaction charges	11,168,135	11,980,046
Commission rebates	381,868	495,937
Registrar fees	2,599,344	2,133,712
Bond income	1,104,501	1,421,832
Euroclear income	224,296	152,460
Other income	942,921	2,271,316
	<u>20,956,850</u>	<u>22,883,713</u>

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

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

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

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



## Notes to the Consolidated Financial Statements (continued)

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### 13 Expenses

	2017 \$	2016 \$
<b>Administrative expenses</b>		
Audit	228,262	197,438
Legal and professional fees	760,030	735,773
	<u>988,292</u>	<u>933,211</u>
<b>Marketing expenses</b>		
Advertising	40,445	70,378
Investor awareness	25,436	17,203
	<u>65,881</u>	<u>87,581</u>
<b>Operating expenses</b>		
Salaries	7,690,118	6,153,795
Information technology expenses	2,348,396	1,347,061
Depreciation	445,474	495,504
Amortisation	770,066	105,564
Directors' fees	971,710	965,756
Education and training	250,714	103,948
Insurance	244,624	223,197
Office expense	695,693	483,801
Rental expense	160,464	124,883
Building maintenance	460,672	454,042
Regulatory fee	871,832	666,398
Telephone and connectivity	288,731	312,506
Euroclear charges	186,935	179,333
Loss on disposal of property and equipment	--	10,605
Loss on disposal of intangible assets	9,036	--
Other expenses	537,412	396,125
	<u>15,931,877</u>	<u>12,022,518</u>

### 14 Investment income

Interest income	1,484,474	1,985,393
Amortisation of premium on bond	--	(35,746)
	<u>1,484,474</u>	<u>1,949,647</u>

### 15 Profit before taxation

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

Staff costs (Note 17)	7,690,118	6,153,795
Directors' fees	971,710	965,756
Depreciation	445,474	495,504
Amortisation	<u>770,066</u>	<u>105,564</u>

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**16 Taxation**

	2017 \$	2016 \$
Current tax	1,398,097	2,899,642
Deferred tax (Note 10)	12,068	28,560
Green fund levy	66,569	70,924
Prior year over provision	--	(14,706)
	<u>1,476,734</u>	<u>2,984,420</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>5,455,274</u>	<u>11,790,050</u>
Tax calculated at 25%	250,000	2,947,512
Tax calculated at 30%	1,336,582	--
Effect of change in tax rate	(50,000)	37,870
Income not subject to tax	(139,681)	(98,190)
Expenses not deductible for tax purposes	3,319	11,958
Additional allowance for expenses	(37,607)	(12,991)
Prior year over provision	--	(14,706)
Green fund levy	66,569	70,924
Other permanent differences	47,552	42,043
	<u>1,476,734</u>	<u>2,984,420</u>

**17 Staff costs**

Salaries and benefits	7,242,047	5,784,296
Pension costs	448,071	369,499
	<u>7,690,118</u>	<u>6,153,795</u>
Average number of employees	<u>24</u>	<u>24</u>

**18 Pension plan**

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

**19 Financial risk management***a. Financial risk factors*

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 19 Financial risk management (continued)

#### a. Financial risk factors (continued)

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

#### (i) Market risk

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

#### (a) Foreign exchange risk

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

At 31 December 2017, if the currency had weakened/strengthened by 3% against the US dollar with all other variables held constant, post tax profit for the year would have been \$176,502 (2016: \$94,059) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated balances.

#### (b) Price risk

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

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

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

#### (ii) Credit risk

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

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

#### (iii) Liquidity risk

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

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

**Notes to the Consolidated Financial Statements (continued)**

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**19 Financial risk management (continued)***a. Financial risk factors (continued)**(iii) Liquidity risk*

	Within one year \$	One to ten years \$
<b>As at 31 December 2017</b>		
<b>Liabilities</b>		
Trade and other payables	2,734,623	--
	Within one year	One to ten years
<b>As at 31 December 2016</b>		
<b>Liabilities</b>		
Trade and other payables	1,694,749	--

*b. Capital risk management*

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

*c. Fair value estimation*

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

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

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

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

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

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**20 Fair values of financial assets and liabilities (continued)**

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

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

The following table presents the company's assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Available-for-sale financial assets				
- Debt securities	--	16,962,761	--	16,962,761
- Equity securities	93,742	--	81,308	175,050
<b>Total assets</b>	<u>93,742</u>	<u>16,962,761</u>	<u>81,308</u>	<u>17,137,811</u>

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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



**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**21 Related party transactions**

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

The following transactions were carried out with related parties:

	2017 \$	2016 \$
(a) Directors' fees	<u>971,710</u>	<u>965,756</u>
(b) Key management compensation		
Salaries and other short-term employee benefits	1,379,730	1,615,563
post employment benefits	<u>82,500</u>	<u>78,000</u>
	<u>1,462,230</u>	<u>1,693,563</u>
(c) Transactions with related parties		
Management fees		
The Trinidad and Tobago Stock Exchange Contingency Fund	<u>138,000</u>	<u>138,000</u>
The Trinidad and Tobago Central Depository Settlement Assurance Fund	<u>96,000</u>	<u>96,000</u>

**22 Contingent liabilities**

There are no contingent liabilities as at 31 December 2017.

**23 Events after the reporting period**

There are no subsequent events.

## Statement of Trustees' Responsibilities

The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Stock Exchange Contingency Fund which comprise the statement of financial position as at 31 December 2017 and the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

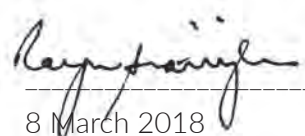
Nothing has come to the attention of Trustees to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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



Trustee

8 March 2018



Trustee

8 March 2018

The Trinidad and Tobago Stock Exchange Contingency Fund  
Financial Statements

### Independent Auditor's Report

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

#### Report on the audit of the financial statements

##### Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Stock Exchange Contingency Fund (the Fund) as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

##### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

##### Basis for opinion

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

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

##### Independence

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

##### Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2017 but does not include the financial statements and our auditor's report thereon.

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

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

## Independent Auditor's Report (continued)

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

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

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

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

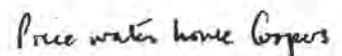
### Auditor's responsibilities for the audit of the financial statements

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

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

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

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



19 March 2018

Port of Spain,

Trinidad, West Indies

The Trinidad and Tobago Stock Exchange Contingency Fund  
 Financial Statements

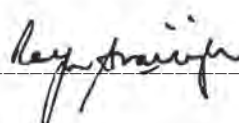
## Statement of Financial Position

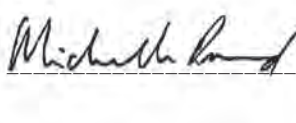
(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December	
		2017 \$	2016 \$
<b>Assets</b>			
Non-current assets			
Available-for-sale financial assets	4	<u>5,686,452</u>	<u>5,593,830</u>
Current assets			
Trade and other receivables	5	41,709	81,636
Cash on deposit	6	7,514,112	7,381,755
Cash at bank		<u>892,627</u>	<u>585,127</u>
		<u>8,448,448</u>	<u>8,048,518</u>
<b>Total assets</b>		<u><u>14,134,900</u></u>	<u><u>13,642,348</u></u>
<b>Equity and accumulated fund</b>			
Revaluation reserve		260,428	154,177
Accumulated fund		<u>13,700,471</u>	<u>13,332,171</u>
		<u><u>13,960,899</u></u>	<u><u>13,486,348</u></u>
Current liabilities			
Accrued expenses	7	<u>174,001</u>	<u>156,000</u>
<b>Total equity and liabilities</b>		<u><u>14,134,900</u></u>	<u><u>13,642,348</u></u>

The notes on pages 76 to 83 are an integral part of these financial statements.

On 8 March 2018, the Trustees of The Trinidad and Tobago Stock Exchange Contingency Fund authorised these financial statements for issue.

 Trustee

 Trustee



## Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2017 \$	2016 \$
<b>Revenue</b>			
Contributions	8	142,091	247,123
Investment income	9	379,051	374,820
Foreign exchange gain		<u>1,013</u>	<u>19,360</u>
		<u>522,155</u>	<u>641,303</u>
<b>Expenditure</b>			
Audit fees		(18,000)	(17,669)
Bank charges		--	(963)
Management charges	10	<u>(135,855)</u>	<u>(138,000)</u>
		<u>(153,855)</u>	<u>(156,632)</u>
<b>Surplus for the year</b>		368,300	484,671
<b>Other comprehensive income for the year</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
<b>Changes in fair value of available for sale financial assets</b>			
Unrealised fair value loss recognised in revaluation reserve		<u>106,251</u>	<u>(515,200)</u>
<b>Total comprehensive income for the year</b>		<u><u>474,551</u></u>	<u><u>(30,529)</u></u>

The notes on pages 76 to 83 are an integral part of these financial statements.

The Trinidad and Tobago Stock Exchange Contingency Fund  
 Financial Statements

## Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Note	Revaluation reserve \$	Accumulated fund \$	Total \$
<b>Year ended 31 December 2016</b>				
Balance at 1 January 2016		669,377	12,847,500	13,516,877
Total comprehensive income for the year:				
Surplus for the year		--	484,671	484,671
Other comprehensive income	4	(515,200)	--	(515,200)
<b>Balance at 31 December 2016</b>		<u>154,177</u>	<u>13,332,171</u>	<u>13,486,348</u>
<b>Year ended 31 December 2017</b>				
Balance at 1 January 2016		154,177	13,332,171	13,486,348
Total comprehensive income for the year:				
Surplus for the year		--	368,300	368,300
Other comprehensive income	4	106,251	--	106,251
<b>Balance at 31 December 2017</b>		<u>260,428</u>	<u>13,700,471</u>	<u>13,960,899</u>

The notes on pages 76 to 83 are an integral part of these financial statements.

## Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2017 \$	2016 \$
<b>Cash from operating activities</b>			
Surplus for the year		368,300	484,671
Investment income	9	(379,051)	(374,820)
		(10,751)	109,851
Changes in current assets and liabilities			
Increase in trade and other receivables		41,350	(24,199)
Increase in accrued expenses		18,001	5,161
<b>Net cash provided by operating activities</b>		<u>48,600</u>	<u>90,813</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>391,257</u>	<u>387,676</u>
<b>Net cash provided by investing activities</b>		<u>391,257</u>	<u>387,676</u>
<b>Net increase in cash and cash equivalents</b>		439,857	478,489
<b>Cash and cash equivalents at beginning of year</b>		<u>7,966,882</u>	<u>7,488,393</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>8,406,739</u></u>	<u><u>7,966,882</u></u>
<b>Represented by:</b>			
Cash on deposit		7,514,112	7,381,755
Cash at bank		<u>892,627</u>	<u>585,127</u>
		<u><u>8,406,739</u></u>	<u><u>7,966,882</u></u>

The notes on pages 76 to 83 are an integral part of these financial statements.

## Notes to the Consolidated Financial Statements

31 December 2017 • (Expressed in Trinidad and Tobago Dollars)

### 1 Formation and principal activity

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

### 2 Summary of significant accounting policies

#### a. Basis of preparation

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

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

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

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

#### (ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2017 but not currently relevant to the Fund

Standard	Content	Applicable for financial years beginning on/after
IAS 12	Income taxes	1 January 2017
IAS 7	Statement of cash flow on disclosure initiative	1 January 2017

#### (iii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted by the Fund

The following standards and amendments to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 January 2017, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

#### c. Financial assets

##### *Classification*

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

(i) Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Fund's loans and receivables comprise 'trade and other receivables' in the statement of financial position (Note 2.e).

(ii) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

##### *Recognition and measurement*

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

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

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

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



**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**2 Summary of significant accounting policies (continued)***d. Impairment of financial assets*

Financial assets carried at fair value

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

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

*e. Trade receivables*

Trade receivables are recognised at fair value less provision made for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

*f. Cash and cash equivalents*

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

*g. Provisions*

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

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

#### *h. Revenue*

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

#### *i. Investment income*

Investment income is recognised in the statement of comprehensive income for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes interest earned on investments and accrued discount and premium on treasury bills and other discounted instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

### 3 Critical accounting estimates and assumptions

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

#### *a. Fair value of financial instruments*

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

The carrying amount of the financial instruments would be an estimated \$22,695 (2016: \$31,819) higher were the discount rate to differ by 1% from management's estimate.

### 4 Available-for-sale financial assets

	2017 \$	2016 \$
Government of Trinidad and Tobago (6.00% FRB 2031)	<u>5,686,452</u>	<u>5,593,830</u>
The movement in investment securities available-for-sale may be summarised as follows:		
Balance at beginning of the year	5,593,830	6,121,886
Amortisation of premium on bond	(13,629)	(12,856)
Fair value gain/(loss)	<u>106,251</u>	<u>(515,200)</u>
Balance at end of year	<u>5,686,452</u>	<u>5,593,830</u>

The Trinidad and Tobago Stock Exchange Contingency Fund  
 Financial Statements

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 5 Trade and other receivables

	2017 \$	2016 \$
Accounts receivables	5,700	47,050
Interest receivable	<u>36,009</u>	<u>34,586</u>
	<u><u>41,709</u></u>	<u><u>81,636</u></u>

As of 31 December 2017, trade receivables of \$5,700 (2016: \$47,050) were fully performing.

### 6 Cash on deposit

Trinidad and Tobago Unit Trust Corporation - TTD Income Fund	2,228,531	2,202,460
First Citizens Bank Limited – Abercrombie Fund	2,547,920	2,477,221
Republic Bank Limited – Money Market Account	106,906	106,698
Trinidad and Tobago Unit Trust Corporation - USD Income Fund	406,225	402,784
Guardian Asset Management Limited - TTD Monthly Income Fund	<u>2,224,530</u>	<u>2,192,685</u>
	<u><u>7,514,112</u></u>	<u><u>7,381,755</u></u>

### 7 Accrued expenses

Due to The Trinidad and Tobago Stock Exchange Limited	138,000	135,624
Accounts payables and accrued charges	<u>36,001</u>	<u>20,376</u>
	<u><u>174,001</u></u>	<u><u>156,000</u></u>

### 8 Contributions

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

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

### 9 Investment income

	2017 \$	2016 \$
Interest income	392,680	387,676
Amortisation of premium on bond	<u>(13,629)</u>	<u>(12,856)</u>
	<u><u>379,051</u></u>	<u><u>374,820</u></u>

### 10 Management charges

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 11 Related party transactions

	2017 \$	2016 \$
The following transactions were carried out with related parties		
a. Year-end balances arising		
Amounts due to The Trinidad and Tobago Stock Exchange Limited	<u>138,000</u>	<u>135,624</u>
b. Transactions with related parties		
Management charges	<u>138,000</u>	<u>138,000</u>

### 12 Financial risk management

#### a. Financial risk factors

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

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

#### (i) Market risk

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

##### (a) Foreign exchange risk

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

##### (b) Price risk

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

##### (c) Interest rate risk

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

#### (ii) Credit risk

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

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**12 Financial risk management (continued)**
*a. Financial risk factors (continued)*

## (iii) Liquidity risk

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

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

*b. Fair value estimation*

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

**13 Fair values of financial assets and liabilities**

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

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

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

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

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

The following table presents the Fund's financial assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available-for-sale financial assets				
- Debt securities	--	5,593,830	--	5,593,830
Total assets	--	5,593,830	--	5,593,830

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 13 Fair values of financial assets and liabilities (continued)

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

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

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

Specific valuation techniques used to value financial instruments include:

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

### 14 Contingent liabilities

There are no contingent liabilities as at 31 December 2017.

### 15 Events after the reporting period

There are no subsequent events.



## Statement of Trustees' Responsibilities

The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Central Depository Settlement Assurance Fund which comprise the statement of financial position as at 31 December 2017 and the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Trustee  
8 March 2018



Trustee  
8 March 2018

## Independent Auditor's Report

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

### Report on the audit of the financial statements

#### Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of The Trinidad and Tobago Central Depository Settlement Assurance Fund (the Fund) as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

#### Basis for opinion

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

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

#### Independence

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

#### Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2017 but does not include the financial statements and our auditor's report thereon.

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

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

## Independent Auditor's Report (continued)

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

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

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

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

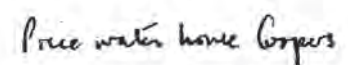
### Auditor's responsibilities for the audit of the financial statements

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

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

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

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



19 March 2018  
Port of Spain,  
Trinidad, West Indies

## Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

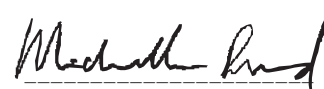
	Notes	As at 31 December	
		2017 \$	2016 \$
<b>Assets</b>			
<i>Non-current assets</i>			
Available-for-sale financial assets	4	<u>3,452,924</u>	<u>3,396,682</u>
<i>Current assets</i>			
Trade and other receivables	5	306,499	160,361
Cash on deposit	6	<u>5,795,294</u>	<u>5,650,830</u>
		<u>6,101,793</u>	<u>5,811,191</u>
<b>Total assets</b>		<u><u>9,554,717</u></u>	<u><u>9,207,873</u></u>
<b>Equity and accumulated fund</b>			
Revaluation reserve		158,149	93,631
Accumulated fund		<u>9,264,568</u>	<u>9,000,242</u>
		<u>9,422,717</u>	<u>9,093,873</u>
<i>Current liabilities</i>			
Accrued expenses	7	<u>132,000</u>	<u>114,000</u>
<b>Total equity and liabilities</b>		<u><u>9,554,717</u></u>	<u><u>9,207,873</u></u>

The notes on pages 91 to 98 are an integral part of these financial statements.

On 8 March 2018, the Trustees of The Trinidad And Tobago Central Depository Settlement Assurance Fund authorised these financial statements for issue.



Trustee



Trustee

The Trinidad and Tobago Central Depository Settlement Assurance Fund  
 Financial Statements

## Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2017 \$	2016 \$
<b>Revenue</b>			
Contributions	8	142,090	247,122
Investment income	9	<u>231,012</u>	<u>228,318</u>
		<u>373,102</u>	<u>475,440</u>
<b>Expenditure</b>			
Audit fees		(18,000)	(17,669)
Management charges	10	<u>(90,776)</u>	<u>(96,000)</u>
		<u>(108,776)</u>	<u>(113,669)</u>
<b>Surplus for the year</b>		264,326	361,771
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
<u>Changes in fair value of available for sale financial assets</u>			
Unrealised fair value loss recognised in revaluation reserve		<u>64,518</u>	<u>(312,840)</u>
<b>Total comprehensive income for the year</b>		<u><u>328,844</u></u>	<u><u>48,931</u></u>

The notes on pages 91 to 98 are an integral part of these financial statements.

## Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Note	Revaluation reserve \$	Accumulated fund \$	Total \$
<b>Year ended 31 December 2016</b>				
Balance at 1 January 2016		406,471	8,638,471	9,044,942
Total comprehensive income for the year:				
Surplus for the year		--	361,771	361,771
Other comprehensive income	4	(312,840)	--	(312,840)
<b>Balance at 31 December 2016</b>		<u>93,631</u>	<u>9,000,242</u>	<u>9,093,873</u>
<b>Year ended 31 December 2017</b>				
Balance at 1 January 2017		93,631	9,000,242	9,093,873
Total comprehensive income for the year:				
Surplus for the year		--	264,326	264,326
Other comprehensive income	4	64,518	--	64,518
<b>Balance at 31 December 2017</b>		<u>158,149</u>	<u>9,264,568</u>	<u>9,422,717</u>

The notes on pages 91 to 98 are an integral part of these financial statements.



The Trinidad and Tobago Central Depository Settlement Assurance Fund  
 Financial Statements

## Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2017 \$	2016 \$
<b>Cash from operating activities</b>			
Surplus for the year		264,326	361,771
Investment income	9	<u>(231,012)</u>	<u>(228,318)</u>
		33,314	133,453
Changes in current assets and liabilities			
Increase in trade and other receivables		(239,497)	(24,199)
Increase in accrued expenses		<u>18,000</u>	<u>8,528</u>
<b>Net cash provided by operating activities</b>		<u>(188,183)</u>	<u>117,782</u>
<b>Cash flow from investing activity</b>			
Interest received		<u>332,647</u>	<u>142,764</u>
<b>Net cash provided by investing activity</b>		<u>332,647</u>	<u>142,764</u>
<b>Net increase in cash and cash equivalents</b>		144,464	260,546
<b>Cash and cash equivalents at beginning of year</b>		<u>5,650,830</u>	<u>5,390,284</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>5,795,294</u></u>	<u><u>5,650,830</u></u>

The notes on pages 91 to 98 are an integral part of these financial statements.

## Notes to the Consolidated Financial Statements

31 December 2017 • (Expressed in Trinidad and Tobago Dollars)

### 1 Formation and principal activity

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

### 2 Summary of significant accounting policies

#### a. Basis of preparation

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

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

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

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

#### (ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2017 but not relevant to the Fund

Standard	Content	Applicable for financial years beginning on/after
IAS 12	Income taxes	1 January 2017
IAS 7	Statement of Cash Flow on Disclosure initiative	1 January 2017

#### (iii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted by the Fund

The following standards and amendments to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 January 2017, but the Fund has not early adopted them:

Standard	Content	Applicable for financial years beginning on/after
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

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

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**2 Summary of significant accounting policies (continued)***b. Foreign currency**(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

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

*c. Financial assets**Classification*

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

*(i) Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Fund's loans and receivables comprise 'trade and other receivables' in the statement of financial position (Note 2 (e)).*

*(ii) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.*

*Recognition and measurement*

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

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 2 Summary of significant accounting policies (continued)

c. *Financial assets (continued)*

*Recognition and measurement (continued)*

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

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

d. *Impairment of financial assets*

Financial assets carried at fair value

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

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

e. *Trade receivables*

Trade receivables are recognised at fair value less provision made for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

f. *Cash and cash equivalents*

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

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**2 Summary of significant accounting policies (continued)***g. Provisions*

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

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

*h. Revenue*

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

*i. Investment income*

Investment income is recognised in the statement of comprehensive income for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes interest earned on investments and accrued discount and premium on treasury bills and other discounted instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

**3 Critical accounting estimates and assumptions**

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

*a. Fair value of financial instruments*

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

The carrying amount of the financial instruments would be an estimated \$16,210 (2016: \$31,819) higher were the discount rate to differ by 1% from management's estimate.

**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**4 Available-for-sale financial assets**

	2017 \$	2016 \$
Government of Trinidad and Tobago (6.00% FRB 2031)	<u>3,452,924</u>	<u>3,396,682</u>
The movement in investment securities available-for-sale may be summarised as follows:		
Balance at beginning of the year	3,396,682	3,717,328
Amortisation of premium on bond	(8,276)	(7,806)
Fair value gain/(loss)	<u>64,518</u>	<u>(312,840)</u>
Balance at end of year	<u>3,452,924</u>	<u>3,396,682</u>

**5 Trade and other receivables**

Accounts receivables	5,700	47,050
Other receivables	280,847	--
Interest receivable	<u>19,952</u>	<u>113,311</u>
	<u>306,499</u>	<u>160,361</u>

As of 31 December 2017, trade receivables of \$5,700 (2016: \$47,050) were fully performing.

**6 Cash on deposit**

First Citizens Bank Limited – Abercrombie Fund	<u>5,795,294</u>	<u>5,650,830</u>
------------------------------------------------	------------------	------------------

**7 Accrued expenses**

Due to The Trinidad and Tobago Central Depository Limited	96,000	90,257
Accounts payables and accrued charges	<u>36,000</u>	<u>23,743</u>
	<u>132,000</u>	<u>114,000</u>

**8 Contributions**

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

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

**9 Investment income**

	2017 \$	2016 \$
Interest income	239,288	236,124
Amortisation of premium on bonds	<u>(8,276)</u>	<u>(7,806)</u>
	<u>231,012</u>	<u>228,318</u>



**Notes to the Consolidated Financial Statements (continued)**

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

**10 Management fees**

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

**11 Related party transactions**

The following transactions were carried out with related parties

	2017 \$	2016 \$
(a) Year-end balances arising		
Amounts due to The Trinidad and Tobago Central Depository Limited	<u>96,000</u>	<u>90,257</u>
Amounts due from The Trinidad and Tobago Central Depository Limited	<u>280,847</u>	<u>--</u>
(b) Transactions with related parties		
Management charges	<u>96,000</u>	<u>96,000</u>

**12 Financial risk management**
*a. Financial risk factors*

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

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

*(i) Market risk*

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

*(a) Foreign exchange risk*

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

*(b) Price risk*

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 12 Financial risk management (continued)

#### a. Financial risk factors (continued)

##### (i) Market risk (continued)

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

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

##### (ii) Credit risk

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

##### (iii) Liquidity risk

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

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

#### b. Fair value estimation

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

### 13 Fair values of financial assets and liabilities

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

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

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund  
 Financial Statements

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Trinidad and Tobago Dollars) • 31 December 2017

### 13 Fair values of financial assets and liabilities (continued)

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

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

The following table presents the Fund's financial assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available-for-sale financial assets				
- Debt securities	--	3,396,682	--	3,396,682
Total assets	--	3,396,682	--	3,396,682

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

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

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

Specific valuation techniques used to value financial instruments include:

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

### 14 Contingent liabilities

There are no contingent liabilities as at 31 December 2017.

### 15 Events after the reporting period

There are no subsequent events.

CONNECTED



**THE TRINIDAD AND TOBAGO  
STOCK EXCHANGE  
LIMITED**

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## TTSE Monthly Index Values

	Banking				Conglomerates				Property			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	911.21	911.21	896.60	900.25	2,837.48	2,866.10	2,833.58	2,850.04	154.48	156.56	154.48	156.26
Feb	911.99	929.31	902.19	915.21	2,873.34	2,873.49	2,836.01	2,859.73	152.39	154.48	152.39	153.71
Mar	904.48	921.70	904.48	916.33	2,875.66	2,877.74	2,873.34	2,875.80	156.56	156.56	146.13	152.45
Apr	891.77	908.51	908.51	903.36	2,862.58	2,877.28	2,861.55	2,865.83	156.98	156.98	156.56	156.96
May	883.85	891.11	881.96	887.15	2,877.47	2,900.69	2,862.58	2,874.37	169.09	169.09	156.98	163.13
Jun	883.49	885.71	881.79	883.00	2,828.98	2,877.47	2,828.98	2,848.65	161.99	169.09	161.99	166.56
Jul	884.18	884.18	881.09	882.46	2,836.31	2,842.80	2,822.99	2,832.91	161.57	161.99	161.57	161.75
Aug	927.91	929.82	884.18	904.79	2,835.16	2,836.57	2,835.16	2,835.89	167.00	167.00	161.57	162.09
Sep	934.40	937.87	927.64	931.72	2,835.11	2,835.16	2,825.52	2,831.46	167.00	167.00	162.83	165.75
Oct	984.40	984.40	935.27	948.94	2,780.17	2,852.73	2,764.56	2,796.82	164.50	167.00	161.16	166.58
Nov	1,003.51	1,017.23	994.24	1,004.00	2,786.36	2,792.67	2,768.82	2,782.27	164.50	165.33	164.50	164.69
Dec	1,010.48	1,021.67	1,000.87	1,007.47	2,766.06	2,795.86	2,696.70	2,768.26	164.50	164.50	162.41	163.12

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	Manufacturing I				Manufacturing II				Trading			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	2,911.34	2,916.21	2,909.32	2,911.71	454.49	589.12	454.49	526.30	170.91	170.91	170.82	170.82
Feb	2,860.15	2,912.59	2,855.31	2,900.81	464.85	478.81	453.98	461.12	170.14	170.98	170.07	170.54
Mar	2,881.28	2,881.48	2,872.44	2,877.69	461.14	464.85	455.88	457.84	176.28	176.28	169.83	173.06
Apr	2,859.32	2,879.44	2,859.32	2,875.56	459.70	466.68	459.70	464.23	177.39	177.39	176.28	177.28
May	2,833.24	2,859.32	2,833.24	2,845.80	460.50	461.50	459.51	459.65	176.83	177.45	176.33	177.08
Jun	2,811.75	2,831.85	2,810.91	2,822.43	453.52	459.51	453.52	455.96	185.06	185.11	175.90	179.26
Jul	2,798.57	2,810.08	2,798.57	2,804.77	453.52	453.52	453.52	453.52	184.56	185.06	184.56	184.75
Aug	2,795.52	2,801.99	2,793.96	2,797.10	459.51	459.51	453.52	454.66	184.60	184.60	184.49	184.55
Sep	2,780.07	2,795.52	2,780.07	2,786.66	457.51	460.50	453.52	458.86	188.63	188.63	184.60	187.82
Oct	2,699.13	2,779.73	2,699.13	2,741.65	439.56	460.50	434.58	452.72	188.35	188.35	188.29	188.34
Nov	2,537.42	2,699.13	2,536.65	2,630.01	434.58	439.56	434.48	435.53	188.33	188.41	188.27	188.37
Dec	2,322.46	2,537.42	2,315.13	2,405.95	414.63	434.58	414.63	427.23	189.42	189.42	187.99	188.56

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	Energy				Non-Banking Finance				Composite			
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average
Jan	105.10	105.10	101.50	103.33	1,057.05	1,057.05	987.20	1,013.77	1,229.47	1,229.47	1,210.57	1,217.77
Feb	114.30	118.30	105.40	113.68	1,090.17	1,109.68	1,057.86	1,086.27	1,237.55	1,252.83	1,226.29	1,240.45
Mar	107.50	116.30	107.50	112.78	1,094.35	1,097.49	1,069.72	1,086.12	1,233.79	1,243.56	1,233.79	1,240.63
Apr	112.35	112.50	102.55	107.42	1,085.98	1,100.18	1,068.82	1,089.25	1,222.87	1,234.35	1,222.87	1,231.32
May	103.75	112.50	103.35	109.62	1,092.25	1,096.50	1,082.06	1,089.91	1,216.25	1,224.11	1,213.64	1,219.89
Jun	109.50	109.60	105.00	106.14	1,069.19	1,092.25	1,069.19	1,086.28	1,209.18	1,216.38	1,209.18	1,212.60
Jul	118.90	118.90	108.00	110.90	1,063.12	1,072.65	1,060.85	1,065.13	1,210.40	1,210.40	1,206.29	1,207.90
Aug	112.45	118.90	112.45	116.65	1,079.08	1,079.08	1,062.45	1,070.87	1,240.49	1,241.71	1,209.90	1,224.73
Sep	115.00	115.00	110.00	113.09	1,061.14	1,087.61	1,055.87	1,074.31	1,241.60	1,247.07	1,237.33	1,241.83
Oct	117.45	117.45	115.00	115.51	1,110.52	1,110.52	1,061.31	1,077.54	1,274.29	1,274.29	1,241.92	1,248.95
Nov	123.80	123.80	117.45	118.82	1,121.14	1,122.77	1,100.94	1,115.51	1,280.45	1,296.28	1,273.63	1,284.10
Dec	132.50	137.85	125.00	130.94	1,091.14	1,121.97	1,079.22	1,096.09	1,266.35	1,282.72	1,257.20	1,270.59

(Base Value: October 19, 2015 = 100)

(Base Value: January 01, 1983 = 100)

(Base Value: January 01, 1983 = 100)

	All T & T				Cross Listed			
	Value	High	Low	Average	Value	High	Low	Average
Jan	1,827.69	1,840.78	1,827.69	1,835.52	84.54	84.54	78.58	80.25
Feb	1,815.39	1,834.08	1,815.39	1,826.37	88.46	90.46	84.69	87.70
Mar	1,811.54	1,830.00	1,811.54	1,823.01	87.98	88.92	87.87	88.27
Apr	1,800.91	1,810.21	1,793.38	1,802.60	86.48	89.87	86.48	88.55
May	1,793.50	1,802.73	1,793.04	1,798.58	85.66	86.60	85.01	85.97
Jun	1,791.04	1,793.75	1,789.03	1,791.61	84.06	85.74	84.05	84.92
Jul	1,792.03	1,792.03	1,789.19	1,790.40	84.26	84.26	83.45	83.80
Aug	1,791.21	1,793.00	1,790.71	1,792.11	92.63	92.93	84.17	88.17
Sep	1,782.18	1,791.71	1,781.62	1,787.66	94.18	94.68	92.77	93.51
Oct	1,759.33	1,785.02	1,759.33	1,770.55	106.31	106.31	94.19	97.81
Nov	1,749.09	1,761.73	1,740.90	1,751.30	109.43	112.99	108.61	110.12
Dec	1,728.75	1,757.41	1,721.95	1,738.03	108.38	110.39	106.69	108.27

(Base Value: January 05, 1999 = 453.56)

(Base Value: June 02, 2008 = 100)



## TTSE Index Values 2013 - 2017

SECTORS	YEAR														
	Close	2017 High	Low	Close	2016 High	Low	Close	2015 High	Low	Close	2014 High	Low	Close	2013 High	Low
Banking	1,010.48	1,021.67	881.09	894.87	894.87	786.10	792.17	799.72	186.18	782.05	860.85	766.72	850.39	852.51	766.67
Conglomerates	2,766.06	2,900.69	2,696.70	2,866.10	2,879.80	2,569.07	2,812.30	2,890.78	2,793.58	2,884.75	2,894.77	2,589.59	2,759.82	2,798.26	2,614.61
Property	164.50	169.09	146.13	154.48	169.09	146.54	163.66	169.93	146.13	156.56	175.35	144.04	154.48	160.74	148.21
Manufacturing I	2,322.46	2,916.21	2,315.13	2,921.16	2,957.68	2,865.46	2,945.23	2,977.32	2,824.20	2,846.20	3,658.03	2,598.66	2,680.26	2,709.14	2,010.43
Manufacturing II	414.63	589.12	414.63	479.43	479.43	343.33	459.56	533.21	293.97	315.77	367.85	261.57	312.15	376.58	205.65
Trading	189.42	189.42	112.50	170.82	171.04	163.15	163.82	169.62	161.13	162.59	162.97	159.96	162.97	164.13	154.50
Energy	132.50	137.85	101.50	105.00	123.75	91.25	107.50	125.00	105.00	-	-	-	-	-	-
Non-Banking															
Finance	1,091.14	1,122.77	987.20	985.84	1,125.79	891.89	1,116.50	1,157.61	1,097.83	1,138.56	1,232.55	1,138.56	1,179.85	1,235.88	1,128.20
Composite	1,266.35	1,296.28	1,206.29	1,209.53	1,209.53	1,106.32	1,162.30	1,167.60	1,141.54	1,150.91	1,992.43	1,137.74	1,185.05	1,185.83	1,069.47
All T&T	1,728.75	1,840.78	1,721.95	1,834.23	1,943.99	1,752.45	1,948.50	1,987.65	1,945.30	1,983.18	2,032.53	1,193.20	1,993.72	1,996.56	1,703.99
Cross Listed	108.38	112.99	78.58	78.17	78.17	49.61	49.51	50.04	41.11	41.72	50.79	39.78	49.43	57.35	49.24

## First Tier Market Capitalisation by Sector

Sector	2017 Number of Securities	2017 Market Capitalisation	2016 Number of Securities	2016 Market Capitalisation	Market Capitalisation YOY %Δ
Banking	5	65,032,125,316	5	57,578,999,224	12.94
Conglomerates	3	18,776,656,650	3	19,455,797,164	(3.49)
Property	1	156,125,195	1	146,615,031	6.49
Manufacturing I	6	14,106,818,861	6	17,741,631,869	(20.49)
Manufacturing II	3	1,557,832,738	3	1,801,285,360	(13.52)
Trading	3	2,117,993,933	3	1,907,873,173	11.01
Energy	1	3,076,650,000	1	2,438,100,000	26.19
Non-Banking Finance *	5	18,344,215,931	6	17,199,159,470	6.66
Non-Sector	3	12,212,576	3	13,596,695	(10.18)
<b>Total</b>	<b>30</b>	<b>123,180,631,200</b>	<b>31</b>	<b>118,283,057,986</b>	<b>4.14</b>

\* Effective October 2<sup>nd</sup>, 2017, all outstanding publicly traded shares in Scotia Investment Jamaica Limited (SIJL), except those held by Scotia Group Jamaica Limited, were cancelled pursuant to its Scheme of Arrangement (SOA). SIJL was de-listed from the TTSE effective 21/02/2018.

## First Tier Market Activity

Year	Listed Companies (c) and Securities (s)	Total Trading Days	Total Trades	Total Volume	Total Value (TT\$)	Average Daily Trades	Average Daily Volume	Average Daily Value	Market Capitalisation (TT\$)	Composite Index	Change	Change %
1997	25 (c) 28 (s)	150	7,679	100,300,341	843,115,127	51	668,669	5,620,768	19,636,860,258	352.27	184.86	110.42
1998	26 (c) 29 (s)	151	7,369	102,768,057	1,113,964,926	49	680,583	7,377,251	24,984,066,595	436.30	84.03	23.85
1999	28 (c) 31 (s)	149	5,808	73,516,051	594,009,095	39	493,396	3,986,638	27,513,523,050	417.47	-18.83	-4.32
2000	28 (c) 31 (s)	150	6,572	80,158,768	869,774,370	44	534,392	5,798,496	29,332,555,338	441.50	24.03	5.76
2001	30 (c) 33 (s)	146	6,609	122,180,491	1,044,955,227	45	836,853	7,157,228	31,767,643,423	434.19	-7.31	-1.66
2002	30 (c) 33 (s)	149	8,092	96,498,979	1,059,900,456	54	647,644	7,113,426	48,099,254,282	545.56	111.37	25.65
2003	32 (c) 35 (s)	147	16,690	409,624,427	2,303,219,953	114	2,786,561	15,668,163	67,979,578,930	694.13	148.57	27.23
2004	34 (c) 37 (s)	152	34,946	311,847,113	3,015,804,261	230	2,051,626	19,840,818	107,560,051,144	1,074.63	380.51	54.82
2005	34 (c) 37 (s)	150	32,316	193,566,312	3,918,052,120	215	1,290,442	26,120,347	107,503,692,803	1,067.38	-7.26	-0.68
2006	33 (c) 36 (s)	152	20,772	219,037,326	2,463,295,073	137	1,441,035	16,205,889	96,838,327,828	969.17	-98.21	-9.20
2007	33 (c) 36 (s)	146	17,743	119,312,166	2,138,198,361	122	817,207	14,645,194	98,177,260,373	982.03	12.87	1.33
2008	34 (c) 37 (s)	223	22,053	134,966,550	2,191,000,400	99	605,231	9,825,114	76,432,853,796	842.93	-139.10	-14.16
2009	33 (c) 36 (s)	248	9,884	76,910,642	1,474,220,757	40	310,124	5,944,439	70,576,108,729	765.28	-77.65	-9.21
2010	32 (c) 35 (s)	247	8,496	77,562,327	864,540,527	34	314,018	3,500,164	77,780,923,234	835.64	70.36	9.19
2011	31 (c) 34 (s)	246	9,200	564,087,946	1,029,002,725	37	2,293,040	4,182,938	94,471,326,738	1,012.87	177.23	21.21
2012	28 (c) 30 (s)	241	8,778	50,677,836	746,604,402	36	210,281	3,097,944	97,354,943,270	1,064.98	52.11	5.14
2013	29 (c) 32 (s)	248	11,595	97,984,389	1,105,243,367	47	395,098	4,456,626	114,000,942,831	1,185.05	120.07	11.27
2014	28 (c) 31 (s)	246	11,643	91,559,129	1,115,708,421	47	372,192	4,535,400	109,710,888,814	1,150.91	-34.14	-2.88
2015	29 (c) 32 (s)	249	11,009	78,163,210	1,152,931,323	44	313,908	4,630,246	113,475,853,006	1,162.30	11.39	0.99
2016	28 (c) 31 (s)	247	10,519	91,975,523	951,852,647	43	372,371	3,853,654	118,283,057,986	1,209.53	47.23	4.06
2017	28 (c) 31 (s)	242	11,221	84,550,274	1,024,708,791	46	349,381	4,234,334	123,180,631,200	1,266.35	56.82	4.70
<b>TOTAL</b>		<b>4,079</b>	<b>278,994</b>	<b>3,177,247,857</b>	<b>31,020,102,329</b>							

### NOTES:

- The Composite Index was rebased on January 01, 1983.
- Pursuant to Scotia Investment Jamaica Limited's (SIJL) Scheme of Arrangement (SOA), all outstanding and publicly traded shares in SIJL (except those held by Scotia Group Jamaica Limited) were cancelled effective October 2<sup>nd</sup>, 2017 and was de-listed from the TTSE effective February 21<sup>st</sup>, 2018. As such, SIJL was excluded in the market capitalization total as at the end of 2017.



## Listed Companies Information 2017

SECURITY	Symbol	Issued Share Capital <sup>1</sup>	Capitalisation Value (\$'000)	Financial Year End
<b>FIRST TIER MARKET</b>				
<b>BANKING</b>				
FirstCaribbean International Bank Limited <sup>6</sup>	FCI	1,577,094,570	14,430,415,316	31-Oct
First Citizens Bank Limited	FIRST	251,353,562	8,043,313,984	30-Sep
NCB Financial Group Limited <sup>8</sup>	NCBFG	2,466,762,828	15,466,602,932	30-Sep
Republic Financial Holdings Limited	RFHL	162,481,861	16,493,533,710	30-Sep
Scotiabank Trinidad & Tobago Limited	SBTT	176,343,750	10,598,259,375	31-Oct
<b>CONGLOMERATES</b>				
ANSA Mc Al Limited <sup>3,4</sup>	AMCL	176,192,841	11,098,387,055	31-Dec
GraceKennedy Limited <sup>10</sup>	GKC	994,886,892	2,984,660,676	31-Dec
Massy Holdings Ltd.	MASSY	97,742,793	4,693,608,920	30-Sep
<b>PROPERTY</b>				
Point Lisas Industrial Port Development Corporation Limited <sup>3</sup>	PLD	39,625,684	156,125,195	31-Dec
<b>MANUFACTURING I</b>				
Angostura Holdings Limited <sup>3,4</sup>	AHL	206,277,630	3,104,478,332	31-Dec
Guardian Media Limited <sup>3,4</sup>	GML	40,000,000	719,200,000	31-Dec
National Flour Mills Limited <sup>3</sup>	NFM	120,200,000	229,582,000	31-Dec
One Caribbean Media Limited <sup>3,4</sup>	OCM	66,499,801	868,487,401	31-Dec
Unilever Caribbean Limited <sup>3</sup>	UCL	26,243,832	761,071,128	31-Dec
The West Indian Tobacco Company Limited <sup>3,4</sup>	WCO	84,240,000	8,424,000,000	31-Dec
<b>MANUFACTURING II</b>				
Berger Paints Trinidad Limited <sup>2,11</sup>	BER	5,161,444	20,903,848	31-Dec
Readymix (West Indies) Limited	RML	12,000,000	132,000,000	31-Dec
Trinidad Cement Limited	TCL	374,647,704	1,404,928,890	31-Dec
<b>TRADING</b>				
Agostini's Limited	AGL	69,103,779	1,433,903,414	30-Sep
L.J. Williams Limited Ordinary 'B' <sup>3,4</sup>	LJWB	19,742,074	15,201,397	31-Mar
Prestige Holdings Limited <sup>4</sup>	PHL	62,513,002	668,889,121	30-Nov
<b>ENERGY</b>				
Trinidad and Tobago NGL Limited <sup>3,4</sup>	NGL	116,100,000	3,076,650,000	31-Dec
<b>NON-BANKING FINANCE</b>				
ANSA Merchant Bank Limited <sup>3,4</sup>	AMBL	85,605,263	3,424,210,520	31-Dec
Guardian Holdings Limited	GHL	231,899,986	3,949,256,762	31-Dec
JMMB Group Limited <sup>3,10</sup>	JMMBGL	1,630,552,530	2,690,411,675	31-Mar
National Enterprises Limited <sup>3</sup>	NEL	600,000,641	5,880,006,282	31-Mar
Sagicor Financial Corporation Limited <sup>3,4,5</sup>	SFC	306,555,644	2,400,330,693	31-Dec
Scotia Investments Jamaica Limited <sup>4,9</sup>	SIJL	309,258,639	708,202,283	31-Oct
<b>NON-SECTOR COMPANIES</b>				
Guardian Media Limited \$50.00 6% Cumulative Preference <sup>3,4</sup>	GMLP	29,297	1,905,477	31-Dec
L.J. Williams Limited \$0.10 Ordinary 'A' <sup>3,4</sup>	LJWA	46,166,600	10,156,652	31-Mar
L.J. Williams Limited \$5.00 8% Cumulative Preference <sup>3,4</sup>	LJWP	45,590	150,447	31-Mar
<b>MUTUAL FUND MARKET</b>				
Calypso Macro Index Fund <sup>3</sup>	CALYP	20,200,000	432,280,000	31-Dec
Clico Investment Fund <sup>3</sup>	CIF	204,000,000	4,284,000,000	31-Dec
Fortress Caribbean Property Fund Limited SCC - Development Fund <sup>7</sup>	CPFD	54,944,803	36,813,018	30-Sep
Fortress Caribbean Property Fund Limited SCC - Value Fund <sup>7</sup>	CPFV	55,652,768	94,609,706	30-Sep
Praetorian Property Mutual Fund	PPMF	40,000,000	122,000,000	30-Sep
<b>SECOND TIER MARKET</b>				
Mora Ven Holdings Limited <sup>12</sup>	MOV	8,255,000	119,614,950	31-Dec

1 Values as at December 31, 2017

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

2 Financials as at the end of the 2nd quarter

3 Financials as at the end of the 3rd quarter

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

4 Represents interim dividend only

Exchange rates obtained from the Central Bank of Trinidad & Tobago

5 Financials presented in USD Converted to TTD using the

## Statistical Appendix (continued)

FINANCIAL PERFORMANCE					
Total Assets (\$'000)	Total Liabilities (\$'000)	Total Equity (\$'000)	Net Profit (\$'000)	Basic EPS	Dividends
82,348,683	72,654,580	9,694,103	951,282	0.58	0.050
38,958,278	32,206,696	6,751,582	641,932	2.54	1.40
34,963,699	29,117,613	5,846,086	963,034	0.39	2.40
68,892,879	58,746,874	10,146,005	1,317,089	7.75	4.40
24,393,320	20,438,927	3,954,393	657,664	3.73	3.00
14,066,449	6,423,577	7,642,872	416,825	2.02	0.30
6,850,401	4,372,863	2,477,538	251,490	0.22	1.13
13,277,131	8,113,884	5,163,247	411,841	3.85	2.10
2,821,896	425,845	2,396,051	31,769	0.80	
1,420,227	469,422	950,805	74,078	0.36	0.09
356,094	79,018	277,076	(4,068)	(0.10)	0.10
455,509	217,068	238,441	22,545	0.19	
944,144	235,042	709,102	38,963	0.50	0.27
421,449	204,938	216,511	7,003	0.27	
544,394	185,938	358,456	275,650	3.27	2.95
52,766	25,099	27,667	(1,597)	(0.31)	0.05
146,222	76,288	69,934	(20,066)	(1.67)	
2,663,679	1,910,846	752,833	(255,142)	(0.72)	
2,175,981	1,034,421	1,141,560	124,987	1.45	0.56
137,364	54,953	82,411	6,974	0.29	0.03
497,491	215,742	281,749	32,857	0.53	0.14
3,277,954	957	3,276,997	150,670	0.97	0.50
7,304,696	5,038,624	2,266,072	174,824	2.04	0.20
27,886,636	24,563,751	3,322,885	409,149	1.75	0.67
14,257,108	12,696,287	1,560,821	135,867	0.08	0.43
3,553,373	346,000	3,207,373	132,617	0.20	0.35
45,539,956	39,591,975	5,947,981	525,264	1.02	0.025
3,201,297	2,391,494	809,803	88,102		1.35
356,094	79,018	277,076	(4,068)	(0.10)	4.00%
137,364	54,953	82,411	6,974	0.29	0.003
137,364	54,953	82,411	6,974	0.29	0.08
535,814	2,887	532,927	(5,531)	26.38	0.59
4,670,702	2,655	4,668,047	71,222	22.88	1.00
75,290	5,434	69,855	(6,436)	1.30	
180,289	35,576	144,713	5,223	2.42	0.035
193,563	30,870	162,693	(200)	4.07	
336,515	255,345	81,170	(5,737)	(1.02)	

buying rate for 30/09/17 of \$6.7251

6 Financials presented in USD Converted to TTD using the buying rate for 31/10/17 of \$6.7217

7 Financials presented in BDS Converted to TTD using the buying rate for 30/09/17 of \$3.1778

8 Financials presented in JMD Converted to TTD using the buying rate for 30/09/17 of \$0.0504

9 Financials presented in JMD Converted to TTD using the buying rate for 31/10/17 of \$0.0515

10 Financials presented in JMD Converted to TTD using the buying rate for 31/12/17 of \$0.0527

11 The company changed its financials year end from April-March to January-December. This financial information is for a six months period ended September 30, 2017.

12 Financials as at the end of the 3rd quarter 2016.  
N/A Not Available

## Statistical Appendix (continued)

## Share Listings 2017

Security	Listing Date	Particulars	No. of Shares	Market Value* ('000)
NCB Financial Group Ltd.	March 16 <sup>th</sup> , 2017	Listing was pursuant to National Commercial Bank Jamaica Ltd.'s (NCBJ) Scheme of Arrangement which allowed for the delisting of NCBJ and the subsequent listing of NCB Financial Group Ltd. (NCBFG) shares to existing shareholders of NCBJ at a ratio of 1:1.	2,466,762,828	9,250,360.61
Agostini's Ltd.	June 7 <sup>th</sup> , 2017	Issued pursuant to Executive Stock Option Plan	120,900	2,237.86
One Caribbean Media Ltd.	July 18 <sup>th</sup> , 2017	Issued pursuant to Employee Share Option Plan	112,519	1,682.16
Republic Financial Holdings Ltd.	September 14 <sup>th</sup> , 2017	Issued pursuant to Employee Share Option Plan	97,510	9,940.17
Republic Financial Holdings Ltd.	December 14 <sup>th</sup> , 2017	Issued pursuant to Employee Share Option Plan	22,002	2,200.20
Republic Financial Holdings Ltd.	December 18 <sup>th</sup> , 2017	Issued pursuant to Employee Share Option Plan	14,571	1,457.10
Sagicor Financial Corporation Ltd.	December 29 <sup>th</sup> , 2017	Issued pursuant to Long-Term Incentive Plan	2,061,513	16,141.65

## Share Cancellations 2017

Security	Date of Withdrawal	Particulars	No. of Shares
Scotia Investment Jamaica Ltd.	October 2 <sup>nd</sup> , 2017,	Cancellation was pursuant to Scotia Investment Jamaica Ltd.'s (SIJL) Scheme of Arrangement (SOA) which resulted in the cancellation of all outstanding and publicly traded shares in SIJL (except those held by Scotia Group Jamaica Ltd.). SIJL was de-listed from the TTSE effective 21/02/2018.	309,258,639

## Delistings 2017

Security	Delisting Date	Particulars	No. of Shares
National Commercial Bank Jamaica Ltd.	March 16 <sup>th</sup> , 2017	Delisting was pursuant to National Commercial Bank Jamaica Ltd.'s (NCBJ) Scheme of Arrangement which allowed for the delisting of NCBJ and the subsequent listing of NCB Financial Group Ltd. (NCBFG) shares to existing shareholders of NCBJ at a ratio of 1:1.	2,466,762,828

## Regional Stock Exchanges Market Activity

for the period ended December 31<sup>st</sup> 2017

Stock Exchange	Traded Volume ('000,000)	Traded Value* (US\$) ('000,000)	Index	Market Capitalisation* (US\$) ('000,000)
Barbados Stock Exchange (Regular)	6.87	9.33	763.88	3,790.69
Jamaica Stock Exchange (Ordinary)	2,519.05	285.57	288,382.00	8,383.64
Trinidad & Tobago Stock Exchange (First Tier)	84.55	151.50	1,266.35	18,315.19

\*Figures converted to US\$ using the exchange rates as at 29/12/17

## Price Analysis

For The Period January 01, 2017 - December 31, 2017

	Opening Price 2017	Closing Price 2017	Change \$	Change %	High Closing Price	Low Closing Price	Average Closing Price	Trades	Traded Volume	Traded Value \$
<b>SECURITIES</b>										
<b>TTD MARKET</b>										
<b>FIRST TIER MARKET</b>										
Agostini's Ltd.	17.50	20.75	3.25	18.57	20.75	17.50	19.28	70	438,611	8,616,376.01
Angostura Holdings Ltd.	15.00	15.05	0.05	0.33	15.25	14.70	15.00	272	2,124,903	31,872,161.22
ANSA Mc Al Ltd.	66.50	62.99	(3.51)	(5.28)	67.50	60.00	65.43	234	1,280,019	82,864,009.46
ANSA Merchant Bank Ltd.	40.10	40.00	(0.10)	(0.25)	40.10	38.00	40.01	60	177,042	7,080,737.78
Berger Paints T'dad Ltd.	4.06	4.05	(0.01)	(0.25)	4.06	4.05	4.05	16	52,325	211,915.25
First Citizens Bank Ltd.	34.98	32.00	(2.98)	(8.52)	34.98	31.50	32.14	908	1,833,970	58,559,873.35
First Caribbean Int. Bank Ltd.	8.50	9.15	0.65	7.65	9.30	7.60	8.40	245	1,819,282	14,979,954.49
GraceKennedy Ltd.	2.67	3.00	0.33	12.36	3.10	2.62	2.80	430	7,693,013	21,666,049.09
Guardian Holdings Ltd.	12.65	17.03	4.38	34.62	18.00	12.66	15.59	691	4,467,308	69,581,247.53
Guardian Media Ltd.	18.99	17.98	(1.01)	(5.32)	19.00	17.98	18.46	11	15,134	277,069.71
JMMB Group Ltd.	0.90	1.65	0.75	83.33	2.20	0.90	1.37	1,042	16,304,481	23,527,673.04
Massy Holdings Ltd.	52.00	48.02	(3.98)	(7.65)	53.03	48.00	50.49	663	1,820,617	90,476,197.98
National Commercial Bank Jamaica Ltd.	3.00	3.75	0.75	25.00	4.00	3.05	3.50	117	1,686,496	6,063,822.56
NCB Financial Group Ltd.	3.75	6.27	2.52	67.20	6.50	3.78	4.76	404	7,206,989	34,722,742.08
National Enterprises Ltd.	10.65	9.80	(0.85)	(7.98)	11.00	9.70	10.44	267	913,694	9,467,642.12
National Flour Mills Ltd.	2.52	1.91	(0.61)	(24.21)	2.70	1.80	2.26	243	2,996,751	6,440,938.76
One Caribbean Media Ltd.	19.90	13.06	(6.84)	(34.37)	19.90	13.06	15.84	150	2,420,858	35,165,868.11
Point Lisas Industrial Port Dev. Corp.	3.70	3.94	0.24	6.49	4.05	3.50	3.86	117	606,993	2,348,469.99
Prestige Holdings Ltd.	11.00	10.70	(0.30)	(2.73)	11.01	10.63	10.81	160	243,332	2,613,228.53
Readymix (West Indies) Ltd.	10.99	11.00	0.01	0.09	12.62	10.80	11.07	66	1,772,381	19,662,907.78
Republic Financial Holdings Ltd.	108.44	101.51	(6.93)	(6.39)	108.44	100.00	102.99	638	1,294,313	132,255,949.94
Sagicor Financial Corporation Ltd.	7.73	7.83	0.10	1.29	9.41	7.80	8.47	814	7,415,775	64,449,604.83
Scotia Investments Jamaica Ltd.	2.01	2.29	0.28	13.93	2.75	1.91	2.29	255	5,979,580	12,843,806.28
Scotiabank Trinidad & Tobago Ltd.	58.84	60.10	1.26	2.14	61.00	57.50	58.47	610	997,245	58,124,406.40
The West Indian Tobacco Company Ltd.	126.94	100.00	(26.94)	(21.22)	127.03	99.09	123.84	274	669,351	83,603,955.18
Trinidad and Tobago NGL Ltd.	21.00	26.50	5.50	26.19	27.57	20.30	22.65	1,731	4,597,445	106,575,868.74
Trinidad Cement Ltd.	4.40	3.75	(0.65)	(14.77)	5.50	3.75	4.19	567	7,331,903	34,488,529.22
Unilever Caribbean Ltd.	59.84	29.00	(30.84)	(51.54)	59.84	29.00	50.24	128	123,739	5,966,612.22
L.J. Williams Ltd. \$0.10 A	0.25	0.22	(0.03)	(12.00)	0.25	0.22	0.24	3	1,725	394.50
L.J. Williams Ltd. B	0.66	0.77	0.11	16.67	0.86	0.66	0.78	31	264,520	198,889.75
<b>PREFERENCE</b>										
Guardian Media Ltd. \$50 6% CP	65.01	65.04	0.03	0.05	65.04	65.01	65.04	1	5	325.20
L.J. Williams Ltd. 8% Preference	3.30	3.30	-	-	3.30	3.30	3.30	3	474	1,564.20
<b>MUTUAL FUND MARKET</b>										
Calypso Macro Index Fund	21.89	21.40	(0.49)	(2.24)	21.89	21.40	21.57	9	3,655	78,919.00
Clico Investment Fund	22.62	21.00	(1.62)	(7.16)	22.80	20.49	21.90	1,030	6,370,808	140,844,954.41
Fortress Caribbean Property Fund Ltd. SCC - Development Fund	0.67	0.67	-	-	0.67	0.67	0.67	-	-	-
Fortress Caribbean Property Fund Ltd. SCC - Value Fund	1.70	1.70	-	-	1.70	1.70	1.70	-	-	-
Praetorian Property Mutual Fund	2.76	3.05	0.29	10.51	3.05	2.76	3.00	20	76,685	227,471.29
<b>SECOND TIER MARKET</b>										
Mora Ven Holdings Ltd.	14.49	14.49	-	-	14.49	14.49	14.49	-	-	-
<b>USD MARKET</b>										
<b>EQUITIES MARKET</b>										
Sagicor Financial Corporation US\$1.00 6.5% Convertible Redeemable Preference	0.00	0.00	-	-	0.00	0.00	0.00	-	-	-
<b>MUTUAL FUND MARKET</b>										
Bourse Brazil Latin Fund	8.10	8.10	-	-	8.10	8.08	8.09	28	14,800	119,584.00

Notes:

- Pursuant to National Commercial Bank Jamaica Ltd.'s (NCBJ) Scheme of Arrangement, shares in NCBJ were delisted as at May 16<sup>th</sup>, 2017 and simultaneously listed as NCB Financial Group Ltd. (NCBFG) to existing shareholders of NCBJ at a ratio of 1:1.
- Effective October 2<sup>nd</sup>, 2017, all outstanding publicly traded shares in Scotia Investment Jamaica Ltd. (SIJL), except those held by Scotia Group Jamaica Ltd., were cancelled pursuant to its Scheme of Arrangement (SOA). SIJL was de-listed from the TTSE effective 21/02/2018.
- Sagicor Financial Corporation US\$1.00 6.5% Convertible Redeemable Preference Shares redeemed in full by the Company as at July 18<sup>th</sup>, 2016.

## General Information on the TTSE

### LISTING PROCESS

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

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

The listing requirements of the Exchange have two primary purposes:

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

### TRADING SYSTEM

The Trinidad and Tobago Stock Exchange Limited implemented a new trading and surveillance platform, Avvento, on February 06<sup>th</sup>, 2017 replacing the GlobalVision Electronic Trading System which was used by the Exchange since June 06<sup>th</sup>, 2011. The trading days for the Exchange are Monday to Friday excluding public holidays and Carnival Monday and Carnival Tuesday.

Each trading day has three market states as follows:

1. Pre-Open: 8:00 am - 9:30 am (equity and mutual fund markets)
2. Open: 9:30 am - 12:00 noon
3. Close: 12:00 noon - 8:00 am

This new system brings with it greater efficiency and transparency to the market and allows for trades in all securities to be executed continuously. It also allows brokers to enter orders and execute trades from their offices or remotely, eliminating the need for a trading floor.

Orders entered in Avvento are queued in the market and filled based on the following criteria:

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

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

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

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

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

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

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

General Information on the TTSE (continued)

## COMPOSITE INDEX

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

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

## ALL T&T INDEX

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

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

## CROSS LISTED INDEX

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

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

## SECTOR INDEX

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

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



## Corporate Information

### Board of Directors (TTSE)

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

### Board of Directors (TTCD)

Michael Phillip - Chairman  
Peter Clarke  
Ranjit Jeewan  
Anton Gopaulsingh  
Stephen Bayne  
Michael Toney

### Management

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

### Company Secretary

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

### Registered Office

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

### Attorneys

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

### Auditors

PricewaterhouseCoopers Limited  
11-13 Victoria Avenue  
Port of Spain

### Information and Publications

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

Please visit our web site at:  
[www.stockex.co.tt](http://www.stockex.co.tt)  
for additional information.



THE TRINIDAD AND TOBAGO  
**STOCK EXCHANGE**  
LIMITED

The Trinidad and Tobago  
Stock Exchange Limited and its Subsidiary  
Annual Report 2017