



Trinidad & Tobago
Stock Exchange



Change The Future

Growth through Investment

Progress, Innovation, Development

Empowerment Through Partnership

Navigating The Future , Together

Creating Opportunities

2022 ANNUAL REPORT



MISSION

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

VISION

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

CORE VALUES

- Integrity
- Professionalism
- Respect
- Partnership
- Empowerment
- Innovation



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THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN THAT THE **TWENTY-SIXTH ANNUAL MEETING** OF THE SHAREHOLDERS OF **THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED** (“the Exchange”) will be held at **The BRIX Autograph Collection Hotel Conference Room, St. Madeleine, 2-4 Coblenz Avenue, Cascade, Port of Spain on Tuesday May 23, 2023 at 1:30pm** for the following purposes:

ORDINARY BUSINESS

- (1) To receive and consider the Audited Consolidated Financial Statements for the financial year ended December 31, 2022, together with the Reports of the Directors and the Auditors thereon.
- (2) To re-elect Ms. Donna-Marie Johnson as a Director under paragraph 4.5.1 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-elect Mr. Michael Phillip as a Director under paragraph 4.5.1 of By-Law No. 1 for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
- (4) To re-elect Mr. Peter Clarke as a Director under paragraph 4.5.1 of By-Law No. 1 for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.
- (5) To re-elect Mr. Peter Inglefield as a Director 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.
- (6) To re-elect Mr. Ray A. Sumairsingh as a Director 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.
- (7) To appoint Auditors of the Exchange to hold office until the close of the next Annual Meeting of the Shareholders of the Exchange.



SPECIAL BUSINESS

- (8) To consider, and if thought fit, to pass an ordinary resolution to confirm the amendments to By Law No. 1 of the Exchange adopted by the Directors at their meeting of March 9th 2023, which amendments provide for Directors to be eligible for re-election after attaining the age of seventy (70), for terms expiring no later than the conclusion of the next annual meeting following their election, until they attain the age of seventy-five (75), by the deletion of paragraph 4.8.4 of By-Law No. 1 and the insertion of the following in its place:

“4.8.4 Notwithstanding By-Law 4.8.1(g), a director who ceases to be a director under By-Law 4.8.1(g) shall be eligible for re-election at the annual meeting at which he ceases to be a director for a term expiring at the conclusion of the next following annual meeting, until he shall attain the age of seventy-five (75), at which age he shall cease to be eligible for re-election.”

- (9) To transact any other business which may be properly brought before the Annual Meeting.

BY ORDER OF THE BOARD
Fitzstone Services Limited
Secretary
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad, West Indies.

Dated: April 14, 2023

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



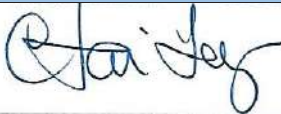
MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, (CHAP. 81:01)

(SECTION 144)

- 1. Name of Company:** THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED Company No: T2595(C)
- 2. Particulars of Meeting:** Twenty-Sixth Annual Meeting of the Shareholders of the Company to be held at The BRIX Autograph Collection Hotel Conference Room, St. Madeleine, 2-4 Coblentz Avenue, Cascade, Port of Spain, on Tuesday May 23, 2023 at 1:30pm.
- 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 the resolutions specified in the Proxy Form sent to the Shareholders with this Circular, and in the absence of a specific direction, in the discretion of the Proxy-holder in respect of any other resolution.
- 4. Any Director’s statement submitted pursuant to Section 76(2):**No statement has been received from any Director pursuant to **Section 76(2)** of the **Companies Act, Chap 81:01**.
- 5. Any Auditor’s proposal submitted pursuant to Section 171(1):** No statement has been received from the Auditors of the Company pursuant to **Section 171(1)** of the **Companies Act, Chap 81:01**.
- 6. Any Shareholder’s proposal submitted pursuant to Sections 116(a) and 117(2):** No proposal has been received from any Shareholder pursuant to **Section 116(a)** and **117(2)** of the **Companies Act, Chap 81:01**.

Date	Name and Title	Signature
April 14, 2023	Fitzstone Services Limited Secretary	

40TH ANNIVERSARY CONFERENCE

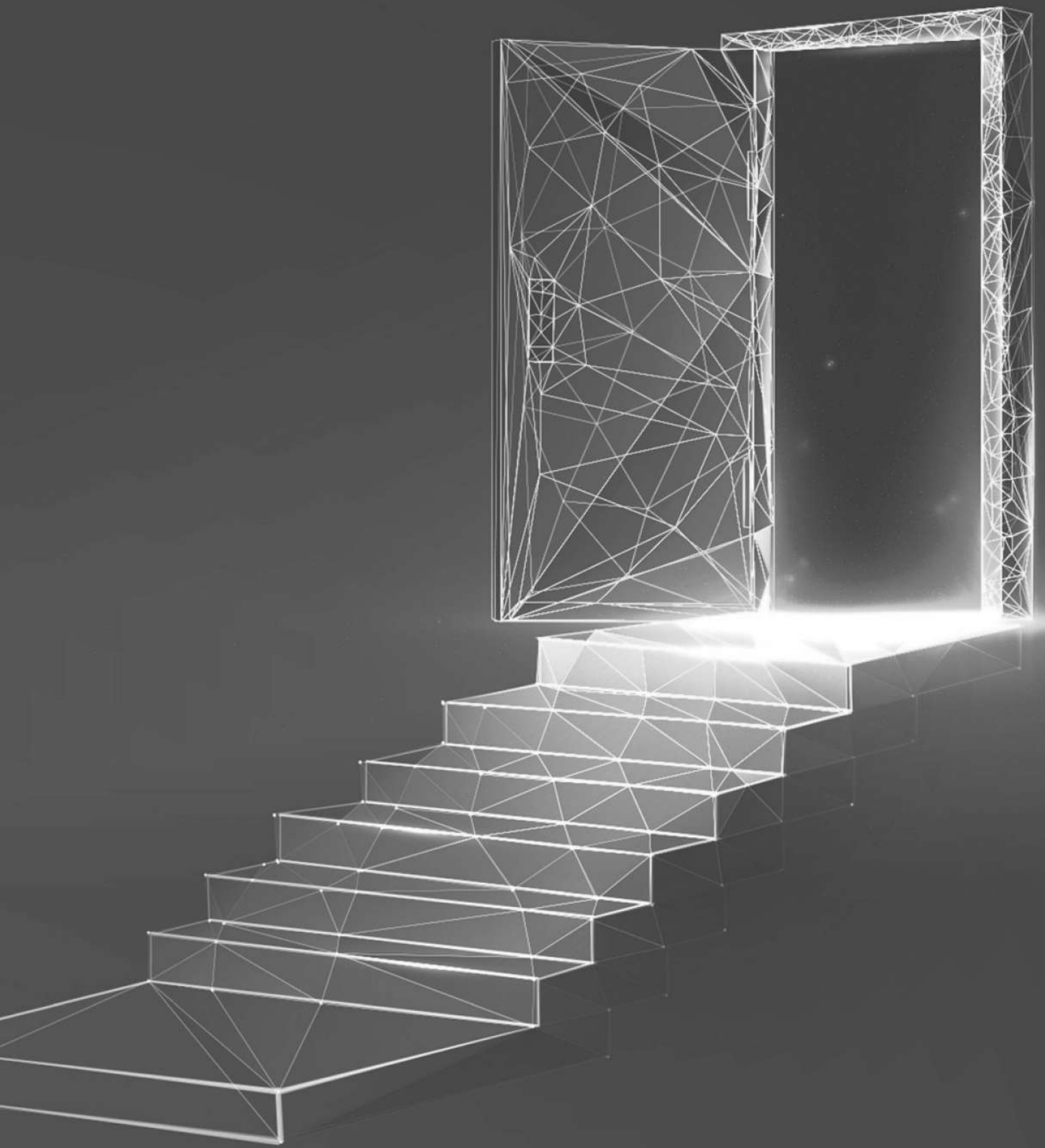
On the 26th October, 1981 the Trinidad and Tobago Stock Exchange (TTSE) was formally opened under the auspices of the Ministry of Finance. During our journey, the TTSE expanded the capital market offerings and empowered economic growth throughout the region. To celebrate this milestone in the history of the TTSE, we hosted our 40th Anniversary Celebration and Cocktail Reception on Thursday 20th October, 2022 which was followed by a one (1) day Conference on Friday 21st October, both events were held at the Hyatt Regency, Trinidad.

These events celebrated with our key stakeholders and partners, our journey over the past forty years as we chart the way together for the future.

Our Conference theme "Leveraging Capital Markets to Enhance the Economic Potential of the Caribbean" was geared towards offering participants a unique opportunity to deepen their knowledge, capture the trends in the capital market and network with high level professionals in both Business and Government. These events provided a platform where attendees can interact with their colleagues and learn more about what they offer to build and maintain mutually beneficial partnerships.

In our continuous efforts toward Regional Market integration, the Caribbean Exchange Index (CXNI) was officially launched at the conference with the participating exchanges BSE, ECSE, GASCI, JSE and TTSE.





FINANCIAL & STATISTICAL HIGHLIGHTS

TTSE Operational Highlights

	Dec 31 2022 (Million)	Dec 31 2021 (Million)
Operating Revenue	24.56	23.9
Cost of Sales	(6.44)	(6.48)
Operating Expenses	(10.31)	(9.61)
Operating Profit	7.81	7.81
Investment Income	2.49	2.47
Profit before Taxes	10.30	10.28
Taxation	(3.08)	(3.13)
Other Comprehensive Income	-	-
Profit for the year	7.22	7.15

TTSE Statistical Highlights

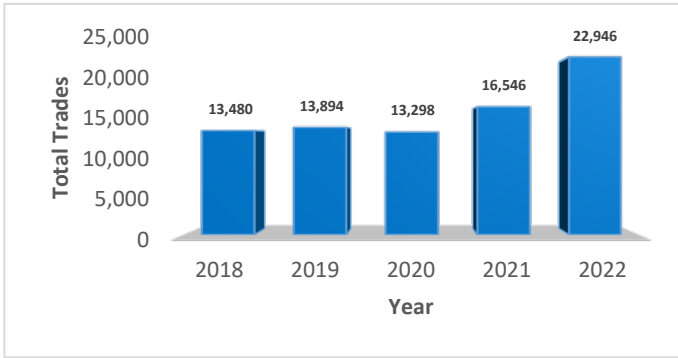
	Dec 31 2022	Dec 31 2021
Total Volume Traded	192,282,811	99,062,373
Average Daily Volume Traded	775,334	397,841
Total Value Traded	1,939,264,212	1,426,948,521
Average Daily Value Traded	7,819,614	5,730,717
Total Trades	22,946	16,546
Average Daily Trades	93	66
Composite Index	1,332.15	1,496.93
All T&T Index	2,007.80	2,084.81
Cross Listed Index	85.26	121.63
Member Organisations	8	7
New Listed Companies	0	0
Total Listed Companies	31	31
Market Capitalization (TTD Markets)	133,568,585,967	150,036,331,992
Market Capitalization (USD Market)	19,499,888	19,499,888



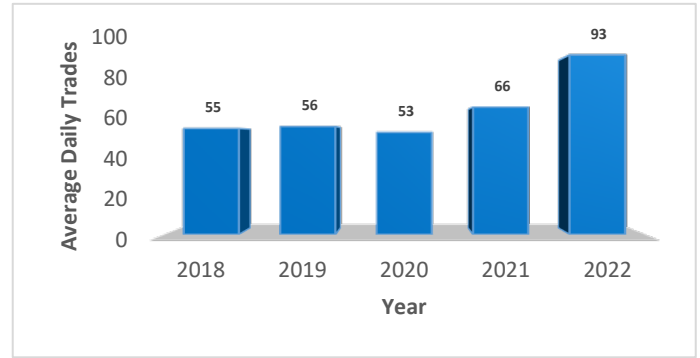
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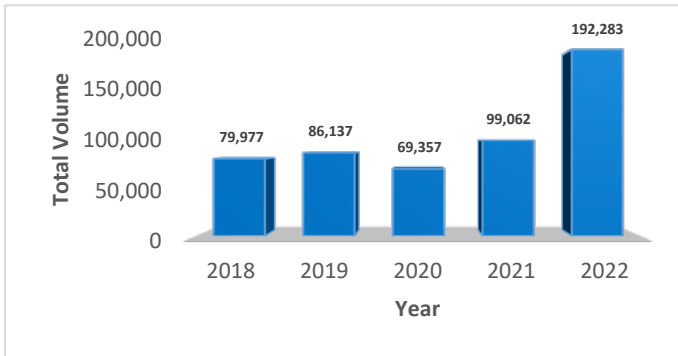
TOTAL TRADES



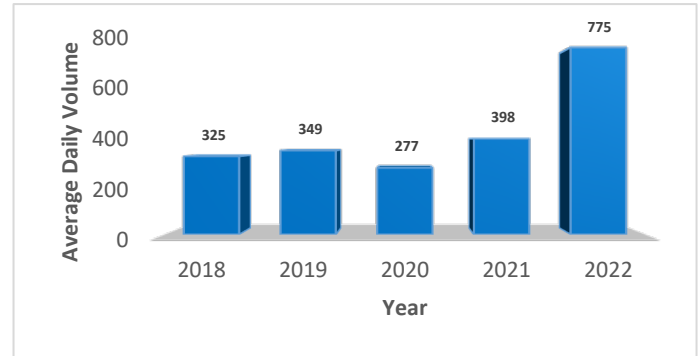
AVERAGE DAILY TRADES



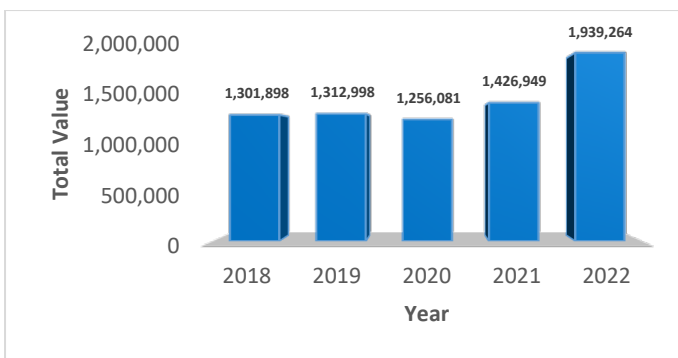
TOTAL VOLUME



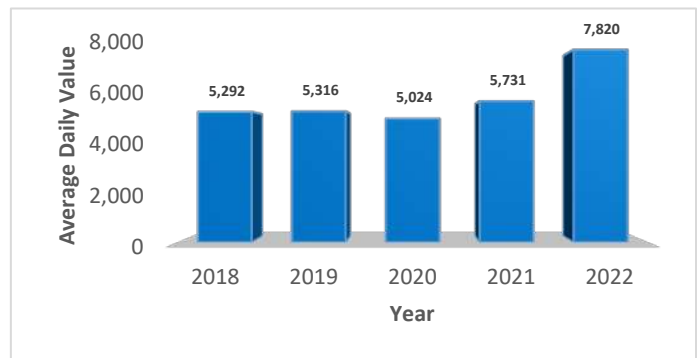
AVERAGE DAILY VOLUME



TOTAL VALUE



AVERAGE DAILY VALUE



Notes

1. Statistics include the First Tier, Second Tier, Mutual Fund and SME markets. Put Through statistics are not included.
2. Pursuant to Sagcor Financial Corporation Limited's (SFC) Scheme of Agreement (SOA), trading in SFC was suspended effective November 29th, 2019. As such, SFC was excluded in the market capitalization total as at the end of 2020. Sagcor Financial Corporation Limited (SFC) was delisted after market close on April 19th, 2021 pursuant to application for delisting.



CHAIRMAN'S REPORT

Dear Shareholders,

Throughout 2022, the Trinidad and Tobago Stock Exchange Limited (TTSE) demonstrated exceptional resolve, navigating uncertain and challenging times while introducing a purpose-driven strategy, expediting investment, and cultivating a culture that fosters long-term sustainable success.

Our full-year performance stands as a testament to the enduring strength of our organization and markets. We accomplished or announced numerous strategic initiatives in 2022, positioning ourselves to lead and shape the development of the region's global capital markets while constructing the Capital Markets of the future.

Financially, the TTSE's operations yielded a Net Consolidated Income of \$7.2M for the year ended December 31, 2022, maintaining a performance comparable to 2021 with earnings of \$7.1M. Total Assets closed at a value of \$111M, a 5% increase over the prior year, and Shareholders' equity rose by 4% to \$104M. The Listed Companies on the TTSE, particularly in the manufacturing, distribution, and financial services sectors, reported profitable earnings for the year ended 2022, and offered optimism for 2023.

2022 Highlights

Last year, we made significant strides in enhancing our market connectivity, diversifying our product offerings, and augmenting the appeal, liquidity, and vibrancy of our markets. These actions further advanced our long term objective which is to position the TTSE as an investment gateway, connecting Trinidad and Tobago with the world.

Leveraging our unique role in bridging markets and communities, we hosted our inaugural 40th Anniversary Capital Markets Conference. Our conference was both a celebration of 40 years as well as the nurturing of stronger collaboration between business, government, and society.

A key highlight of the conference was the introduction of the Caribbean Exchange Index (CXNI), a collaborative effort among the stock exchanges of Jamaica, Barbados, the Eastern Caribbean, Guyana, and Trinidad and Tobago. The regional index represents our collective efforts to foster regional and international connections, providing valuable market signals.

In October 2022, we launched the TTSE Small and Medium Enterprises (SME) Mentorship Programme in collaboration with the Ministry of Finance and the Central Bank of Trinidad and Tobago, working in tandem with our TTSE SME Market to promote economic diversification.

For the second consecutive year we welcomed a new member firm. Sheppard Stockbrokers Limited, was on boarded in the third quarter of 2022, increasing the number of registered brokerage firms on the TTSE to eight.

Additionally, the TTCD embarked on a digitalization project aimed at streamlining revenue-generating processes and mitigating organizational risk. The overall impact of this initiative is the expectation of improvements to customer service.

Navigating the Future

Despite a slower, more challenging growth environment, we are confident our resilience will prevail. As the world continues to emerge from the disruptions caused by the Covid-19 pandemic, the financial industry is experiencing rapid transformation and its own internal disruption and evolution. Trends such as digitization, big data, personalized finance, ESG considerations and very recently artificial intelligence means that there will be big disconnects between our past and our future.

Ian Narine
Chairman



CHIEF EXECUTIVE OFFICER'S REPORT

To Our Valued Shareholders,

The past year has been a very eventful one for us, both from a market perspective and for the Company. Despite the continuing challenges faced globally and locally, the TTSE achieved a significant milestone in its journey when the value of shares traded by investors registered on the Exchange crossed over \$1.94 billion, the highest in over 14 years, demonstrating the success of our business model and our strategic focus.

We continued to strengthen and grow our core business as the TTSE welcomed a new member firm, Sheppard Stockbrokers Limited, a wholly owned subsidiary of Sheppard Securities Limited, which became the eighth registered brokerage firm registered, while accounts at The Trinidad and Tobago Central Depository (TTCD) increased by 297.73% when compared to 2021, again a solid demonstration of the confidence of our participants in our business.

Our focus on enhancing market accessibility through technology continued to hold us steady, with our online platform, the TTSE Online Platform (TOP), delivering on its objective and accounting for over 7% of the market's total traded value for the year, with a monthly high of 12% in February 2022.

Another significant highlight of 2022 was the recognition of our 40th Anniversary, which was celebrated by hosting our first ever Capital Markets Conference and Cocktail Ceremony, marking the beginning of a new chapter for the TTSE. This forum created the opportunity to further develop and connect the local industry as well as the Regional and International Capital Markets.

At the same time, to demonstrate our commitment in supporting the attractiveness of our local and regional capital market, we marked a noteworthy milestone in enhancing the attractiveness and competitiveness of our regional markets through the launch of the Caribbean Exchange Index (CXNI). The CXNI is an initiative between five regional stock exchanges namely, The Barbados Stock Exchange (BSE), The Eastern Caribbean Securities Exchange (ECSE), The Guyana Association of Securities Companies and Intermediaries Inc. (GASCI), The Jamaica Stock Exchange (JSE) and The TTSE. The intent of the CXNI is to provide all investors both regionally and internationally with an indicator of the performance of listed companies in the Caribbean Region.

As we continued on the momentum of enhancing our capital market, the TTSE Small and Medium Enterprises (SME) Mentorship Programme was launched in 2022 in partnership with the Ministry of Finance and the Central Bank of Trinidad and Tobago. The intent is to pair potential Issuers with a mentor who has the ability to provide the guidance required to successfully transition and grow its business, whilst practicing good corporate governance.

The TTCD also embarked on an initiative in 2022 to re-engineer its business processes which are geared toward the strategic objectives of the company. The project will focus on streamlining certain operations of the TTCD, specifically those processes which govern key revenue generating transactions and customer touch points. It is anticipated that the re-engineered processes would incorporate digitalization for efficiency and risk mitigation.

Through these and other initiatives, we continue to strengthen the global competitiveness and relevance of our markets, reinforcing the role of capital markets and investments at the heart of the global financial community.





Local market review

The total number of trades registered a 36% YOY increase in the equity and mutual fund markets, generating an improved market turnover of 1.45% (2021: 0.95%).

The Composite Index however, decreased by 11.01% and the All T&T Index decreased by 3.69% to close at 1,332.15 and 2,007.80, respectively. The Cross-Listed index recorded the largest YOY decline of 29.90% to close at 85.26. Meanwhile, the SME index recovered from three years of consecutive YOY declines, to close at 50.91 representing an increase of 18.34%.

First Tier Market

Trading activity in the First-Tier market continues to increase as total value of shares traded grew by 29.83% from \$1.31 billion in 2021 to \$1.71 billion, while total volume of shares traded was 184.27 million shares, representing an increase of 94.42% when compared to 94.78 million shares traded in 2021.

TTD Mutual Fund Market

The value of shares traded reported a significant increase of 107.08% from \$111.94 million in 2021 to \$231.81 million in 2022. The increased activity was generated mainly from trades in the CLICO Investment Fund, which was terminated on the 2nd January, 2023.

Bond Market

The Government Bond Market experienced a significant increase in value traded of 961.85% from \$82.04 million in 2021 to \$871.12 million in 2022 while, the Corporate Bond Market saw a decline of 81.81% in value traded, down from \$140.66 million in 2021 to \$25.59 million.

SME Market

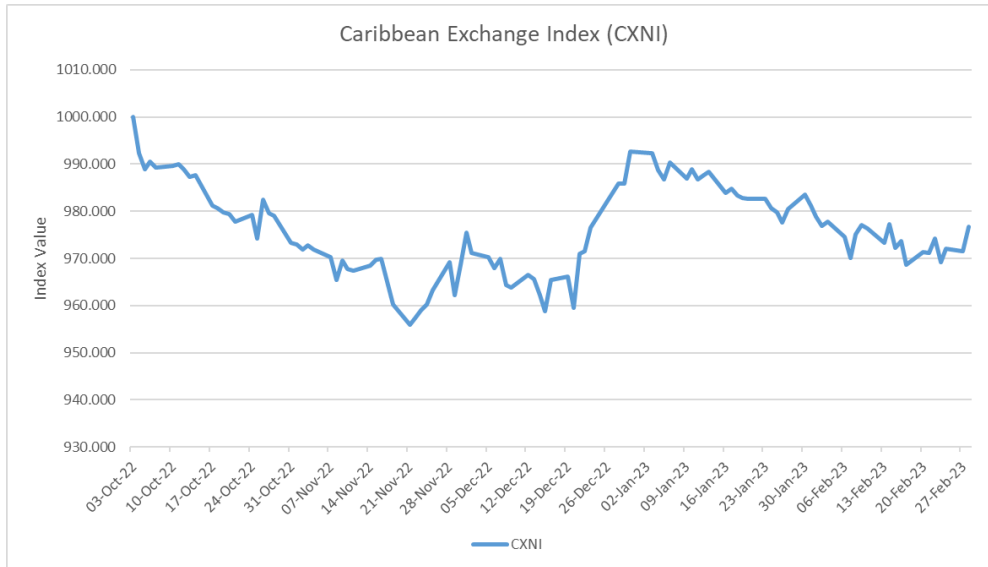
In 2022, the overall market activity for the SME's showed YOY improvement in trade activity and price movement.

Regional Market - The Caribbean Exchange Index

The CXNI was established on October 3rd, 2022 with a base value of 1,000. The CXNI as at February 2023 was 976.72.

Regionally, the BSE, JSE and TTSE experienced significant improvements in the number of trades and trade volume in 2022. As shown below, the BSE posted a positive return in the Local Index of 6.59%, to close at 2,515.44. The ECSE's Share Index declined by 1.12% to close at 143.98, while the JSE's All Jamaican Index fell 8.04%, to end at 403,080.36.

Stock Market Statistics	2021 Index	2022 Index	YOY Change (Unit)	YOY Change %
BSE Local Index	2,359.82	2,515.44	155.62	6.59%
ECSE Share Index	145.61	143.98	-1.63	-1.12%
JSE All Jamaican Index	438,328.37	403,080.36	-35,248.01	-8.04%
TTSE All T&T Index	2,084.81	2,007.80	-77.01	-3.69%



Financial Highlights

Building on 2021's excellent performance, the Group maintained the momentum to settle on a stable performance for 2022, recording a Consolidated Net Profit after Tax of \$7.2million, representing a marginal increase of 1% over 2021.

Of note is the healthy performance delivered by Core revenue and profitability with this most notable performance seen in Commission Rebates registering a 40% increase over prior year, while our revenue from trading activity stood at \$11.98 million. Broker registration saw a year- on-year increase of 53% as a result of the on boarding of a new non-shareholder Member Firm in 2022. A significant overall increase in the number of trades and values traded in the Bond market translated to an overall net increase in Bond income by 29% amounting to \$1.09 million for the year.

The Group's expenses before tax inched upward by 4% to \$16.8 million. While Administrative, Marketing and Operating Expenses increased by \$701 thousand, this was offset by a 1% decrease in Cost of Sales. All costs continue to be closely monitored but particular attention is paid to Operating Expenses, which showed a 5% increase YOY but accounted for 57% of overall cost.

The Group continued to pursue its mission to bring awareness and value to the Stock Market and to its shareholders. Through its performance, the Group was able to generate a positive Return on Capital Employed of 7% as well as an increase of 5% in Total Assets, which stood at \$111 million for the year ended December 31, 2022.

Information Technology

We continued to prioritize cybersecurity by investing in upgrades and employee training. In 2022, we upgraded our Detection and Response system to a more robust security solution. This comprehensive upgrade enables the Exchange to detect and respond to threats across multiple data sources, including endpoints, networks, and cloud services. Our upgraded solution also leverages advanced analytics and machine learning to identify and correlate threat activity across different environments, providing a more complete understanding of the threat landscape. Our cybersecurity experts manage and monitor this upgraded solution continuously, ensuring prompt and effective responses to any threats that may arise.

To further enhance our cybersecurity posture, we launched an online cybersecurity awareness training program in 2022 for all employees. This program educates employees on common cyber threats, such as phishing,

ransomware, and social engineering, and illustrates the potential consequences of falling victim to these threats through narrative examples.

In addition to cybersecurity measures, we upgraded our Infrastructure system in 2022, which hosts the on premise servers. The old system had reached its End of Life, and to mitigate any potential data loss from failed hardware, we acquired and installed a new system, which offers round-the-clock help desk support, we successfully migrated all on-premise servers to the new hardware, ensuring reliable and secure operation.

These upgrades and training programs are critical to maintaining the security and reliability of our services, as well as protecting our customers' data. By continually investing in cybersecurity measures and employee education, the Exchange is better equipped to detect and respond to threats, and minimize the risk of cyber-attacks.

Outlook

The recent surge in inflation has caused the United States Federal Reserve (Fed) to increase interest rates at a rapid pace in an effort to get inflation under control. This has resulted in a decline in United States (US) bond prices, causing substantial mark to market losses for banks that have significant US bond holdings in their portfolios. As a consequence, the US banking system is facing headwinds with the collapse of the Silicon Valley Bank and Signature Bank.

This situation could present an opportunity for regulators to strengthen the regulatory process for the financial sector.

In its recently concluded mission, the IMF projects a positive outlook but looming uncertainties for Trinidad and Tobago. In the midst of such uncertainties, our people, business model and financial strength ensure that we can continue to support our shareholders and clients. Our purpose-driven strategic pillars are more relevant now than ever before and our experience in the last year reinforces our belief that successful strategic delivery will create a more sustainable business and deliver increased shareholder returns in the medium to longer-term. As a purpose-driven organisation and one of the leading Regional Exchanges, we are fully committed to promoting the long-term sustainability of financial markets and the prosperity of our stakeholders. Our steadfast focus on driving connectivity, innovation and sustainability across our markets and client centricity across our business ensures that we are well placed to meet challenges and capture future growth opportunities.

Acknowledgements

I would like to take this opportunity to express my gratitude to the Board of Directors for their guidance, support and contribution throughout 2022. To our shareholders and other valued stakeholders we thank you for your ongoing trust and support. Finally, I would also like to express my heartfelt appreciation to all our employees for their resolute commitment and hard work in pursuing excellence, helping us to progress our strategic priorities and supporting the long-term financial health of our communities.

The TTSE and TTCD would like to acknowledge Jody David our Financial Accountant who passed away on the 11th September, 2022. We thank you for your invaluable service and contribution. Your unwavering support and commitment to your duties, peers and the organization would always be remembered.



Eva Mitchell

Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

Overview

The Trinidad and Tobago Stock Exchange Group comprises of the Trinidad and Tobago Stock Exchange Limited and The Trinidad and Tobago Central Depository Limited. The Management Discussion and Analysis (MDA) aims to offer Management’s perspective on the Financial Statements and Operations of the Group for the year ended 31 December 2022.

The information is provided to assist readers in understanding the Group’s financial performance during the specified period and also presents a comparative review of the current year against the previous year’s performance. It also highlights trends that may impact the future performance of the Group

The MDA should be read in conjunction with the Audited Consolidated Financial Statements and the accompanying notes.

Summary of Operations

The consolidated operations for the financial year ended December 31, 2022 showed performance consistent with that 2021. The enthusiasm displayed by investors towards the Stock Market in 2021 showed signs of tapering off in 2022. This resulted in overall financial performance for the Group remaining relatively unchanged from prior year.

The Group recorded a profit after tax of \$7.22 million, a marginal increase of just over 1% compared to the prior year’s profit after tax of \$7.15 million.

Total Revenue

The Group earns revenue from listing and membership fees, customer transaction charges, broker commission rebates, repo fees, registrar services, bond market income and Euroclear income. In keeping with the Group’s Strategic Plan one new additional non-shareholder broker was on boarded in 2022.

The Group recorded revenue of \$24.56 million for the year ended December 31, 2022, 3% higher than last year’s revenue of \$23.90 million. Consistent with 2021, revenue continued to be generated from the Group’s core business lines.

Earnings across most revenue streams were comparable with prior year, with the exception of broker commission rebates and bond income registering increases of 40% and 29%, respectively.

Diagram 1: Revenue and Profit

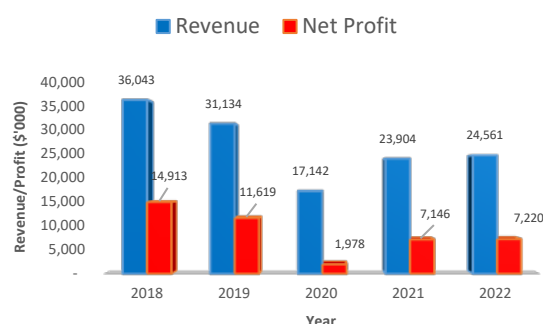
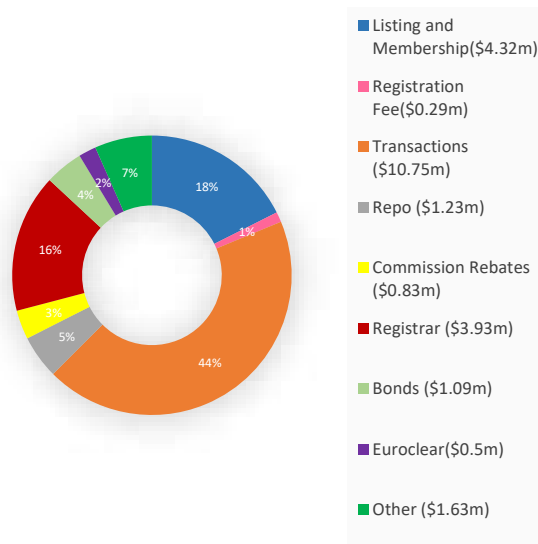


Diagram 2: Revenue Streams





Investment Income

Income earned from investments of \$2.49 million for the year ended December 31, 2022 accounted for 9% of the overall revenue earned by the Group for the period. In 2021, income derived from the Group’s investment portfolio was \$2.47 million. Income continued to be earned at a similar rate as only a 1% increase was recorded over the prior year’s earnings.

76% of Investment Income was earned from the Group’s bond portfolio, which consists of a mix of Government of Trinidad and Tobago (GOTT) Bonds and Corporate Bonds. The remaining 24% was earned from Investments in Money Market Funds, denominated in both Trinidad and Tobago and United States dollars. The average rate of return on the Group’s investment portfolio for the year ended December 31, 2022 was 3.38%

Investments undertaken by the Group must optimise portfolio returns, reflect the portfolio’s risk profiles, investment horizons and liquidity as laid out in governing Investment Policy.

Expenses

The Group incurred total expenses for the year of \$16.75 million, representing a minimal overall increase of 4% over 2021. Cost of Sales comprised 38% of total expenses for the year and declined by 1% to \$6.44 million. Administrative expenses accounted for 4% of overall cost, with a significant increase of 60% over prior year. Marketing expenses increased significantly over prior period by 29%, but made up only 1% of the overall cost. The significant increases in Administrative and Marketing expenses were tempered by a moderate 5% increase in Operating Cost, which contributed to 57% of the overall cost incurred for the year.

Although year on year cost increased Management continues to maintain tight controls over expenditure by ensuring expenditure is incurred in line with budget.

Diagram 3: Investments

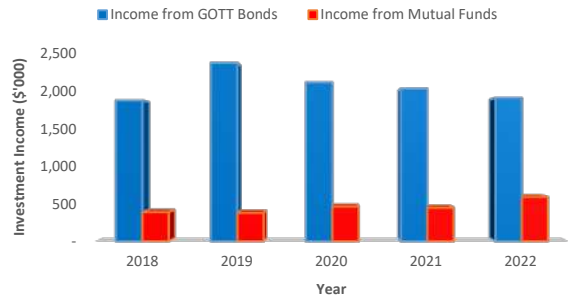


Diagram 4: Expenses



Total Assets

The Group continues to build on its strong asset base with an increase in total assets to \$110.60 million for 2022, representing a 5% increase over 2021. The group has maintained a consistent return on total assets of 7% year on year.

The composition of Total Assets for 2022 and 2021 is detailed below:

	2022	2021
Cash on Deposits	37%	36%
Financial Assets	30%	42%
Property and Equipment	6%	7%
Cash at bank & in hand	15%	3%
Other Assets	12%	12%

Cash on Deposits continues to account for the most significant percentage of the total asset base at 37% in 2022 compared to 36% in 2021. Financial assets and Cash at Bank and on hand were the only two asset classes that showed significant compensating movements of 12% as a result of the maturity of a Government Bond in the latter part of 2022. Movement in other assets classes were negligible.

Return on Equity

A positive Return on Equity (ROE) of 6.93% was generated from the Group's operations for the year ended 2022. The rebound in the level of return in 2021, continues to be sustained with this year's rate of return insignificantly lower than the prior year's by 0.23%.

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.

Diagram 5: Total Assets

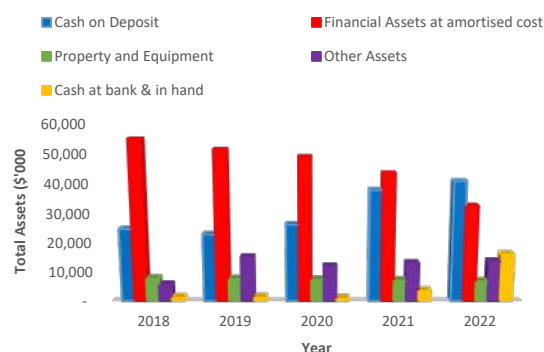
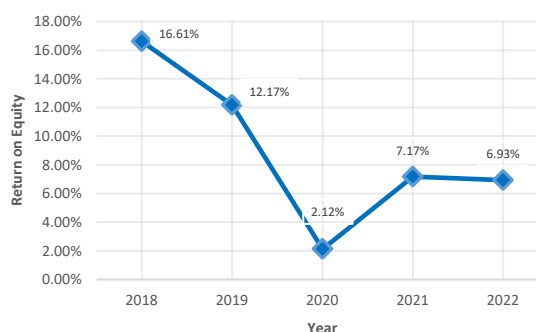


Diagram 6: Return on Equity



MARKET OPERATIONS & PERFORMANCE

Overview

Economic uncertainties driven by higher than expected worldwide inflation, tight monetary policy and supply chain disruptions attributed to lower market performance on a year-on-year (YOY) basis. The All T&T Index closed the year at 2,007.80 (**down 77.01 points or 3.69% YOY**), and the Cross Listed Index fell considerably ending the year at 85.26 (**down 36.37 points or 29.90% YOY**). This downward trend attributed to the decline in the Composite Index which ended 2022 at 1,332.15, representing a **decrease of 164.78 points or 11.01%** over the previous year.

Conversely, the level of trading activity across the First-Tier Market experienced noteworthy YOY increases. The total traded volume shot up by **94.42%**. While total traded value **increased by 29.83%** and total number of trades rose by **40.22%**.

Similarly, on a YOY basis in the Mutual Fund Market total trades increased by **21.84%** while total volume of shares traded and total value traded reported significant increases of **86.87%** and **107.08%**, respectively.

The Corporate Bond Market reported a decline in trading activity levels, registering a total face value traded of \$24.77 million in 2022, an underperformance of **81.48%** when compared to \$133.75 million in the previous year. Similarly, total trades decreased by **29.07%** relative to the trading levels in the preceding year. However, the Government Bond Market over performed compared to 2021, registering a total face value traded and trades of \$792.25 million and 91 trades, respectively. This is a substantial **increase of 897.95% and 355%**, respectively, over the same period in 2021.

Further details on the market's performance as well as information relating to major market transactions during 2022 are provided below:

2022 Major Market Transactions

Massy Holdings Ltd. (MASSY) - Stock Split

On December 17th, 2021, MASSY announced its intention to recommend to its shareholders, a twenty-for-one stock split.

Following the approval granted by its shareholders at its Annual Shareholders' Meeting held on January 21st, 2022, the stock split was effected on March 11th, 2022. This corporate

Diagram 1: Composite Index Values 2018 – 2022

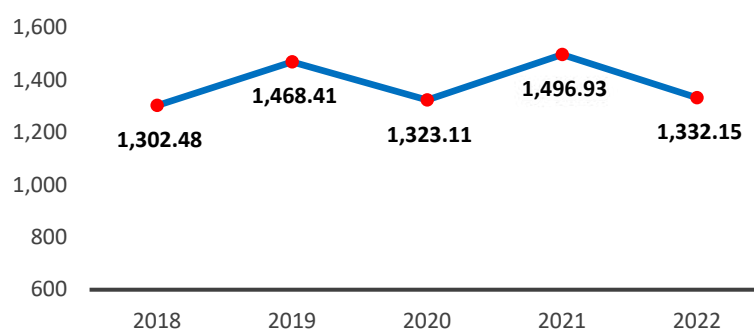


Diagram 2: All T&T Index Values 2018 – 2022

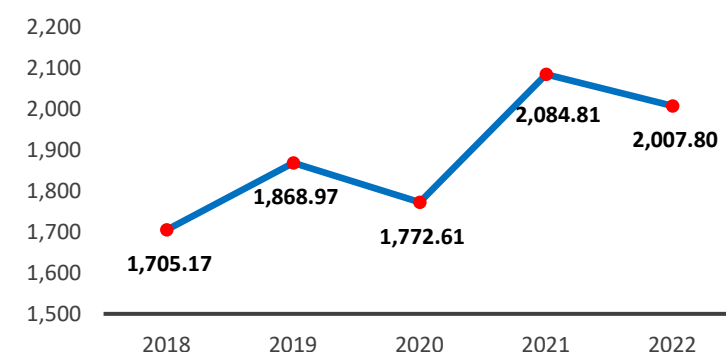
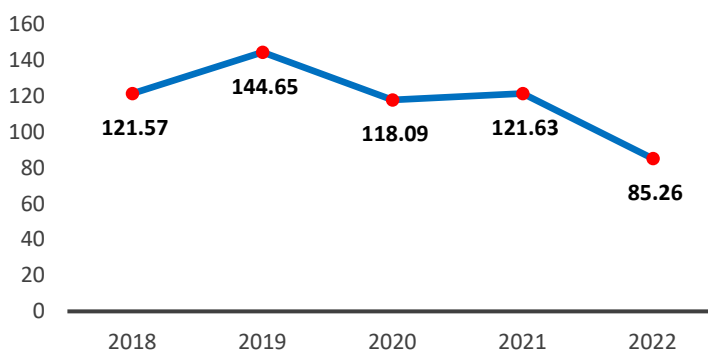


Diagram 3: Cross Listed Values 2018 – 2022



action resulted in an increase in the number of ordinary shares of MASSY from 98,969,227 shares to 1,979,384,540 shares and a change in its share price from TT\$106.00 to TT\$5.30 per share.

First Citizens Group Financial Holdings Limited (FCGFH) – Additional Public Offering

During his presentation of the 2022 Budget, the Minister of Finance indicated that the Government of Trinidad and Tobago (GORTT) intended to make an offer for sale of a portion of its shareholding in FCGFH.

On June 28th, 2022, 10,869,565 FCGFH ordinary shares at a price of TT\$50.00 was offered to the public. The offer opened on June 28th, 2022 and closed on July 22nd, 2022. The shares were allocated to successful applicants on August 30th, 2022.

CLICO Investment Fund (CIF) – Termination of Fund

In accordance with its trust deed, CIF was terminated on its redemption date i.e. January 02nd, 2023. In light of this, trading in CIF was suspended after trading on December 30th, 2022.

Pursuant to the trust deed guiding the termination of CIF, the assets of the fund should be distributed to unitholders on record as at January 05th, 2023. The assets distributed included Republic Financial Holdings Limited (RFHL) ordinary shares, GORTT Series II, 4.25% Bond due October 31st, 2037, with a face value of TT\$702.867M and cash.

First Tier Market

Indices Performance

Prevailing economic conditions affected the stock market’s performance, which reversed the improvements noted in 2021 in all major market indices. The Cross Listed Index reported the largest decline of 29.90% closing at 85.26. The Composite Index declined by 11.01% closing at 1,332.15, while the All T&T Index reported the smallest decline of 3.69% closing at 2,007.80. (Refer to Table 1 and Diagrams 4, 5 & 6).

Table 1: Market Index Performance (2021/2022)

Index	Value 2021	Value 2022	YOY (unit Δ)	YOY (% Δ)
Composite	1,496.93	1,332.15	(164.78)	(11.01)
All T & T	2,084.81	2,007.80	(77.01)	(3.69)
Cross Listed	121.63	85.26	(36.37)	(29.90)

Diagram 4: Composite Index 2021 vs 2022

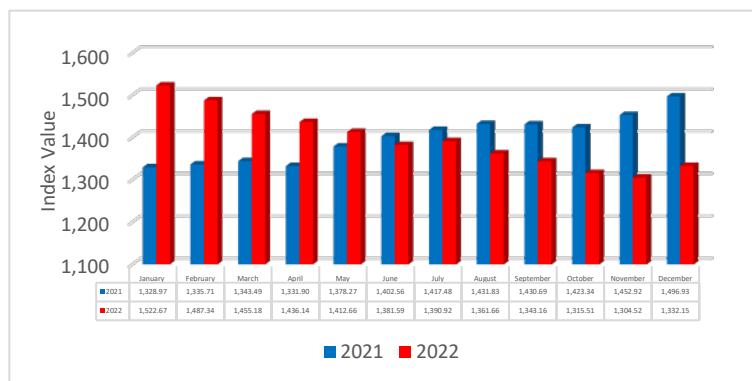


Diagram 5: All T&T Index 2021 vs 2022

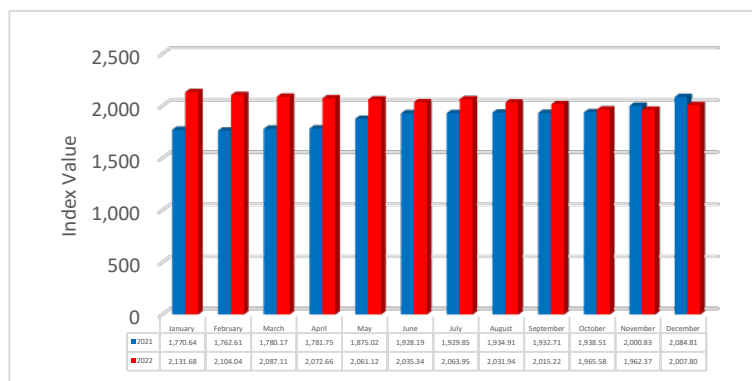
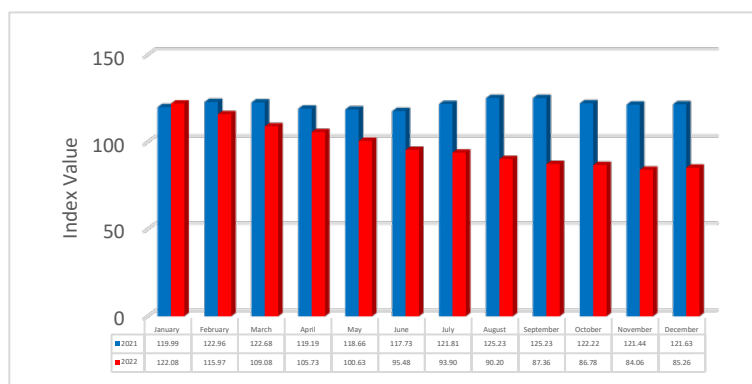


Diagram 6: Cross Listed Index 2021 vs 2022



Market Capitalisation

Due to the price declines across the equity markets, the market capitalisation of the First Tier Market fell to \$126.97 billion at the end of 2022, as shown in Diagram 7. This represented a decrease of \$15.81 billion or 11.07% over the previous year.

Traded Volume and Value

Despite the overall decline in prices in 2022, total traded volume and value reported increases. The First Tier Market recorded 20,944 trades in 2022 (excluding Put-Through transactions), representing an increase of 40.22% over the previous year. Total volume traded was 184.27 million shares, valued at \$1.71 billion. This represented a significant increase of 94.42% and 29.83%, respectively when compared to 2021, as shown in Table 2.

Sectoral Performance

Half of all sectoral indices increased over the reporting period.

The Trading sector recorded the largest YOY gain of 43.18% (105.00 points), followed by the Energy Sector with a gain of 11.55 points or 11.05%.

Conversely, the largest YOY decline was recorded in the Conglomerates sector, which ended the year 658.94 points lower than the previous year, a decline of 16.67%. This information is shown in Table 3.

Individual Share Performance

Volume of Shares Traded

The market's three (3) most actively traded securities for 2022, based on the volume of shares traded, were MASSY (traded volume: 51.72 million), JMMB Group Limited (JMMBGL) (traded volume: 37.29 million) and GraceKennedy Limited (GKC) (traded volume: 18.91 million). (refer to Diagram 8).



Diagram 7: First-Tier Market Capitalisation 2021 vs 2022

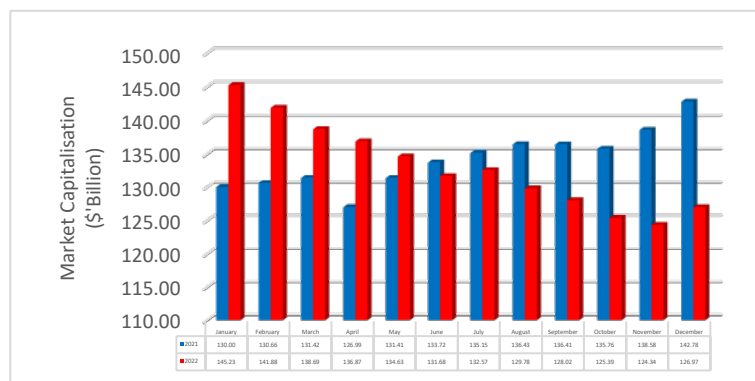


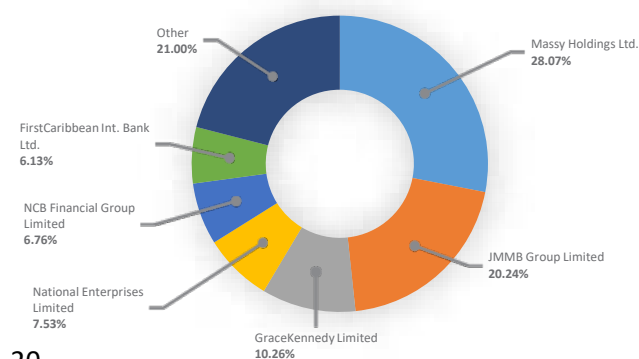
Table 2: First Tier Market Performance (YOY)

	Value 2021	Value 2022	YOY (unit Δ)	YOY (% Δ)
Number of Trades	14,936	20,944	6008	40.22
Volume of Shares Traded ('000)	94,775	184,265	89,490	94.42
Value of Shares Traded (TT\$'000)	1,314,714	1,706,893	392,179	29.83

Table 3: Market Index Performance (YOY)

Sector	2021	2022	YOY (unit Δ)	YOY (% Δ)
Trading	243.15	348.15	105.00	43.18
Energy	104.50	116.05	11.55	11.05
Manufacturing II	413.65	450.67	37.02	8.95
Property	131.51	142.35	10.84	8.24
Manufacturing I	1,973.93	1,829.65	(144.28)	(7.31)
Non-Banking	1,197.42	1,103.15	(94.27)	(7.87)
Finance				
Banking	1,242.37	1,076.65	(165.72)	(13.34)
Conglomerates	3,953.38	3,294.44	(658.94)	(16.67)

Diagram 8: 2022 Security Performance by Volume as % of First Tier Volume Traded



The Conglomerates Sector was the most active sector by volume in 2022, recording 71.52 million shares traded (or 38.81% of the market's total volume), followed by the Non-Banking Finance Sector with 52.99 million shares traded (28.76% of the market's total volume), (refer to Diagram 9).

Value of Shares Traded

MASSY reported the highest traded share value in 2022 with a total traded value of \$353.24 million, which represented 20.70% of the market's total activity. RFHL recorded a total traded value of \$212.10 million while FCGFH ended the year with a total traded value of \$192.84 million, representing 12.43% and 11.30% respectively, of the market's total trade value for the year, (refer to Diagram 10).

The Banking Sector was the largest contributor to value traded with a total of \$669.15 million in 2022 or 39.20% of the market's total traded value, followed by the Conglomerates Sector with \$512.18 million or 30.01% of the market's total activity, (refer to Diagram 11).

Price Movement

Reflective of the market's performance in 2022, the number of price declines outweighed advances in the First-Tier market with an advance/decline ratio of 3:5. Agostini's Limited (AGL) trended upward, reporting a significant increase of 53.85% (or \$17.50), followed by Angostura Holdings Limited (AHL), L.J. Williams Limited "B" (LJWB) and Scotiabank Trinidad and Tobago Limited (SBTT) who registered increases of 33.33% (or \$6.00), 27.72% (or \$0.51) and 14.03% (or \$9.61), respectively.

The NCB Financial Group Limited (NCBFG) recorded the largest decline for 2022 with a decline of 43.07% (or \$3.45), while GraceKennedy Limited (GKC), The West Indian Tobacco Company Limited (WCO) and One Caribbean Media Limited (OCM) reported declines of 26.39% (or \$1.61), 26.28% (or \$7.49) and 25.17% (or \$1.11) respectively.

Second Tier Market

No trading activity was recorded in the Second Tier market for 2022.¹

Diagram 9: 2022 Sector Performance by Volume as % of the First Tier Market Volume Traded

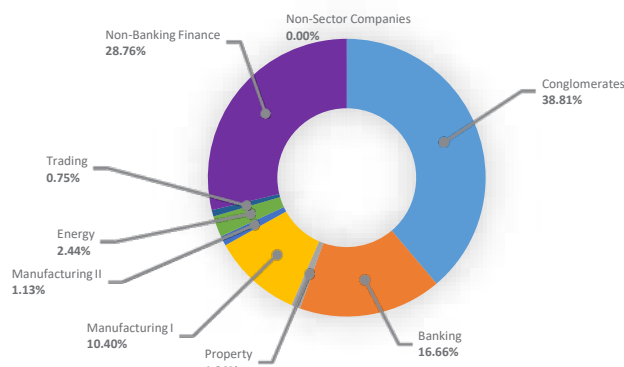


Diagram 10: 2022 Performance by Value as % of First Tier Trade Value

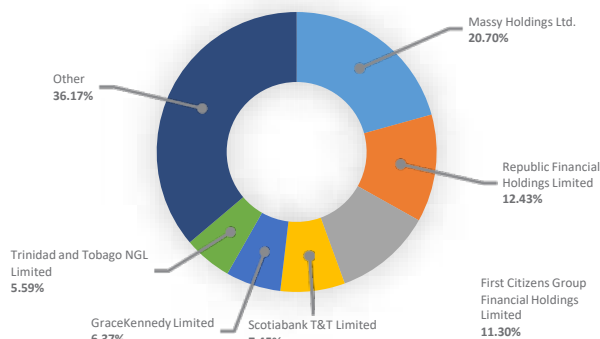
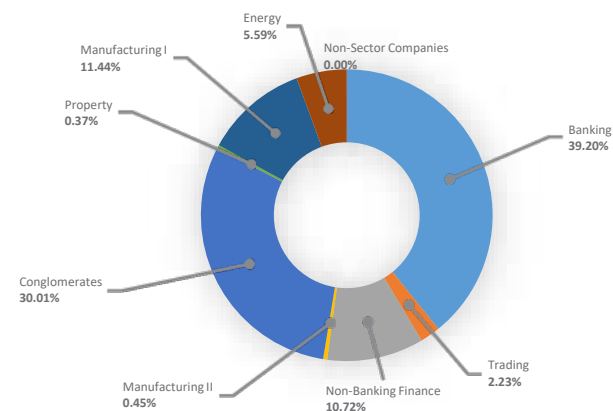


Diagram 11: 2022 Sector Performance by Market Value as % of First Tier Trade Value



Note:

1. Mora Ven Holdings Limited (MOV) is the only security listed in the Second Tier Market. MOV was suspended on February 01st, 2019, in accordance with TTSE Rules 600(8) and 601(5).

SME Market

The SME market reported an improvement in trading activity for 2022 with 133 trades, traded volume was 80,768 shares, valued at \$565,500.17. This represented YOY advances of 75%, 101.17% and 92.80% respectively. Similar to the previous year, Endeavour Holdings Limited (EHL) contributed the most trading activity in this market, representing 88.06% of the market's total traded value and 81.12% of the traded volume, while CinemaOne Limited (CINE1) accounted for the remaining 11.94% and 18.88%, respectively.

Index Performance

Despite the reported declines across the main market indices, the SME Index closed 2022 7.89 (or 18.34%) points higher than 2021's value. (Refer to Table 4 and Diagram 12).

Price Movement

Both securities listed in the SME market reported price advances. CINE1 increased by 95.24% (\$4.00), while EHL rose by 10.34% (\$0.82).

Mutual Fund Market

The Mutual Fund Market recorded 1,869 trades for 2022, an increase of 21.84% over the previous year. Similarly, the total traded volume reported an increase to 7.94 million shares while total trade value was \$231.81 million, representing increases of 86.87% and 107.08%, respectively. Despite these improvements in trade activity, the market capitalisation of the Mutual Fund Market contracted by 10.36% for the year, ending 2022 at \$6.16 billion (refer to Table 5).

Individual Share Performance

Following the trend of the previous years, CIF dominated trade activity in the Mutual Fund Market. CIF accounted for 99.08% and 99.44% of total volume and value traded, respectively in 2022. On a trades basis, the Calypso Macro Index Fund (CALYP) represented 12.09% of the total number of trades in the Mutual Fund Market.

Table 4: SME Market Index Performance (2020/2021)

Index	Value 2021	Value 2022	YOY (unit Δ)	YOY (% Δ)
SME	43.02	50.91	7.89	18.34

Diagram 12: SME Index 2021 vs 2022

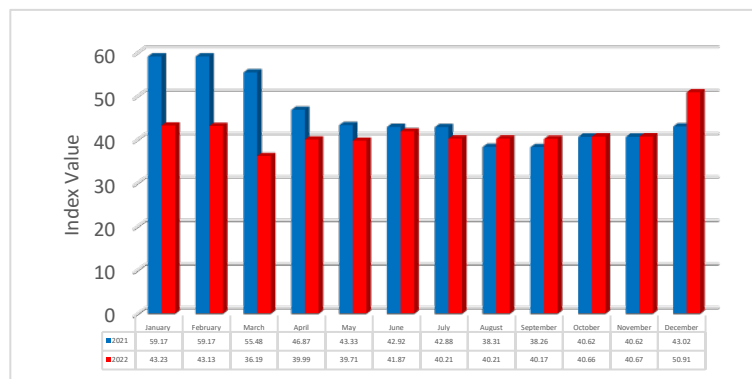


Table 5: Mutual Fund Market Performance (YOY)

	2021	2022	YOY (unit Δ)	YOY (% Δ)
Number of Trades	1,534	1,869	335	21.84
Volume of Shares Traded ('000)	4,247	7,937	3,690	86.87
Value of Shares Traded (TT\$'000)	111,941	231,806	119,865	107.08
Market Capitalisation (TT\$'000)	6,867,233	6,155,477	(711,756)	(10.36)

Price Movement

CALYP and Eppley Caribbean Property Fund Limited SCC - Development Fund (CPFD) registered price advances of 27.03% and 1.49%, respectively, over the previous year to close at \$21.15 and \$0.68, respectively. Conversely, CIF and Eppley Caribbean Property Fund Limited SCC - Value Fund (CPFV) reported price declines of 12.46% and 5.88%, respectively.

Government Bond Market

The Government Bond market recorded 91 trades in 2022, representing a significant increase of 355.00% over the previous year. Of these trades, total face value and total traded value increased to \$792.25 million and \$871.12 million, respectively, which represented advances of 897.95% and 961.85%, respectively, over 2021.

In 2022, two Government Bonds matured. This information is present in Table 6.

Corporate Bond Market

The Corporate Bond Market recorded 183 trades in 2022, declining by 75 trades or 29.07% over 2021. The trades carried a total face value and trade value of \$24.77 million and \$25.89 million, respectively, declining 81.48% and 81.81% over the previous year.

Market Summary

Tables 7 & 8 show the YOY changes in various categories based on the overall level of trade activity across all markets of the TTSE.

US Dollar Market

The USD Equity Market recorded no trading activity in 2022.²

Table 6: 2022 Matured GORTT Bonds

Security Description	Symbol	Coupon Rate	Tenor (Years)	Maturity Date
\$300M Government of Trinidad & Tobago 6.75% 30.09.2022	I301	6.75%	20	30-Sep-22
\$500M (\$1,000M) Government of Trinidad & Tobago 3.80% 19.12.2022	L197	3.80%	6	19-Dec-22

Table 7: First Tier, Second Tier, SME and Mutual Funds Market Highlight

	2022	2021	% Change
Trades	22,946	16,546	38.68
Volume ('000)	192,283	99,062	94.10
Value (TT\$'000)	1,939,264	1,426,949	35.90
Put Through Transactions ¹	510	456	11.84
Put Through Volume ('000) ¹	22,083	30,430	(27.43)
Put Through Value (TT\$'000) ¹	458,336	767,609	(40.29)
Market Capitalisation (TT\$'000,000)	133,470	150,036	(11.04)
Composite Index	1,332.15	1,496.93	(11.01)
All T&T Index	2,007.80	2,084.81	(3.69)
Cross Listed Index	85.26	121.63	(29.90)
SME Index	50.91	43.02	18.34

Table 8: Government and Corporate Bond Market Highlights

	2022	2021	% Change
Trades	274	278	(1.44)
Face Value (TT\$'000)	817,023	213,134	283.34
Trade Value (TT\$'000)	896,707	222,702	302.65
Put Through Transactions	15	23	(34.78)
Put Through Face Value (TT\$'000)	2,647	44,185	(94.01)
Put Through Trade Value (TT\$'000)	2,721	45,641	(94.04)
Market Size (TT\$'000,000)	18,305	19,768	(7.40)

The figures for 2021 excludes 2 extraordinary special-case Put-Through transactions with a total volume of 17.02 million valued at \$426.09 million.

The figures for 2022 excludes 1 extraordinary special-case Put-Through transaction with a total volume of 10.87 million shares valued at \$543.48 million.

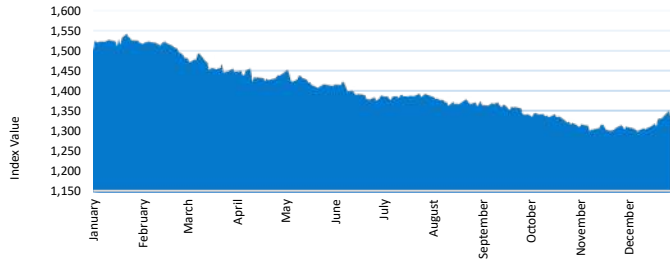
Note:

²MPC Caribbean Clean Energy Limited (MPCCEL) is the only company currently listed on the USD Equity Market.

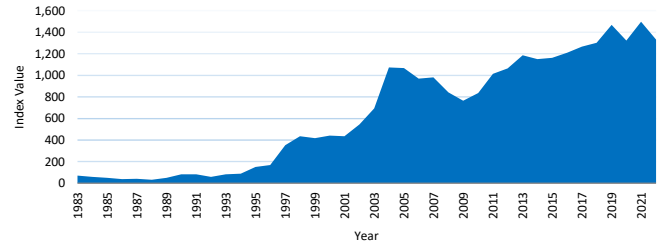


Equity Market Activity

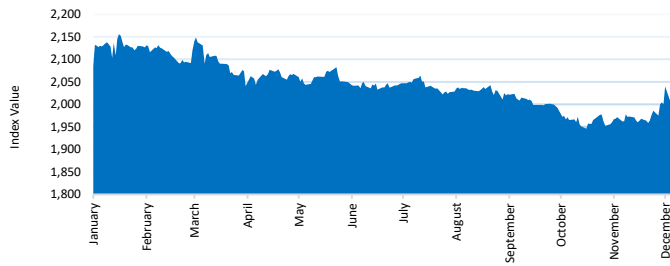
Composite Index 2022



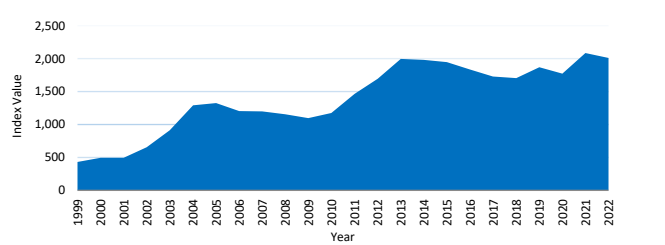
Composite Index 1983-2022



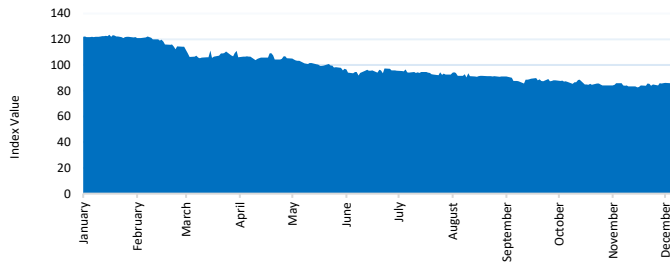
All T&T Index 2022



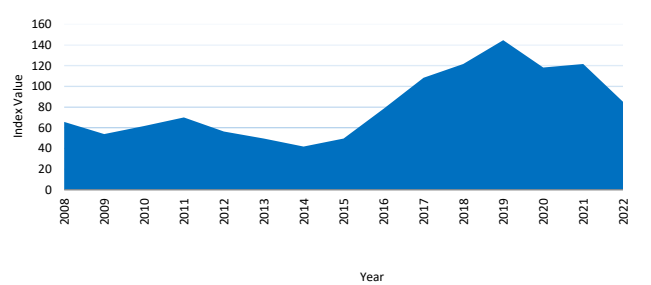
All T&T Index 1999-2022



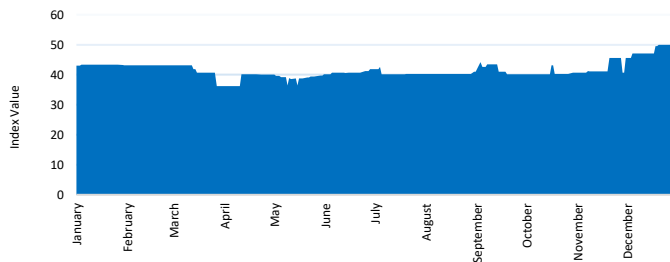
Cross Listed Index 2022



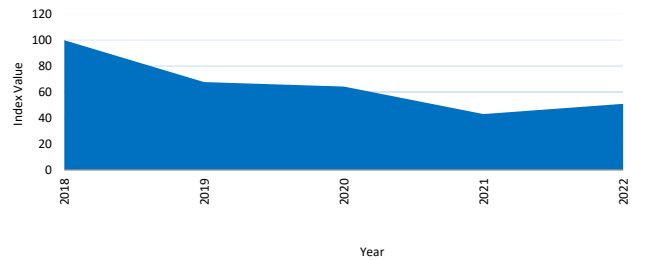
Cross Listed Index 2008-2022



SME Index 2022

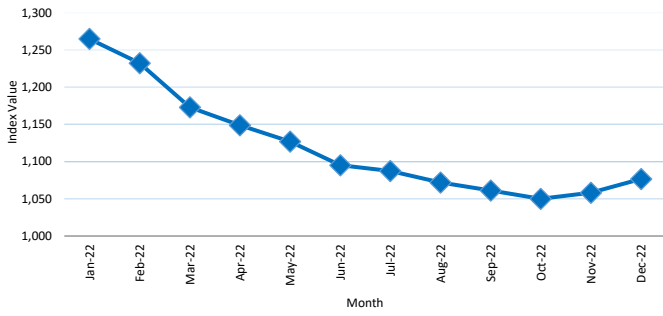


SME Index 2018-2022

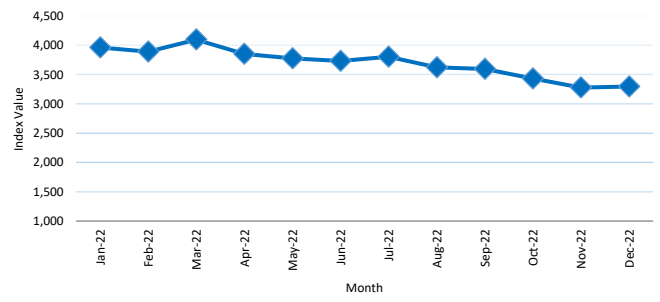




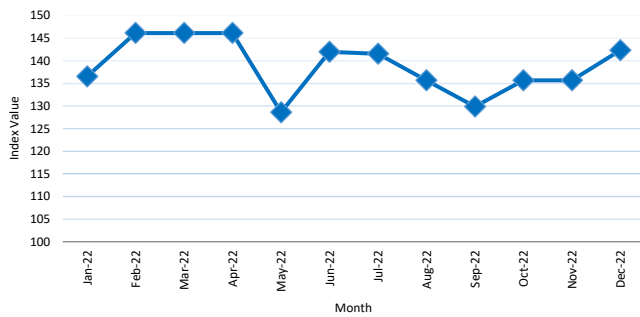
Banking Sector 2022



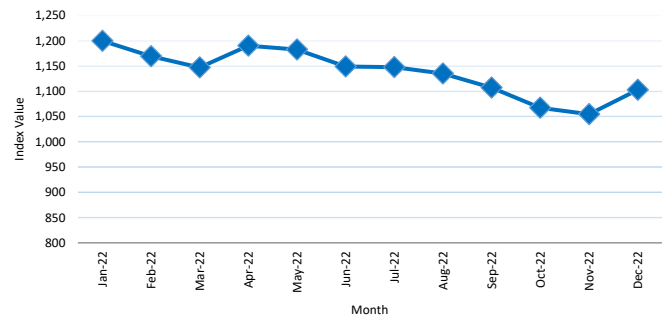
Conglomerates Sector 2022



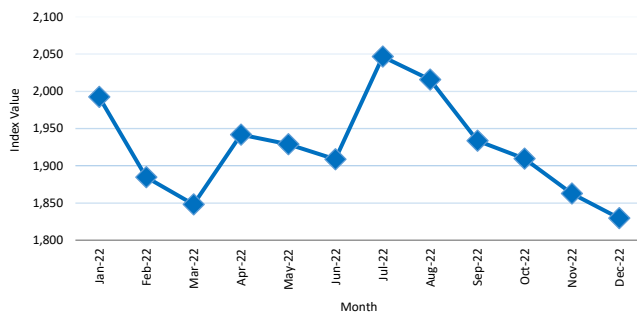
Property Sector 2022



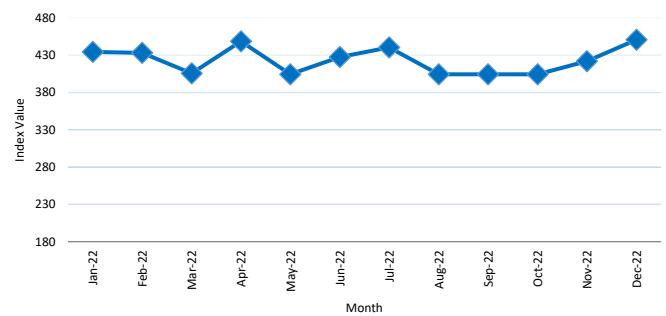
Non-Banking Finance Sector 2022



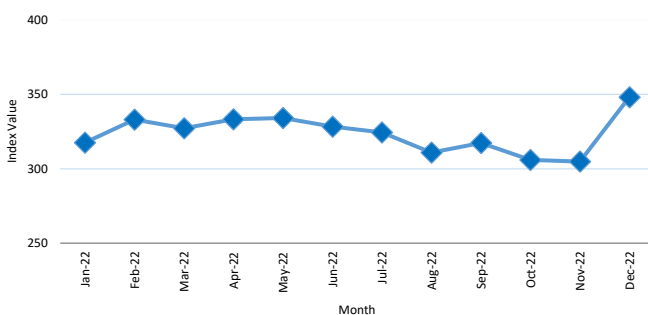
Manufacturing I Sector 2022



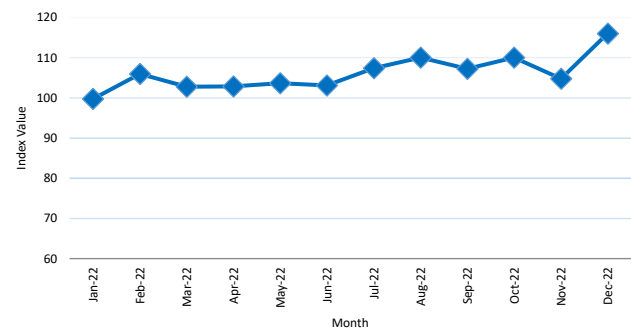
Manufacturing II Sector 2022



Trading Sector 2022

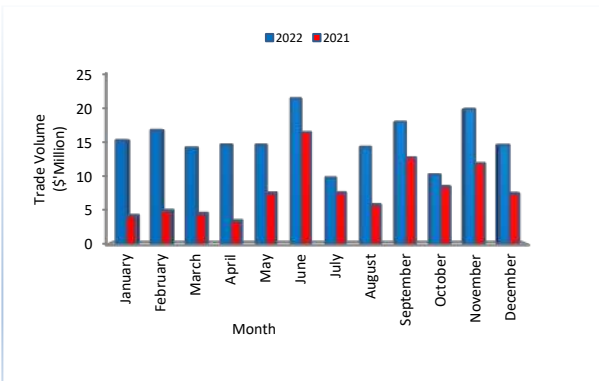


Energy Sector 2022

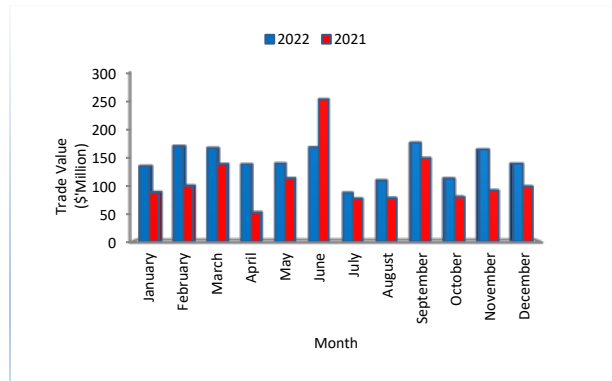




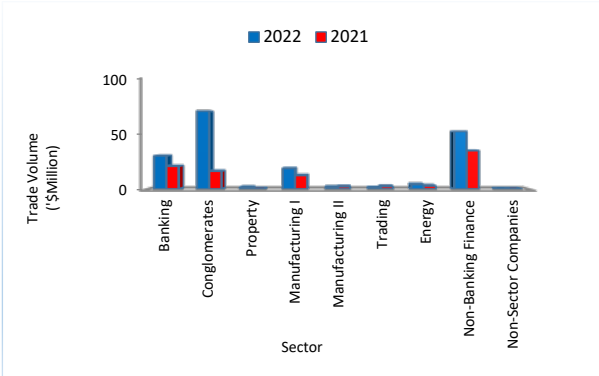
2022 Monthly Volume Traded



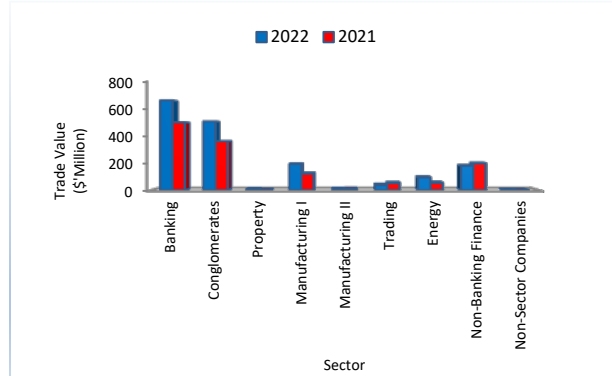
2022 Monthly Value Traded



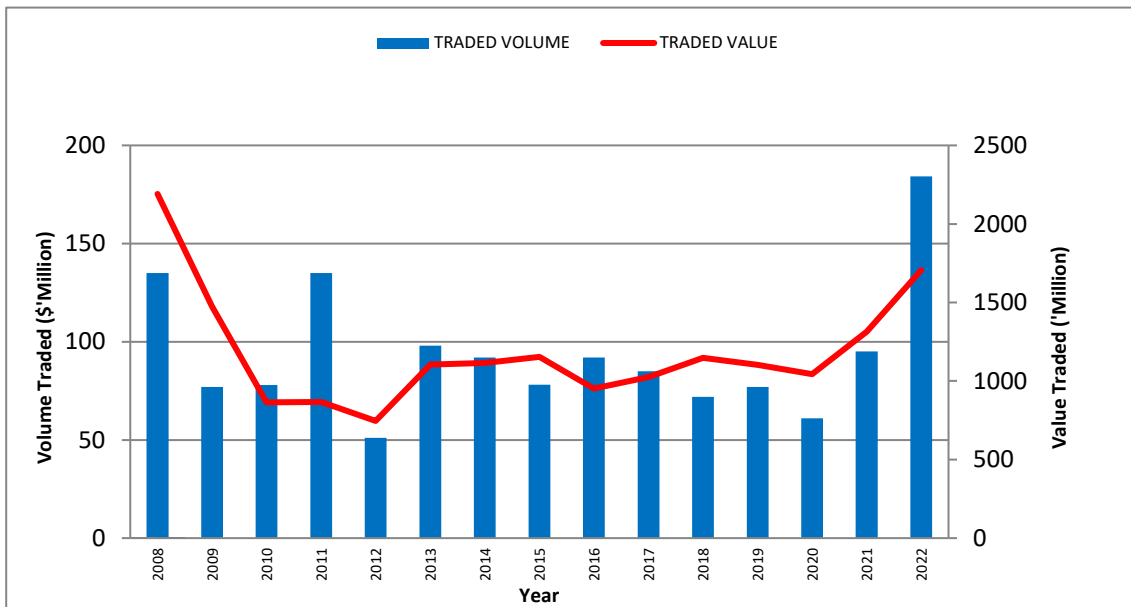
2022 Volume Traded by Sector



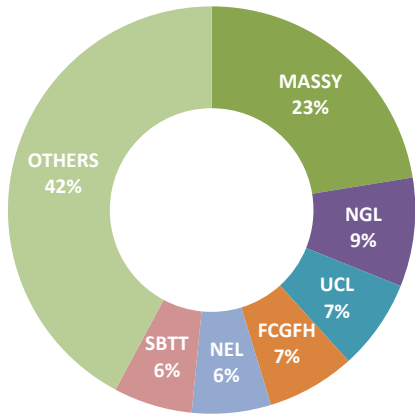
2022 Value Traded by Sector



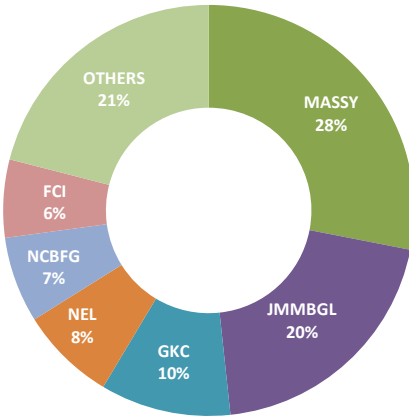
Volume and Value of Shares Traded 2008-2022



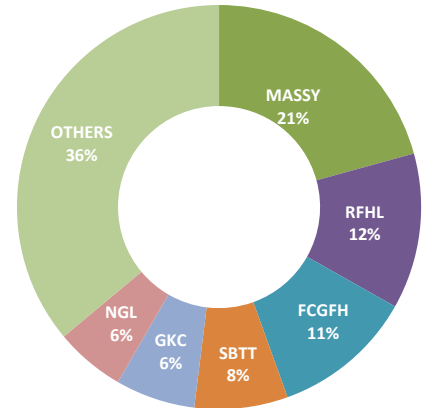
This diagram uses volume and value statistics from the First Tier market and excludes Put Throughs. Excludes one time transaction in Jamaica Money Market Brokers Limited in 2011.



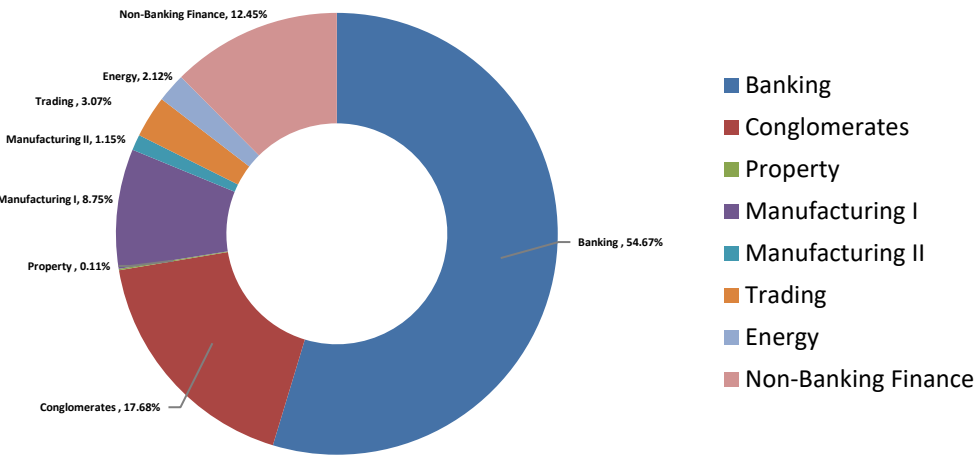
2022 Trades by Company



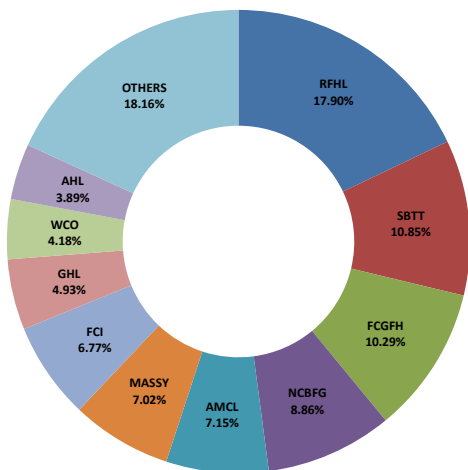
2022 Traded Volume by Company



2022 Traded Value by Company



Market Capitalization by Sector



Market Capitalization by Stock

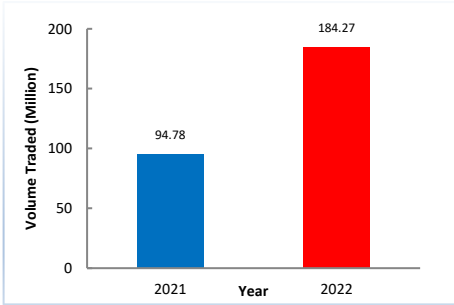
- Banking
- Conglomerates
- Property
- Manufacturing I
- Manufacturing II
- Trading
- Energy
- Non-Banking Finance

- RFHL
- SBTT
- FCGFH
- NCBFG
- AMCL
- MASSY
- FCI
- GHL
- WCO
- AHL
- OTHERS

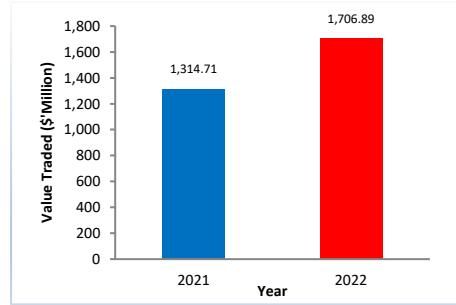


2022 Trading Activity by Market

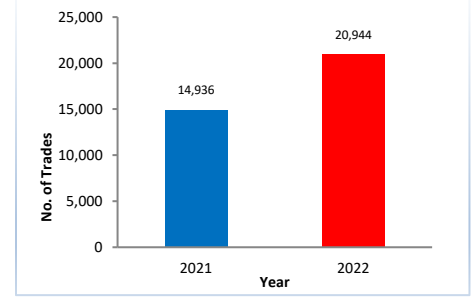
First Tier Market



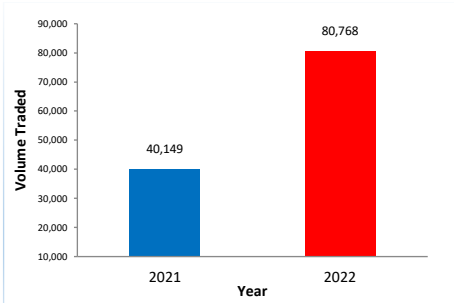
First Tier Market



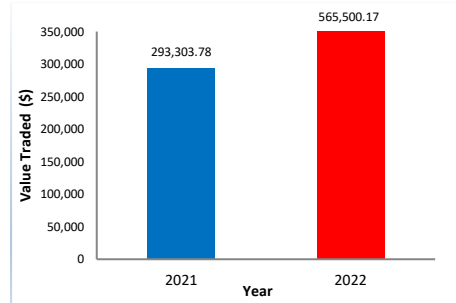
First Tier Market



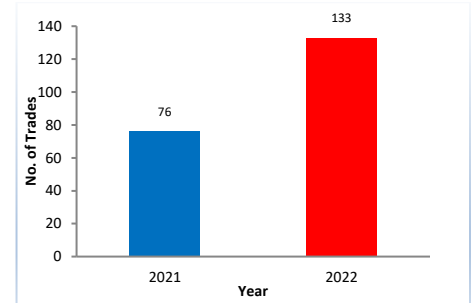
SME Market



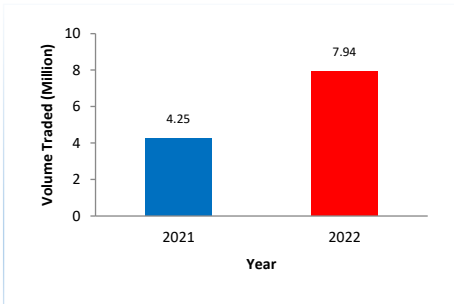
SME Market



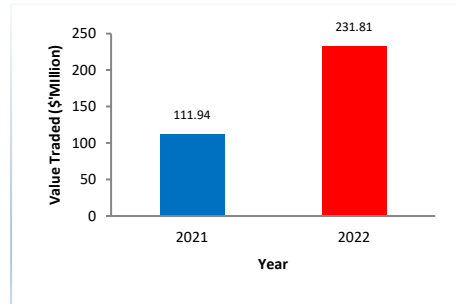
SME Market



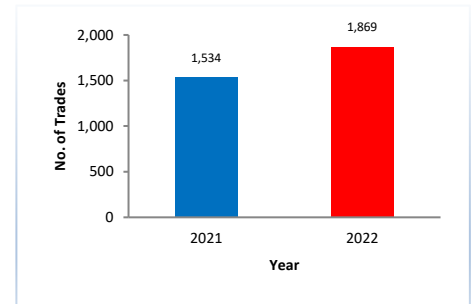
Mutual Fund Market



Mutual Fund Market

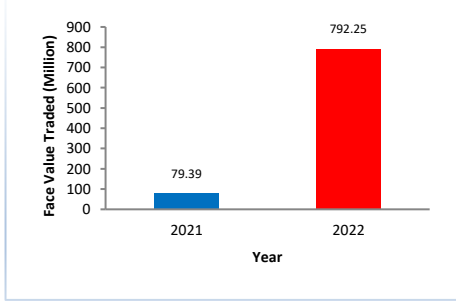


Mutual Fund Market

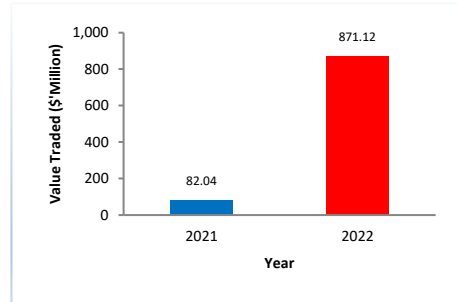




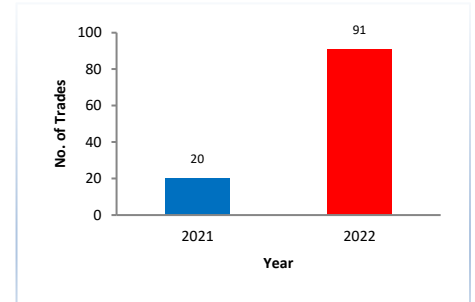
GORTT Bond Market



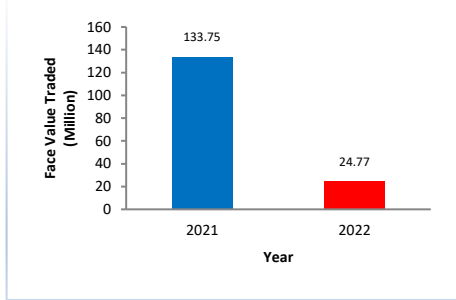
GORTT Bond Market



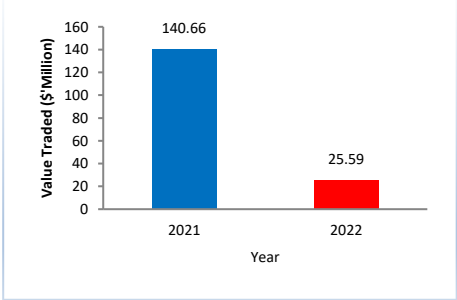
GORTT Bond Market



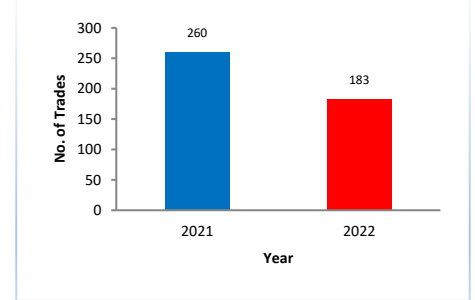
Corporate Bond Market



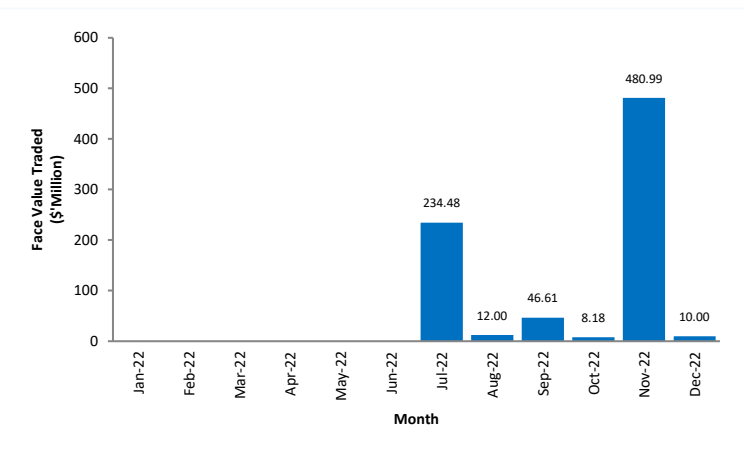
Corporate Bond Market



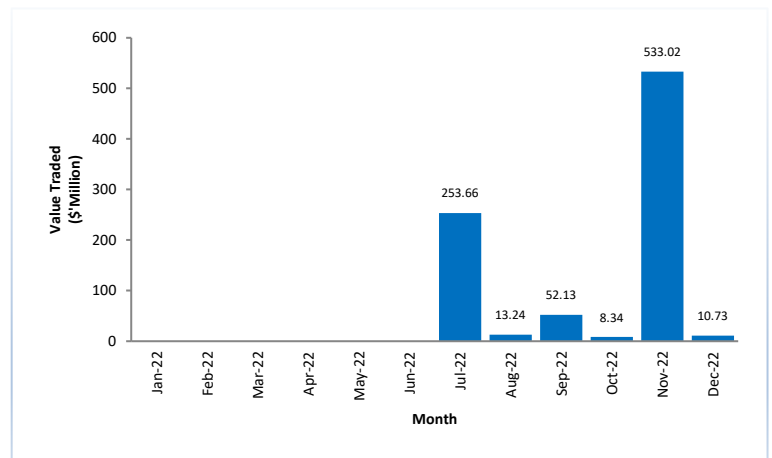
Corporate Bond Market



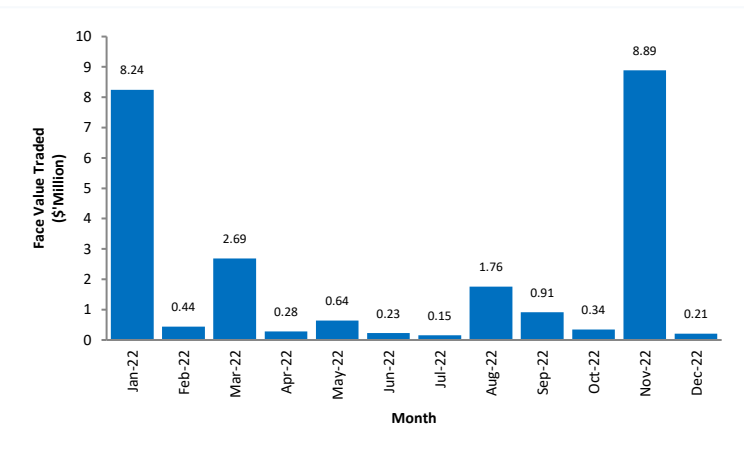
2022 GORTT Bond Market Face Value Traded



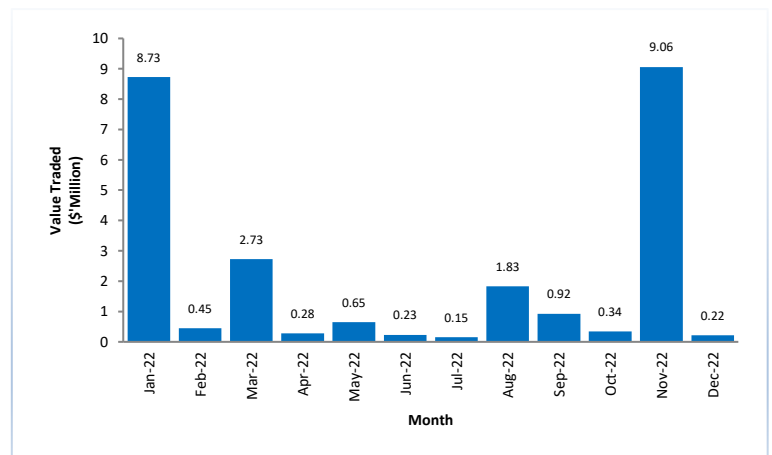
2022 GORTT Bond Market Trade Value



2022 Corporate Bond Market Face Value Traded



2022 Corporate Bond Market Trade Value



**Our human capital is our greatest capital asset.
The TTSE leadership team remains steadfast in their
duties building on our strategic pillars of Innovation,
Trust and Strengthening Relationships.**





Chairman

BOARD PROFILE



Deputy-Chairman

Directors

Ian Narine

Anton Gopaulsingh

Carla Kelshall



Michael Phillip

Peter Inglefield



Wendy Kerry

Donna-Marie Johnson



Ray A. Sumairsingh

Peter Clarke



Kavita Surat Singh

CEO PROFILE

Eva Mitchell

With over 20 years of experience in the financial services industry, Ms. Eva Mitchell has built her professional career on the hallmarks of innovation and service excellence. Passionate about economic growth and financial inclusion, Ms. Mitchell advocates for leveraging technology and collaboration to drive innovation and success across industries.

Throughout her career, which extends beyond the TTSE and includes international financial institutions, Ms. Mitchell has been involved in pioneering key product launches and financial transactions, contributing to the further deepening of the local financial market. She has worked closely with local and regional representatives (both public and private sector) to help raise awareness of the challenges related to service delivery excellence.

As CEO of the TTSE, Ms. Mitchell oversees the business operations of the organization, with an emphasis on increasing investor education, strengthening the SME Market, and the growth and development of the Exchange. Passionate about leadership, she is committed to staff development and regards her team as a valuable resource that is critical to the success of the organization.



MANAGEMENT TEAM



Head- Shared Services
Rhonda Sellier



TCD Manager Operations
Tisha-Marie Millington-Beharry



Manager Market Operations
Nicola Vickles



Marketing & Communications
Officer
Natasha Bhola

Not Pictured:
Regulatory/Legal & Compliance Officer - Jewel-Ann Jasmine Troja
Financial Accountant - Nicola Moreau
Information Technology Manager - Jason Dyer



DIRECTOR'S REPORT

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the financial year ended December 31st, 2022. 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.

2022 Financial Highlights for the year (TT\$ Million)

Operating Revenue	24.56
Cost of Sales	(6.44)
Operating Expenses	(10.31)
Operating Profit	7.81
Investment Income	2.49
Profit before Taxes	10.3
Taxation	(3.01)
Profit for the year	7.22
Other Comprehensive Income	-----
Total Comprehensive Income for the year	7.22

Dividends

The Directors declared a dividend of \$1.82 per share for the year ended December 31st, 2022 to be paid to shareholders whose names appear on the Register of Members of the Company at the close of business on May 23rd, 2023.

Disclosure of Interest of Directors and Officers in any Material Contract

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

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

Directors

In accordance with By-Laws 4.3 and 4.8.4 respectively of By-Law No. 1 of the Company Messrs. Ray A. Sumairsingh and Peter Inglefield retire from the Board of Directors and being eligible, offer themselves for re-election for a period ending at the close of the next Annual Meeting of the Shareholders of the Company following their election. Additionally, in accordance with By-Laws 4.3 and 4.5.1 respectively of By-Law No. 1 of the Company, Messrs. Michael Phillip and Peter Clarke and Ms. Donna-Marie Johnson retire from the Board of Directors and being eligible, offer themselves for re-election for a period ending at the close of the third Annual Meeting of the Shareholders of the Company following their election.



Auditors

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

By Order of the Board

Fitzstone Services Limited
Secretary
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad

Dated: April 14, 2023



CORPORATE GOVERNANCE OVERVIEW

Strong Corporate Governance is a critical element in the long-term success of The Trinidad and Tobago Stock Exchange Limited (TTSE). The TTSE Board tasks itself with ensuring that the organisation operates within a robust 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 to develop 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 sound corporate governance principles 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 in the best interest of all stakeholders. The Board's disclosure is intended to provide all stakeholders with an understanding of the TTSE's governance and its application of the Principles of the Code during the year 2022 as part of its commitment to the framework for effective governance.

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

Role of the Board

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

Our Board of Directors acts in a manner that it considers will promote the long-term success of the TTSE for the benefit of shareholders and in the interest of stakeholders. The following includes essential duties and functions of the Board:

Role of the Chairman

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

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

Board Effectiveness

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

The Composition of the Board

The Board of Directors may, under the TTSE's By-Laws, determine the number of Directors within a range of three (3) and fifteen (15). The Board currently consists of ten (10) members, comprising of independent and non-independent members. Of the ten (10) members on the Board, ten (10) members are independent members, which allows for open and dynamic discussions from a combination of disciplines such as capital markets, general management, finance, regulatory, compliance, and risk management.

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

Board Oversight

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

The Board holds meetings on a monthly basis to maintain oversight over routine business and for any special business, additional meetings are convened as necessary. The Board held fourteen (14) meetings for the year 2022 and an Annual Meeting. On average 91% of Directors were in attendance at meetings.

Board Sub-Committees

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

Audit Committee

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

The following Directors are members of the Audit Committee:

- Mr. Peter Inglefield (Chairman)
- Mr. Michael Phillip
- Ms. Wendy Kerry
- Carla Kelshall - Director

Human Resources Committee

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

The following Directors are members of the Human Resources Committee:

- Mr. Ray A. Sumairsingh (Chairman)
- Mr. Ian Narine
- Ms. Wendy Kerry

Regulatory Committee

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

The following Directors are members of the Regulatory Committee:

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

Nominations Committee

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

The following Directors are members of the Nominations Committee:

- Mr. Ian Narine (Chairman)
- Mr. Ray A. Sumairsingh
- Anton Gopaulsingh – Director

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

Consolidated Financial Statements

31 December 2022

(Expressed in Trinidad and Tobago Dollars)





Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of The Trinidad and Tobago Stock Exchange Limited and its subsidiary (together, the Group) which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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


13 April 2023 Management


13 April 2023 Management



Independent auditor's report

To the shareholders of
The Trinidad and Tobago Stock Exchange Limited

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Trinidad and Tobago Stock Exchange Limited (the Company) and its subsidiary (together, 'the Group') as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants (including international Independence Standards) issued by the International Ethics Standards Board for 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 2022 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

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

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

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

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

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

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

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers

Port of Spain,
Trinidad, West Indies
14 April 2023



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at	
		31 December	
	Notes	2022	2021
		\$	\$
Assets			
<i>Non-current assets</i>			
Property and equipment	4	6,851,695	7,136,110
Intangible assets	5	2,047,817	2,209,005
Financial assets at fair value through profit and loss	6a	184,976	184,976
Trade and other receivables	7	1,250,000	750,000
Financial assets at amortised cost	6b	<u>22,101,845</u>	<u>35,703,233</u>
		<u>32,436,333</u>	<u>45,983,324</u>
<i>Current assets</i>			
Trade and other receivables	7	5,551,239	5,142,494
Financial assets at amortised cost	6b	10,624,616	7,892,000
Cash on deposit	8	40,975,149	38,005,413
Cash in hand and at bank		16,232,546	3,616,755
Taxation recoverable		<u>4,775,791</u>	<u>4,830,389</u>
		<u>78,159,341</u>	<u>59,487,051</u>
Total assets		<u>110,595,674</u>	<u>105,470,375</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Stated capital	9	8,326,655	8,326,655
Retained earnings		<u>95,814,415</u>	<u>91,376,047</u>
Total equity		<u>104,141,070</u>	<u>99,702,702</u>
<i>Non-current liabilities</i>			
Deferred tax liability	10	<u>265,422</u>	<u>330,935</u>
<i>Current liabilities</i>			
Trade and other payables	11	5,971,116	3,291,462
Taxation payable		<u>218,066</u>	<u>2,145,276</u>
		<u>6,189,182</u>	<u>5,436,738</u>
Total liabilities		<u>6,454,604</u>	<u>5,767,673</u>
Total equity and liabilities		<u>110,595,674</u>	<u>105,470,375</u>

The notes on pages 49 to 74 are an integral part of these consolidated financial statements.

On 13th April, 2023, the Board of Directors of The Trinidad and Tobago Stock Exchange Limited and its Subsidiary authorised these consolidated financial statements for issue.

Director

Director



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Income Statement

(Expressed in Trinidad and Tobago Dollars)

		Year ended 31 December	
	Notes	2022 \$	2021 \$
Revenue			
Fees, commissions and charges	12	<u>24,561,350</u>	<u>23,903,683</u>
Cost of Sales	13	<u>(6,438,056)</u>	<u>(6,482,872)</u>
Gross Profit		<u>18,123,294</u>	<u>17,420,811</u>
Expenses			
Administrative		(663,162)	(413,539)
Marketing		(86,560)	(67,112)
Operating		<u>(9,564,346)</u>	<u>(9,132,144)</u>
	13	<u>(10,314,068)</u>	<u>(9,612,795)</u>
Operating profit		7,809,226	7,808,016
Investment income	14	<u>2,488,368</u>	<u>2,468,464</u>
Profit before taxation		10,297,594	10,276,480
Taxation	15	<u>(3,077,146)</u>	<u>(3,130,652)</u>
Profit for the year		<u>7,220,448</u>	<u>7,145,828</u>

The notes on pages 49 to 74 are an integral part of these consolidated financial statements.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2022 \$	2021 \$
Profit for the year	7,220,448	7,145,828
Other comprehensive income	----- --	----- --
Total comprehensive income for the year	<u>7,220,448</u>	<u>7,145,828</u>

The notes on pages 49 to 74 are an integral part of these consolidated financial statements.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Stated capital \$	Retained earnings \$	Total equity \$
Year ended 31 December 2022				
Balance as at 1 January 2022		8,326,655	91,376,047	99,702,702
Total comprehensive income for the year:				
Profit for the year		--	7,220,448	7,220,448
Transactions with owners:				
Dividends paid	17	--	(2,782,080)	(2,782,080)
Balance at 31 December 2022		<u>8,326,655</u>	<u>95,814,415</u>	<u>104,141,070</u>
Year ended 31 December 2021				
Balance as at 1 January 2021		8,326,655	85,003,019	93,329,674
Total comprehensive income for the year:				
Profit for the year		--	7,145,828	7,145,828
Transactions with owners:				
Dividends paid	17	--	(772,800)	(772,800)
Balance at 31 December 2021		<u>8,326,655</u>	<u>91,376,047</u>	<u>99,702,702</u>

The notes on pages 49 to 74 are an integral part of these consolidated financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2022 \$	2021 \$
Cash flows from operating activities			
Profit before taxation		10,297,594	10,276,480
Adjustments to reconcile profit to net cash provided by/(used in) operating activities:			
Depreciation	4	381,252	394,137
Amortisation	5	640,508	707,850
Investment income	14	(2,488,368)	(2,468,464)
Loss on disposal of property and equipment	4	1,167	13,293
ECL movement	6b	60,106	--
		<u>8,892,259</u>	<u>8,923,296</u>
Changes in operating assets/liabilities:			
Increase in trade and other receivables		(857,194)	(2,476,113)
Increase in trade and other payables		2,679,654	1,228,178
Net tax payments		<u>(5,015,270)</u>	<u>(103,405)</u>
Net cash provided by operating activities		<u>5,699,449</u>	<u>7,571,956</u>
Cash flows from investing activities			
Interest received		2,436,816	2,492,290
Proceeds from maturity of investment		10,808,666	5,416,667
Purchase of equipment	4	(98,004)	(101,617)
Purchase of intangible assets	5	<u>(479,320)</u>	<u>(238,646)</u>
Net cash provided by investing activities		<u>12,668,158</u>	<u>7,568,694</u>
Cash flows from financing activities			
Dividends paid	17	<u>(2,782,080)</u>	<u>(772,800)</u>
Net cash used in financing activities		<u>(2,782,080)</u>	<u>(772,800)</u>
Net increase in cash and cash equivalents		15,585,527	14,367,850
Cash and cash equivalents at beginning of year		<u>41,622,168</u>	<u>27,254,318</u>
Cash and cash equivalents at end of year		<u><u>57,207,695</u></u>	<u><u>41,622,168</u></u>
Represented by:			
Cash on deposit		40,975,149	38,005,413
Cash in hand and at bank		<u>16,232,546</u>	<u>3,616,755</u>
		<u><u>57,207,695</u></u>	<u><u>41,622,168</u></u>

The notes on pages 49 to 74 are an integral part of these consolidated financial statements.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

1 Incorporation and business activities

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

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

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

2 Summary of significant accounting policies

a. *Basis of preparation*

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Group's financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at Fair Value through Profit or Loss (FVPL).

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

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

There were no new standards adopted by the Group that had a material impact on the consolidated financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted by the Group*

Standard	Content	Applicable for financial years beginning on/after
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1 & IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 10 & IAS 28	Sale or contributions of assets between an investor and its associate or joint venture	n/a

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

b. Consolidation

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

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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 2022.



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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. *Cost of Sales*

Cost of sales comprises data and licence fees, data feed costs, staff expenses directly attributable to the delivery of customers' services, and any other costs linked and directly incurred to generate revenues and provide services to customers.

d. *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 consolidated statement of comprehensive income.

e. *Intangible assets*

Computer software

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

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

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



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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%.

f. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use.) Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of lease liabilities, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The Group has a lease contract for 99 years for the floor of the building which it occupies, however, this contract does not contain any lease liabilities as there was a lease prepayment on inception of the lease and no future lease payments required. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the asset as follows:

Leasehold property	-	2%
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Right-of-use assets are subject to impairment.

g. 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 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 improvements	-	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



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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.

h. *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.

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

Classification

The Group classifies its financial assets (excluding trade receivables) in the following measurement categories:

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

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

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

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

Classification (continued)

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

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

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



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

Recognition and derecognition

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

Measurement

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

(i) *Debt instruments (IFRS 9)*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

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

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

Measurement (continued)

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

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



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

expected credit losses in estimated future cash flows.

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

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

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

(ii) *Equity instruments*

The Group subsequently measures all equity investments at FVPL, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Group's right to receive payments is established. There were no equity instruments held at year end.

Impairment of debt instruments

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

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

Impairment of debt instruments (continued)

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

- Stage 1 – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.
- Stage 2 – This category includes instruments which display a significant increase in credit risk



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

(SICR) since initial recognition but have not yet defaulted.

- Stage 3 – This category includes instruments that are in default.

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

Expected credit loss (ECL) is measured as follows:

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

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

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

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed further in Note 3.

j. Trade receivables

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

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

Under IFRS 9, the Group applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

The expected loss rates for these accounts are based on the payment profiles of sales over a period of 12 months starting 1 January 2021 and ending on 31 December 2021 and the corresponding historical credit losses experienced within this period.

The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Group employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Group considers both internal data and external macroeconomic data.

Assets written off

Trade and other receivables and intercompany receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

k. *Cash and cash equivalents*

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

l. *Stated capital*

Ordinary shares with discretionary dividends are classified as equity.

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

m. *Trade payables*

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

n. *Provisions*

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

o. *Taxation*

(i) *Current tax*

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

(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 substantively 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.

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

p. *Pension obligations*

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

q. *Revenue*

The Group derives revenue from the following major revenue lines:

- (i) Listing and membership fees are annual fees charged for being listed and is measured on an accrual basis over a period of time.
- (ii) Customer transaction charges are transaction fees for trades executed on the Exchange and is recognized at a point in time.
- (iii) Commission rebates, bond income, registrar fees, euroclear income and other income are recognized at a point in time.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

- (iv) Registration fees are charged to new brokers that want to trade on the stock exchange and is billed upfront and the identified performance obligations satisfied over time.

r. *Investment income*

Financial assets under IFRS 9

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

s. *Dividend distribution*

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

3 Critical accounting estimates and assumptions

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

a. *Measurement of the expected credit loss allowance*

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

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

ECL calculations are shown in Note 7. Had there been a 10% increase in the average ECL rate for all financial instruments at amortised cost, the total ECL allowance would have been higher by \$11,903 (2021: \$5,893).

b. *Measurement of the expected customer relationship over registration fees*

The measurement of the expected customer relationship in respect of registration fees is an area that requires significant assumptions in determining the expected customer relationship of the broker.



The Trinidad and Tobago Stock Exchange Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

4 Property and equipment

	Leasehold improvements \$	Right of use asset \$	Office furniture and equipment \$	Motor vehicles \$	Total \$
At 31 December 2020					
Cost	531,699	7,925,589	5,936,926	155,000	14,549,214
Accumulated depreciation	(158,816)	(2,404,096)	(4,401,663)	(142,716)	(7,107,291)
Closing net book amount	<u>372,883</u>	<u>5,521,493</u>	<u>1,535,263</u>	<u>12,284</u>	<u>7,441,923</u>
Year ended 31 December 2021					
Opening net book amount	372,883	5,521,493	1,535,263	12,284	7,441,923
Additions	--	--	101,617	--	101,617
Disposal	--	--	(13,293)	--	(13,293)
Depreciation charge	(10,634)	(158,512)	(221,920)	(3,071)	(394,137)
Closing net book amount	<u>362,249</u>	<u>5,362,981</u>	<u>1,401,667</u>	<u>9,213</u>	<u>7,136,110</u>
At 31 December 2021					
Cost	531,699	7,925,589	6,021,131	155,000	14,633,419
Accumulated depreciation	(169,450)	(2,562,608)	(4,619,464)	(145,787)	(7,497,309)
Closing net book amount	<u>362,249</u>	<u>5,362,981</u>	<u>1,401,667</u>	<u>9,213</u>	<u>7,136,110</u>
Year ended 31 December 2022					
Opening net book amount	362,249	5,362,981	1,401,667	9,213	7,136,110
Additions	--	--	98,004	--	98,004
Disposal	--	--	(1,167)	--	(1,167)
Depreciation charge	(10,634)	(158,512)	(209,803)	(2,303)	(381,252)
Closing net book amount	<u>351,615</u>	<u>5,204,469</u>	<u>1,288,701</u>	<u>6,910</u>	<u>6,851,695</u>
At 31 December 2022					
Cost	531,699	7,925,589	6,112,384	155,000	14,724,672
Accumulated depreciation	(180,084)	(2,721,120)	(4,823,683)	(148,090)	(7,872,977)
Closing net book amount	<u>351,615</u>	<u>5,204,469</u>	<u>1,288,701</u>	<u>6,910</u>	<u>6,851,695</u>

In 2019, on adoption of IFRS 16: Leases, the Company reclassified its leased building from the 'Land and Buildings' category to the 'Right of use Asset' category. This represented advance payments on the lease and the asset is being amortised over 50 years. There are no future lease payments and accordingly no lease obligation has been recognised.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

5 Intangible assets

	Work in progress \$	Computer software \$	Total \$
At 31 December 2020			
Cost	841,039	5,550,000	6,391,039
Accumulated amortisation	--	(3,712,830)	(3,712,830)
Net book amount	<u>841,039</u>	<u>1,837,170</u>	<u>2,678,209</u>
Year ended 31 December 2021			
Opening net book amount	841,039	1,837,170	2,678,209
Additions	171,708	66,938	238,646
Transfers	(725,267)	725,267	--
Amortisation charge	--	(707,850)	(707,850)
Closing net book amount	<u>287,480</u>	<u>1,921,525</u>	<u>2,209,005</u>
At 31 December 2021			
Cost	287,480	6,342,206	6,629,686
Accumulated amortisation	--	(4,420,681)	(4,420,681)
Net book amount	<u>287,480</u>	<u>1,921,525</u>	<u>2,209,005</u>
Year ended 31 December 2022			
Opening net book amount	287,480	1,921,525	2,209,005
Additions	479,320	--	479,320
Amortisation charge	--	(640,508)	(640,508)
Closing net book amount	<u>766,800</u>	<u>1,281,017</u>	<u>2,047,817</u>
At 31 December 2022			
Cost	766,800	6,342,206	7,109,006
Accumulated amortisation	--	(5,061,189)	(5,061,189)
Net book amount	<u>766,800</u>	<u>1,281,017</u>	<u>2,047,817</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

6 Financial assets

6a	2022	2021
<i>Financial assets at fair value through profit and loss</i>	\$	\$
Ansa Merchant Bank Limited – TTD Income Fund	103,668	103,668
Caribbean Information and Credit Rating Agency Limited (CariCRIS)	<u>81,308</u>	<u>81,308</u>
	<u>184,976</u>	<u>184,976</u>

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

6b	2022	2021
<i>Financial assets at amortised cost</i>	\$	\$
Non-current assets		
Government of Trinidad and Tobago (7.75% FRB 2024)	52,000	52,000
Government of Trinidad and Tobago (4.10% FRB 2025)	2,988,000	2,988,000
Government of Trinidad and Tobago (3.85% FRB 2029)	2,935,811	3,352,477
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	--	4,965,000
Guardian Holdings Limited (5.0% FRB 2025)	4,989,074	4,989,074
Home Mortgage Bank 3.5% Bond 2023	--	5,020,616
Home Mortgage Bank 4.75% Bond 2025	3,300,000	3,300,000
National Investment Fund 4.5% Bond 2023	--	3,139,000
National Investment Fund 5.7% Bond 2030	7,956,000	7,956,000
Provision for estimated credit loss bonds	<u>(119,040)</u>	<u>(58,934)</u>
	<u>22,101,845</u>	<u>35,703,233</u>
Current assets		
Government of Trinidad and Tobago (3.80% FRB 2022)	--	7,892,000
Trinidad and Tobago Mortgage Finance Company Limited (4.75% FRB 2023)	2,465,000	--
Home Mortgage Bank 3.5% Bond 2023	5,020,616	--
National Investment Fund 4.5% Bond 2023	<u>3,139,000</u>	<u>--</u>
	<u>10,624,616</u>	<u>7,892,000</u>

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

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

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

6 Financial assets (continued)

6b Financial assets at amortised cost (continued)

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

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

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

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

	2022 \$	2021 \$
The following is a movement analysis of the ECL provision		
Opening ECL under IFRS 9	(58,934)	(58,934)
Net changes to provisions during the year	<u>(60,106)</u>	<u>--</u>
	<u>(119,040)</u>	<u>(58,934)</u>
Effective ECL loss rate	<u>0.362%</u>	<u>0.135%</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

7 Trade and other receivables	2022 \$	2021 \$
Trade receivables	5,665,748	4,763,148
Less: Expected credit loss on receivables	<u>(40,894)</u>	<u>(40,894)</u>
Trade receivables – net	5,624,854	4,722,254
Prepayments	488,770	534,177
Interest receivable	656,843	605,292
Other receivables	<u>30,772</u>	<u>30,771</u>
	<u>6,801,239</u>	<u>5,892,494</u>
Disclosed as:		
Non-current portion	1,250,000	750,000
Current portion	<u>5,551,239</u>	<u>5,142,494</u>
	<u>6,801,239</u>	<u>5,892,494</u>

Management has determined the impact of discounting the long-term receivable as not material and have accordingly not recorded an amount.

As of 31 December 2022, trade receivables of \$3,838,034 (2021: \$3,106,605) were fully performing.

As of 31 December 2022, trade receivables of \$1,786,820 (2021: \$1,615,649) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

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

Up to 3 months	731	396,325
3 to 6 months	2,348	13,556
More than 6 months	<u>1,783,741</u>	<u>1,205,768</u>
Total	<u>1,786,820</u>	<u>1,615,649</u>

Summary of ECL calculations

(a) The simplified approach

A summary of the assumptions underpinning the Group's expected credit loss model under the simplified approach is further analysed below.

Trade receivables assessed for specific provisions are identified based on certain default triggers (e.g. customers with a significant portion of their invoices > 90 days, customers with significant cash flow issues, business model issues and other relevant factors). Once the population for specific provisions is identified, it is segregated from the rest of the portfolio and fully provided for.

A provision matrix is then applied to all remaining accounts on a portfolio basis. Customer balances covered by specific provisions are excluded from the portfolio provision calculations to avoid double counting.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

7 Trade and other receivables (continued)

Summary of ECL calculations (continued)

(a) The simplified approach (continued)

Aging Bucket 2022	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	0.73%	3,866,221	(28,186)
31 to 60 days	72.50%	2,658	(1,927)
61 to 90 days	28.88%	3,300	(953)
Over 90 days	0.55%	1,793,569	(9,828)
	0.72%	5,665,748	(40,894)

Aging Bucket 2021	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	0.90%	3,134,790	(28,186)
31 to 60 days	0.48%	398,251	(1,927)
61 to 90 days	6.57%	14,510	(953)
Over 90 days	0.81%	1,215,597	(9,828)
	0.86%	4,763,148	(40,894)

The following is a movement analysis of the ECL provision:

	2022 \$	2021 \$
Balance at beginning of the year as reported under IFRS 9	(40,894)	(40,894)
Net changes to provisions during the year	--	--
	<u>(40,894)</u>	<u>(40,894)</u>

8 Cash on deposit

Trinidad and Tobago Unit Trust Corporation - TTD Income Fund	11,003,892	7,557,411
Trinidad and Tobago Unit Trust Corporation - USD Income Fund	7,153,105	9,148,858
Guardian Asset Management Limited - TTD Monthly Income Fund	10,450,321	10,285,710
Guardian Asset Management Limited - TTD Private Wealth Fund	1,159,066	893,565
Guardian Asset Management Limited - USD Monthly Income Fund	11,152,425	10,063,529
Ansa Merchant Bank Limited - TTD Secured Fund	56,340	56,340
	<u>40,975,149</u>	<u>38,005,413</u>

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

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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

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% (2021: 30%). The deferred tax liability and deferred tax charge/(credit) in the statement of comprehensive income are attributable to the following:

	Opening balance \$	(Credit)/Charge for the year (Note 15) \$	Closing balance \$
Year ended 31 December 2022			
Accelerated tax depreciation	330,935	(65,513)	265,422
Net deferred tax	<u>330,935</u>	<u>(65,513)</u>	<u>265,422</u>
Year ended 31 December 2021			
Accelerated tax depreciation	309,455	21,480	330,935
Net deferred tax	<u>309,455</u>	<u>21,480</u>	<u>330,935</u>

11 Trade and other payables

	2022 \$	2021 \$
Trade creditors	1,157,494	646,296
Fees/subscriptions paid in advance	3,368,900	1,655,817
Other payables and accrued charges	<u>1,444,722</u>	<u>989,349</u>
	<u>5,971,116</u>	<u>3,291,462</u>

12 Fees, commissions and charges

Listing and membership fees	4,317,178	4,306,770
Registration Fee	287,000	187,000
Customer transaction charges	11,984,526	12,045,767
Commission rebates	828,379	591,592
Registrar fees	3,931,409	3,918,074
Bond income	1,085,248	840,872
Euroclear income	498,336	479,553
Other income	<u>1,629,274</u>	<u>1,534,055</u>
	<u>24,561,350</u>	<u>23,903,683</u>

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

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(Expressed in Trinidad and Tobago Dollars)

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.

Registration fees relates to fees charged for the on boarding of new brokers.

Transaction charges are calculated at a rate of 0.21% of the transaction cost for shares traded by member firms on the buy and sell side. As at 31 December 2022 total value of transactions traded was TT\$2,941,078,414 (2021:TT\$2,620,642,583) and US\$13,500 (2021: US\$6,380).

Commission rebates are calculated as 2% of broker commissions.

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

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

13 Expenses by nature	2022 \$	2021 \$
Included in results from operating activities are the following expense items:		
Cost of Sales		
Information technology expenses	2,988,165	3,079,921
Regulatory fee	648,216	554,128
Euroclear	351,753	399,881
Staff costs (Note 16)	<u>2,449,922</u>	<u>2,448,942</u>
Cost of sales	<u>6,438,056</u>	<u>6,482,872</u>
Staff costs (Note 16)	5,152,572	4,797,544
Directors' fees (Note 21)	1,254,250	1,314,500
Depreciation (Note 4)	381,252	394,137
Amortisation (Note 5)	640,508	707,850
Building maintenance	486,346	459,659
Rental expense	175,176	182,352
Telephone and connectivity	240,331	280,188
Insurance	343,188	324,637
Audit	281,518	193,123
Bad debts	41,870	122,017
Legal and professional	381,643	220,416
Other expenses	<u>935,414</u>	<u>616,372</u>
Administrative, marketing and operating expenses	<u>10,314,068</u>	<u>9,612,795</u>

Cost of sales, administrative, marketing and

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

operating expenses	<u>16,752,124</u>	<u>16,095,667</u>
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Total staff costs of \$7,602,494 (2021: \$7,246,486) is comprised of amounts related to cost of sales and administrative costs.

14 Investment income

Interest income	<u>2,488,368</u>	<u>2,468,464</u>
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15 Taxation

	2022	2021
	\$	\$
Current tax	2,986,698	2,964,963
Prior year under provision	64,576	61,215
Deferred tax (Note 10)	(65,513)	21,480
Green fund levy	<u>91,385</u>	<u>82,994</u>
	<u>3,077,146</u>	<u>3,130,652</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>10,297,594</u>	<u>10,276,480</u>
Tax calculated at 30%	3,089,278	3,082,944
Income not subject to tax	(176,525)	(133,712)
Expenses not deductible for tax purposes	864	1,812
Additional allowance for expenses	(15,953)	(13,864)
Prior year under provision	64,576	61,215
Green fund levy	91,385	82,994
Other permanent differences	<u>23,521</u>	<u>49,263</u>
	<u>3,077,146</u>	<u>3,130,652</u>

16 Staff costs

Salaries and benefits	7,157,513	6,839,889
Pension costs	<u>444,981</u>	<u>406,597</u>
	<u>7,602,494</u>	<u>7,246,486</u>
Average number of employees	<u>32</u>	<u>31</u>

17 Dividends per share

The dividends paid in 2022 was \$2,782,080 (\$1.80 per share) and in 2021 \$772,800 (\$0.50 per share).



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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 16.

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.

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 and Regulatory Committees. 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*

The Group is exposed to foreign exchange risk arising from currency exposure principally with respect to the US dollar. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages this risk by holding US dollar denominated bank accounts to match US dollar receipts with outflows.

At 31 December 2022, if the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, post tax profit for the year would have been \$128,138 (2021: \$134,487) 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



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

future cash flows or the fair values of financial instruments. The impact of interest rate changes is immaterial.

(ii) *Credit risk*

The Group's exposure to credit risk lies primarily with its trade and other receivables, amounts due from related parties, cash on deposit and cash and cash equivalents.

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. The Group uses various control mechanisms to ensure the provision of its services is given to clients with reliable history of credit and constantly monitors the payment of trade receivables. There have been no changes in policies from prior year.

The Group's maximum exposure to credit risk amount to \$96,920,371 (2021: \$91,294,871). The exposure is based on the net carrying amount as reported in the statement of financial position.

With respect to credit risk arising from other financial assets of the Group, investments, cash and cash equivalents and cash on deposits are only placed with reputable financial institutions. The Group's financial assets at amortised cost and trade and other receivables are subject to the Expected Credit Loss (ECL) model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(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.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

	Within one year \$
As at 31 December 2022	
Liabilities	
Trade and other payables	5,631,703
	Within one year \$
As at 31 December 2021	
Liabilities	
Trade and other payables	3,290,849

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 on deposits, 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 and cash equivalents, cash on deposit, 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).

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

The following table presents the Group's assets and liabilities that are measured at FVPL at 31 December 2022.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at FVPL				
- Equity securities	103,668	--	81,308	184,976

The following table presents the Group's assets and liabilities that are measured at FVPL at 31 December 2021.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at FVPL				
- Equity securities	103,668	--	81,308	184,976

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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:

	2022 \$	2021 \$
(a) Directors' fees (Note 13)	<u>1,254,250</u>	<u>1,314,500</u>
(b) Key management compensation		
Salaries and other short-term employee benefits	1,246,613	831,507
Post-employment benefits	<u>78,000</u>	<u>71,000</u>
	<u>1,324,613</u>	<u>902,507</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

The Property Tax Act was assented to by the President on 31 December 2009, however there was a moratorium on payment from inception which ended on 30 September 2017. The Property Tax is chargeable on the Annual Tax Value (ATV) of different categories of property, at the relevant prescribed rates. It is the view of management that it is unlikely that a liability will arise from the implementation of this legislation as at the date of these financial statements.

23 Events after the reporting period

There were no subsequent events identified that require disclosure or adjustments to the financial statements.

The Trinidad and Tobago Stock Exchange Limited and its Subsidiary



Notes to the Consolidated Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2022	2021
	\$	\$
<i>Financial assets measured at amortised cost</i>		
Financial assets at amortised cost	32,726,461	43,595,233
Trade and other receivables excluding prepayments (Note 7)	6,312,469	5,358,317
Cash on deposit	40,975,149	38,005,413
Cash and cash equivalents	<u>16,232,546</u>	<u>3,616,755</u>
	<u>96,246,625</u>	<u>90,575,718</u>
<i>Financial assets measured at FVPL</i>		
Financial assets at fair value through profit and loss (Note 6a)	<u>184,976</u>	<u>184,976</u>
<i>Other financial liabilities at amortised cost</i>		
Trade and other payables excluding statutory liabilities (Note 19)	<u>5,631,703</u>	<u>3,290,849</u>

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Statement of Trustees' Responsibilities

The Trustees are responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Central Depository Settlement Assurance Fund (the Fund) which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



13 April 2023 Trustee



13 April 2023 Trustee



Independent auditor's report

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

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 2022, 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 2022;
- 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 significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) Code. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Trustees are responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2022 (but does not include the financial statements and our auditor's report thereon).

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

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

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

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



In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend 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 the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

Port of Spain,
Trinidad, West Indies
14 April 2023

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December	
		2022 \$	2021 \$
Assets			
<i>Non-current assets</i>			
Financial assets at amortised cost	4	<u>3,241,289</u>	<u>3,252,808</u>
		<u>3,241,289</u>	<u>3,252,808</u>
<i>Current assets</i>			
Trade and other receivables	5	113,180	184,561
Cash on deposit	6	<u>8,255,424</u>	<u>7,645,642</u>
		<u>8,368,604</u>	<u>7,830,203</u>
Total assets		<u>11,609,893</u>	<u>11,083,011</u>
Equity and accumulated fund			
Accumulated fund		<u>10,266,960</u>	<u>9,854,288</u>
Total equity		<u>10,266,960</u>	<u>9,854,288</u>
<i>Current liabilities</i>			
Taxation payable		1,228,933	1,114,723
Accrued expenses	7	<u>114,000</u>	<u>114,000</u>
Total liabilities		<u>1,342,933</u>	<u>1,228,723</u>
Total equity and liabilities		<u>11,609,893</u>	<u>11,083,011</u>

The notes on pages 82 to 93 are an integral part of these financial statements.

On 13 April 2023, the Trustees of The Trinidad And Tobago Central Depository Settlement Assurance Fund authorised these financial statements for issue.



Trustee



Trustee



The Trinidad and Tobago Central Depository Settlement Assurance Fund

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2022 \$	2021 \$
Revenue			
Contributions	8	370,801	346,438
Investment income	9	<u>270,106</u>	<u>270,191</u>
		<u>640,907</u>	<u>616,629</u>
Expenditure			
Audit fees		(17,589)	(16,751)
Management charges	10	(96,000)	(96,000)
Green fund levy		(437)	2,781
Interest and penalty		(36,706)	58,351
Expected credit loss on financial instruments at amortised cost	4	<u>(435)</u>	<u>344</u>
		<u>(151,167)</u>	<u>(51,275)</u>
Surplus for the year before taxation		489,740	565,354
Taxation	11	<u>(77,068)</u>	<u>159,241</u>
Surplus for the year		412,672	724,595
Other comprehensive income for the year		<u>--</u>	<u>--</u>
Total comprehensive income for the year		<u>412,672</u>	<u>724,595</u>

The notes on pages 82 to 93 are an integral part of these financial statements.



The Trinidad and Tobago Central Depository Settlement Assurance Fund

Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Accumulated fund \$
Year ended 31 December 2022	
Balance at 1 January 2022	9,854,288
Total comprehensive income for the year: Surplus for the year	<u>412,672</u>
Balance at 31 December 2022	<u><u>10,266,960</u></u>
Year ended 31 December 2021	
Balance at 1 January 2021	9,129,693
Total comprehensive income for the year: Surplus for the year	<u>724,595</u>
Balance at 31 December 2021	<u><u>9,854,288</u></u>

The notes on pages 82 to 93 are an integral part of these financial statements.



The Trinidad and Tobago Central Depository Settlement Assurance Fund

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2022 \$	2021 \$
Cash flows from operating activities			
Surplus for the year before taxation		489,740	565,354
Investment income	9	(270,106)	(270,191)
Expected credit loss - bonds	4	<u>435</u>	<u>(344)</u>
		220,069	294,819
Changes in current assets and liabilities			
Decrease in trade and other receivables		71,381	8,454
Decrease in taxation payable		<u>37,142</u>	<u>(61,132)</u>
Net cash provided by operating activities		<u>328,592</u>	<u>242,141</u>
Cash flow from investing activity			
Interest received		<u>281,190</u>	<u>280,633</u>
Net cash provided by investing activity		<u>281,190</u>	<u>280,633</u>
Net increase in cash and cash equivalents		609,782	522,774
Cash and cash equivalents at beginning of year		<u>7,645,642</u>	<u>7,122,868</u>
Cash and cash equivalents at end of year		<u>8,255,424</u>	<u>7,645,642</u>
Represented by:			
Cash on deposit		<u>8,255,424</u>	<u>7,645,642</u>

The notes on pages 82 to 93 are an integral part of these financial statements.

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(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) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The Fund's financial statements have been prepared under the historical cost convention.

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

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

There were no new standards adopted by the Fund that had a material impact on the financial statements.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted by the Fund

Standard	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1 & IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 10 & IAS 28	Sale or contributions of assets between an investor and its associate or joint venture	n/a

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted by the Fund (continued)

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

b. Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

Classification

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

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

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

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

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

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

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

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

Measurement

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

(i) *Debt instruments (IFRS 9)*

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Fund classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

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

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

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

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

(ii) *Equity instruments*

The Fund subsequently measures all equity investments at fair value, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Fund's right to receive payments is established. There were no equity instruments held at year end.

Impairment of debt instruments

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

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

Expected credit loss (ECL) is measured as follows:

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

Impairment of debt instruments (continued)

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

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

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed further in Note 3.

d. *Trade receivables*

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

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

Under IFRS 9, the Fund applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles.

The expected loss rates for these accounts are based on the payment profiles of sales over a period of 12 months starting 1 January 2021 and ending on 31 December 2021 and the corresponding historical credit losses experienced within this period.

The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Fund employs various probability weighted scenarios and regression curves to predict future behaviour. In developing the various models, the Fund considers both internal data and external macroeconomic data.

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. Trade receivables (continued)

Assets written off

Trade and other receivables and intercompany receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Fund. The Fund categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts.

Where receivables

have been written off, the Fund continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

e. Cash and cash equivalents

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

f. Provisions

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

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

g. Taxation

Current tax

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

h. Revenue

Contributions and investment income are recognised on an accrual basis when the revenue is earned at a point in time.

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

i. *Investment income*

Financial assets under IFRS 9

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

3 Critical accounting estimates and assumptions

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

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

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

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

ECL calculations are shown in Note 4. Had there been a 10% increase in the average ECL rate for all financial instruments at amortised cost, the total ECL allowance would have been higher by \$403 (2021: \$359).

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

4	Financial asset at amortised cost	2022 \$	2021 \$
	Government of Trinidad and Tobago (6.00% FRB 2031)	3,245,314	3,256,398
	Provision for expected credit loss bond	<u>(4,025)</u>	<u>(3,590)</u>
		<u>3,241,289</u>	<u>3,252,808</u>

The following is a movement analysis of the ECL provision

Balance at beginning of the year	(3,590)	(3,934)
Net changes to provisions during the year	<u>(435)</u>	<u>344</u>
Balance at end of the year	<u>(4,025)</u>	<u>(3,590)</u>

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

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

5	Trade and other receivables	2022 \$	2021 \$
	Accounts receivables	--	109,651
	Other receivables	62,169	23,899
	Interest receivable	<u>51,011</u>	<u>51,011</u>
		<u>113,180</u>	<u>184,561</u>

As of 31 December 2022 there were no trade receivables. Trade receivables in 2021 of \$109,651 were fully performing.

6	Cash on deposit	2022 \$	2021 \$
	First Citizens Bank Limited – Abercrombie Fund	<u>8,255,424</u>	<u>7,645,642</u>

7	Accrued expenses	2022 \$	2021 \$
	Due to The Trinidad and Tobago Central Depository Limited	96,000	96,000
	Accounts payables and accrued charges	<u>18,000</u>	<u>18,000</u>
		<u>114,000</u>	<u>114,000</u>

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

8 Contributions

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

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

9 Investment income	2022 \$	2021 \$
Interest income	281,190	280,633
Amortisation of premium on bond	<u>(11,084)</u>	<u>(10,442)</u>
	<u>270,106</u>	<u>270,191</u>

10 Management charges

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

11 Taxation

Corporation tax	141,499	138,367
Prior year over provision	<u>(64,431)</u>	<u>(297,608)</u>
	<u>77,068</u>	<u>(159,241)</u>

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

Surplus before taxation	<u>489,740</u>	<u>565,354</u>
Tax calculated at 30%	146,922	169,606
Income not subject to tax	(28,341)	(47,068)
Prior year over provision	(64,431)	(297,608)
Expenses not deductible for tax purposes	<u>22,918</u>	<u>15,829</u>
	<u>77,068</u>	<u>(159,241)</u>

12 Related party transactions

The following transactions were carried out with related parties

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

13 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 only in the Trinidad and Tobago market and is not subject to significant foreign currency risk.

(b) Price risk

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

(c) Cash flow and fair value interest rate risk

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

(ii) Credit risk

The Fund's exposure to credit risk lies primarily with its trade and other receivables, amounts due from related parties, cash on deposit and cash and cash equivalents.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. This risk is not significant as all of the Fund's receivables are from member firms of the parent company and are obligated to pay as part of the rules of the Exchange and guided by the Securities Act 1995.

The Fund uses various control mechanisms to ensure the provision of its services is given to clients with reliable history of credit and constantly monitors the payment of trade receivables. There have been no changes in policies from prior year.

The Fund's maximum exposure to credit risk amount to \$11,609,893 (2021: \$11,083,011). The exposure is based on the net carrying amount as reported in the statement of financial position.

With respect to credit risk arising from other financial assets of the Fund, investments, cash and cash equivalents and cash on deposits are only placed with reputable financial institutions.

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

13 Financial risk management (continued)

a. Financial risk factors (continued)

(ii) Credit risk (continued)

The Fund's financial assets at amortised cost and trade and other receivables are subject to the Expected Credit Loss (ECL) model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(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.

	Within one year \$
As at 31 December 2022	
Liabilities	
Trade and other payables	114,000
As at 31 December 2021	
Liabilities	
Trade and other payables	114,000

b. Fair value estimation

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

14 Fair values of financial assets and liabilities

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

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

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

The Trinidad and Tobago Central Depository Settlement Assurance Fund



Notes to the Financial Statements (continued) 31 December 2022

(Expressed in Trinidad and Tobago Dollars)

14 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.

15 Contingent liabilities

There are no contingent liabilities as at 31 December 2022 (2021: none).

16 Events after the reporting period

There were no subsequent events identified that require disclosure or adjustments to the financial statements.

17 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2022 \$	2021 \$
<i>Financial assets at amortised cost</i>		
Financial assets at amortised cost	3,241,289	3,252,808
Trade and other receivables excluding prepayments (Note 5)	113,180	184,561
Cash on deposit	<u>8,255,424</u>	<u>7,645,642</u>
Total	<u>11,609,893</u>	<u>11,083,011</u>
<i>Other financial liabilities at amortised cost</i>		
Trade and other payables excluding statutory liabilities (Note 7)	<u>114,000</u>	<u>114,000</u>



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Trustees' Responsibilities


The Trustees are responsible for the following:


- Preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Stock Exchange Contingency Fund (the Fund) which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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


13 April 2023 _____ Trustee


13 April 2023 _____ Trustee



Independent auditor's report

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

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 2022, 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 2022;
- 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 significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Trustees are responsible for the other information. The other information comprises the Trinidad and Tobago Stock Exchange Limited Annual Report 2022 (but does not include the financial statements and our auditor's report thereon).

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

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

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

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



In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend 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 the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

Port of Spain,
Trinidad, West Indies

14 April 2023



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2022 \$	2021 \$
Assets			
<i>Non-current assets</i>			
Financial assets at amortised cost	4	<u>5,337,915</u>	<u>5,357,203</u>
		<u>5,337,915</u>	<u>5,357,203</u>
<i>Current assets</i>			
Trade and other receivables	5	101,860	144,845
Cash on deposit	6	8,664,253	8,256,038
Cash at bank		<u>2,428,774</u>	<u>2,121,570</u>
		<u>11,194,887</u>	<u>10,522,453</u>
Total assets		<u>16,532,802</u>	<u>15,879,656</u>
Equity and accumulated fund			
Accumulated fund		<u>14,902,207</u>	<u>14,373,136</u>
Total equity		<u>14,902,207</u>	<u>14,373,136</u>
<i>Current liabilities</i>			
Taxation payable		1,474,595	1,350,522
Accrued expenses	7	<u>156,000</u>	<u>155,998</u>
Total liabilities		<u>1,630,595</u>	<u>1,506,520</u>
Total equity and liabilities		<u>16,532,802</u>	<u>15,879,656</u>

The notes on pages 101 to 113 are an integral part of these financial statements.

On 13 April 2023, the Trustees of The Trinidad and Tobago Stock Exchange Contingency Fund authorised these financial statements for issue.



Trustee



Trustee



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2022 \$	2021 \$
Revenue			
Contributions	8	413,162	352,376
Investment income	9	<u>398,541</u>	<u>394,525</u>
		<u>811,703</u>	<u>746,901</u>
Expenditure			
Audit fees		(17,588)	(16,751)
Bank charges		(1,936)	(517)
Management charges	10	(138,000)	(138,000)
Green fund levy		(566)	3,631
Interest and penalty		(30,118)	63,041
Expected credit loss on financial instruments at amortised cost	4	<u>(1,035)</u>	<u>140</u>
		<u>(189,243)</u>	<u>(88,456)</u>
Surplus for the year before taxation		622,460	658,445
Taxation	11	<u>(93,389)</u>	<u>193,800</u>
Surplus for the year		529,071	852,245
Other comprehensive income for the year		<u>--</u>	<u>--</u>
Total comprehensive income for the year		<u><u>529,071</u></u>	<u><u>852,245</u></u>

The notes on pages 101 to 113 are an integral part of these financial statements.



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Changes in Accumulated Fund

(Expressed in Trinidad and Tobago Dollars)

	Accumulated fund \$
Year ended 31 December 2022	
Balance at 1 January 2022	14,373,136
Total comprehensive income for the year:	
Surplus for the year	<u>529,071</u>
Balance at 31 December 2022	<u><u>14,902,207</u></u>
Year ended 31 December 2021	
Balance at 1 January 2021	13,520,891
Total comprehensive income for the year:	
Surplus for the year	<u>852,245</u>
Balance at 31 December 2021	<u><u>14,373,136</u></u>

The notes on page 101 to 113 are an integral part of these financial statements.



The Trinidad and Tobago Stock Exchange Contingency Fund

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2022 \$	2021 \$
Cash flows from operating activities			
Surplus for the year before taxation		622,460	658,445
Investment income	9	(398,541)	(394,525)
Expected credit loss - Bonds	4	1,035	(140)
		<u>224,954</u>	<u>263,780</u>
Changes in current assets and liabilities			
Decrease/(increase) in trade and other receivables		42,985	(84,651)
Increase in accrued expenses		2	--
Increase/(decrease) in taxation payable		<u>30,684</u>	<u>(66,672)</u>
Net cash provided by operating activities		<u>298,625</u>	<u>112,457</u>
Cash flows from investing activities			
Interest received		<u>416,794</u>	<u>414,254</u>
Net cash provided by investing activities		<u>416,794</u>	<u>414,254</u>
Net increase in cash and cash equivalents		715,419	526,711
Cash and cash equivalents at beginning of year		<u>10,377,608</u>	<u>9,850,897</u>
Cash and cash equivalents at end of year		<u>11,093,027</u>	<u>10,377,608</u>
Represented by:			
Cash at bank		2,428,774	2,121,570
Cash on deposit		<u>8,664,253</u>	<u>8,256,038</u>
		<u>11,093,027</u>	<u>10,377,608</u>

The notes on page 101 to 113 are an integral part of these financial statements.

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements

31 December 2022

(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) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The Fund's financial statements have been prepared under the historical cost convention.

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

(i) *New standards and amendments to published standards adopted by the Fund*

There were no new standards adopted by the Fund that had a material impact on the financial statements.

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted by the Fund*

Standard	Content	Applicable for financial years beginning on/after
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1 & IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 10 & IAS 28	Sale or contributions of assets between an investor and its associate or joint venture	n/a

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

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.



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

Classification

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

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

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

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

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

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

Recognition and derecognition

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

Measurement

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

i) Debt instruments (IFRS 9)

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Fund classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

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



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

Measurement (continued)

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

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

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

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

(ii) Equity instruments

The Fund subsequently measures all equity investments at fair value, as it has not applied the irrevocable option to take fair value changes on equity instruments through OCI. Changes in the fair value of financial assets at FVPL are recognised in 'investment income' in the statement of profit or loss as applicable. Dividends from equity investments are recognised in profit or loss within 'investment income' when the Fund's right to receive payments is established. There were no equity instruments held at year end.

Impairment of debt instruments

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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

Measurement (continued)

Impairment of debt instruments (continued)

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

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

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

Expected credit loss (ECL) is measured as follows:

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

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

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

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed further in Note 3.



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. Trade receivables

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

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

Under IFRS 9, the Fund applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles.

The expected loss rates for these accounts are based on the payment profiles of sales over a period of 12 months starting 1 January 2021 and ending on 31 December 2021 and the corresponding historical credit losses experienced within this period.

The loss rates are adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date. The Fund employs various probability weighted scenarios and regression curves to predict future behavior. In developing the various models, the Fund considers both internal data and external macroeconomic data.

Assets written off

Trade and other receivables and intercompany receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Fund. The Fund categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the Fund continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

e. Cash and cash equivalents

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



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. Provisions

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

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

g. Taxation

Current tax

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

h. Revenue

Contributions and investment income are recognised on an accrual basis when the revenue is earned at a point in time.

i. Investment income

Financial assets under IFRS 9

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



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and assumptions

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

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

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

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

ECL calculations are shown in Note 4. Had there been a 10% increase in the average ECL rate for all financial instruments at amortised cost, the total ECL allowance would have been higher by \$663 (2021: \$559).

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

4	Financial asset at amortised cost	2022	2021
		\$	\$
	Government of Trinidad and Tobago (6.00% FRB 2031)	5,344,544	5,362,797
	Provision for expected credit loss bond	<u>(6,629)</u>	<u>(5,594)</u>
		<u>5,337,915</u>	<u>5,357,203</u>

The following is a movement analysis of the ECL provision

Balance at beginning of the year	(5,594)	(5,734)
Net changes to provisions during the year	<u>(1,035)</u>	<u>140</u>
Balance at end of the year	<u>(6,629)</u>	<u>(5,594)</u>

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

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

5 Trade and other receivables

Accounts receivables	65,909	109,651
Interest receivable	<u>35,951</u>	<u>35,194</u>
	<u>101,860</u>	<u>144,845</u>

As of 31 December 2022, trade receivables of \$65,909 (2021: \$109,651) were fully performing.

6 Cash on deposit

Trinidad and Tobago Unit Trust Corporation - TTD Income Fund	2,377,347	2,349,187
First Citizens Bank Limited – Abercrombie Fund	3,343,729	3,004,381
Republic Bank Limited – Money Market Account	113,788	112,870
Trinidad and Tobago Unit Trust Corporation - USD Income Fund	425,443	423,520
Guardian Asset Management Limited - TTD Monthly Income Fund	<u>2,403,946</u>	<u>2,366,080</u>
	<u>8,664,253</u>	<u>8,256,038</u>

7 Accrued expenses

Due to The Trinidad and Tobago Stock Exchange Limited	138,000	138,000
Accounts payables and accrued charges	<u>18,000</u>	<u>17,998</u>
	<u>156,000</u>	<u>155,998</u>

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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	2022	2021
	\$	\$
Interest income	416,794	414,253
Amortisation of premium on bond	<u>(18,253)</u>	<u>(19,728)</u>
	<u>398,541</u>	<u>394,525</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.

11 Taxation

Corporation tax	183,266	162,857
Prior year over provision	<u>(89,877)</u>	<u>(356,657)</u>
	<u>93,389</u>	<u>(193,800)</u>

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

Surplus before taxation	<u>622,460</u>	<u>658,445</u>
Tax calculated at 30%	186,738	197,533
Income not subject to tax	(32,789)	(52,642)
Prior year over provision	(89,877)	(356,657)
Expenses not deductible for tax purposes	<u>29,317</u>	<u>17,966</u>
	<u>93,389</u>	<u>(193,800)</u>

12 Related party transactions

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>138,000</u>
b. Transactions with related parties		
Management charges	<u>138,000</u>	<u>138,000</u>

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

13 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 only in the Trinidad and Tobago market and, with the exception of the US dollar Income Fund Account held at the Trinidad and Tobago Unit Trust Corporation, is not subject to significant foreign currency risk.

(b) Price risk

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

(c) Cash flow and fair value Interest rate risk

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

(ii) Credit risk

The Fund's exposure to credit risk lies primarily with its trade and other receivables, amounts due from related parties, cash on deposit and cash and cash equivalents.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. This risk is not significant as all of the Fund's receivables are from Member Firms of the parent company and are obligated to pay as part of the rules of the Exchange and guided by the Securities Act 1995. The Fund uses various control mechanisms to ensure the provision of its services is given to clients with reliable history of credit and constantly monitors the payment of trade receivables. There have been no changes in policies from prior year.

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

13 Financial risk management (continued)

a. Financial risk factors (continued)

(ii) Credit risk (continued)

The Fund's maximum exposure to credit risk amount to \$16,532,802 (2021: \$15,879,656). The exposure is based on the net carrying amount as reported in the statement of financial position.

With respect to credit risk arising from other financial assets of the Fund, investments, cash and cash equivalents and cash on deposits are only placed with reputable financial institutions.

The Fund's financial assets at amortised cost and trade and other receivables are subject to the Expected Credit Loss (ECL) model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(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.

	Within one year \$
As at 31 December 2022	
Liabilities	
Trade and other payables	156,000
As at 31 December 2021	
Liabilities	
Trade and other payables	155,998

b. Fair value estimation

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

14 Fair values of financial assets and liabilities

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

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

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

The Trinidad and Tobago Stock Exchange Contingency Fund



Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

14 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.

15 Contingent liabilities

There are no contingent liabilities as at 31 December 2022 (2021: none).

16 Events after the reporting period

There were no subsequent events identified that require disclosure or adjustments to the financial statements.

17 Financial instruments by category

	2022 \$	2021 \$
<i>Financial instruments at amortised cost</i>		
Financial asset at amortised cost	5,337,915	5,357,203
Trade and other receivables excluding prepayments (Note 5)	101,860	144,845
Cash on deposit	8,664,253	8,256,038
Cash at bank	<u>2,428,774</u>	<u>2,121,570</u>
Total	<u>16,532,802</u>	<u>15,879,656</u>
<i>Other financial liabilities at amortised cost</i>		
Trade and other payables excluding statutory liabilities (Note 7)	<u>156,000</u>	<u>155,998</u>

Appendices

MONTHLY INDEX VALUES



STATISTICAL APPENDIX																
TTSE Monthly Index Values																
Banking				Conglomerates				Property								
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average				
Jan	1,264.80	1,279.07	1,241.62	1,263.99	3,962.36	3,995.70	3,914.76	3,978.66	136.52	151.13	131.51	136.48				
Feb	1,232.17	1,269.01	1,232.17	1,260.12	3,888.90	3,971.12	3,883.54	3,927.36	146.12	146.12	136.52	137.00				
Mar	1,172.91	1,221.75	1,162.48	1,188.23	4,095.03	4,313.68	3,857.03	4,066.49	146.12	146.12	146.12	146.12				
Apr	1,149.05	1,178.68	1,131.61	1,156.95	3,849.92	3,992.57	3,814.07	3,907.11	146.12	146.12	146.12	146.12				
May	1,127.16	1,168.58	1,122.05	1,139.10	3,774.67	3,879.06	3,734.15	3,828.97	128.60	144.46	128.60	134.44				
Jun	1,095.14	1,133.05	1,077.31	1,105.84	3,730.99	3,860.66	3,730.99	3,789.69	141.96	141.96	128.60	139.29				
Jul	1,087.28	1,106.42	1,087.28	1,096.87	3,802.60	3,807.00	3,688.05	3,733.38	141.54	141.96	141.54	141.80				
Aug	1,071.96	1,091.92	1,071.96	1,084.34	3,623.21	3,767.73	3,593.05	3,646.67	135.69	141.54	127.76	132.99				
Sep	1,061.39	1,091.73	1,061.39	1,076.89	3,595.73	3,672.05	3,585.86	3,617.02	129.85	135.69	129.01	131.14				
Oct	1,050.02	1,079.76	1,050.02	1,067.34	3,429.86	3,589.92	3,429.86	3,518.70	135.69	135.69	128.59	132.29				
Nov	1,058.27	1,067.32	1,035.41	1,054.55	3,278.40	3,429.86	3,254.58	3,340.51	135.67	135.69	127.75	132.34				
Dec	1,076.65	1,085.43	1,047.62	1,060.67	3,294.44	3,446.01	3,236.53	3,300.98	142.35	146.11	133.17	140.39				
(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	1,992.73	2,042.20	1,964.38	2,014.14	434.45	439.07	420.59	433.24	317.45	326.57	243.15	286.24				
Feb	1,884.85	1,957.75	1,872.10	1,921.60	433.31	450.63	427.53	436.83	333.04	333.04	320.61	326.28				
Mar	1,848.26	1,890.46	1,833.99	1,853.36	405.58	433.31	404.42	421.44	327.30	352.33	327.30	344.69				
Apr	1,941.88	1,946.86	1,848.74	1,900.66	448.34	448.34	406.74	414.83	333.29	336.67	325.67	328.73				
May	1,929.13	1,949.49	1,899.88	1,927.50	404.43	448.34	404.43	411.31	334.03	342.31	328.50	334.24				
Jun	1,908.83	1,977.31	1,903.01	1,922.59	427.55	448.34	405.59	435.29	328.25	334.61	327.94	332.66				
Jul	2,046.49	2,046.49	1,891.77	1,965.50	440.25	447.18	404.43	424.02	324.31	326.96	324.31	325.52				
Aug	2,015.88	2,041.90	1,980.43	2,014.21	404.44	440.25	404.44	417.58	310.91	325.31	309.73	319.72				
Sep	1,933.45	2,022.81	1,865.96	1,959.81	404.44	432.18	404.44	409.54	317.34	321.68	289.66	314.64				
Oct	1,909.73	1,932.66	1,862.87	1,904.58	404.44	404.44	404.44	404.44	305.85	314.99	300.15	308.20				
Nov	1,862.59	1,906.25	1,828.50	1,862.36	421.78	452.98	404.44	418.10	304.81	305.85	299.73	303.30				
Dec	1,829.65	1,876.56	1,829.65	1,859.35	450.67	452.99	416.00	445.36	348.15	350.92	305.10	328.21				
(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	99.75	102.50	93.00	98.92	1,200.09	1,232.42	1,195.84	1,210.20	1,522.67	1,540.09	1,498.34	1,522.26				
Feb	106.00	108.90	95.05	102.63	1,169.74	1,219.10	1,169.74	1,191.36	1,487.34	1,521.48	1,487.34	1,512.99				
Mar	102.75	105.00	96.90	102.22	1,147.37	1,172.27	1,127.74	1,148.91	1,455.18	1,491.40	1,444.58	1,466.16				
Apr	102.85	103.20	101.25	102.69	1,190.47	1,190.47	1,145.46	1,156.81	1,436.14	1,455.02	1,420.95	1,436.17				
May	103.65	104.80	101.15	103.17	1,183.04	1,197.06	1,157.75	1,180.73	1,412.66	1,451.31	1,406.56	1,424.36				
Jun	103.10	104.95	101.75	103.78	1,149.25	1,199.24	1,144.60	1,161.09	1,381.59	1,423.17	1,376.46	1,396.61				
Jul	107.40	108.95	101.50	106.21	1,147.72	1,160.86	1,143.20	1,148.24	1,390.92	1,392.70	1,377.59	1,386.69				
Aug	110.00	119.50	106.65	110.55	1,135.09	1,151.81	1,116.00	1,134.70	1,361.66	1,385.79	1,361.66	1,373.14				
Sep	107.25	110.20	104.70	108.94	1,107.42	1,134.00	1,107.42	1,123.09	1,343.16	1,373.79	1,340.63	1,359.49				
Oct	110.00	115.35	105.00	109.83	1,067.69	1,087.57	1,057.67	1,072.26	1,315.51	1,345.05	1,315.51	1,334.14				
Nov	104.80	112.30	104.25	108.06	1,054.71	1,079.22	1,052.69	1,068.43	1,304.52	1,318.49	1,299.27	1,308.95				
Dec	116.05	116.05	104.75	109.54	1,103.15	1,104.51	1,054.29	1,079.28	1,332.15	1,351.20	1,298.33	1,315.99				
(Base Value: October 19, 2015 = 100)				(Base Value: January 01, 1983 = 100)				(Base Value: January 01, 1983 = 100)								
All T&T				Cross Listed				SME								
	Value	High	Low	Average	Value	High	Low	Average	Value	High	Low	Average				
Jan	2,131.68	2,155.96	2,085.21	2,130.09	122.08	123.49	121.61	122.19	43.23	43.37	43.02	43.28				
Feb	2,104.04	2,131.57	2,104.04	2,122.66	115.97	122.06	115.97	120.62	43.13	43.18	43.13	43.15				
Mar	2,087.11	2,148.58	2,087.11	2,105.72	109.08	115.85	105.34	109.50	36.19	43.13	36.19	41.49				
Apr	2,072.66	2,076.73	2,040.87	2,064.27	105.73	111.03	103.62	106.99	39.99	40.14	36.19	38.43				
May	2,061.12	2,078.55	2,043.24	2,060.29	100.63	109.24	100.63	104.15	39.71	39.99	36.39	38.95				
Jun	2,035.34	2,082.64	2,035.34	2,054.37	95.48	100.85	91.80	96.98	41.87	41.87	39.71	40.69				
Jul	2,063.95	2,063.95	2,032.94	2,045.73	93.90	97.16	93.52	95.41	40.21	42.62	40.16	40.54				
Aug	2,031.94	2,051.42	2,022.35	2,034.69	90.20	94.54	90.20	93.12	40.21	40.21	40.21	40.21				
Sep	2,015.22	2,042.43	2,008.96	2,025.32	87.36	93.55	87.36	90.57	40.17	44.15	40.17	41.61				
Oct	1,965.58	2,012.45	1,965.58	1,993.75	86.78	89.74	85.67	87.95	40.66	43.12	40.17	40.50				
Nov	1,962.37	1,977.01	1,946.32	1,962.66	84.06	88.51	83.98	85.31	40.67	45.59	40.66	42.21				
Dec	2,007.80	2,039.80	1,958.77	1,981.73	85.26	85.99	82.59	84.48	50.91	50.91	40.67	47.63				
(Base Value: January 05, 1999 = 453.56)				(Base Value: June 02, 2008 = 100)				(Base Value: November 21, 2018 = 100)								

TTSE INDEX VALUES 2018-2022

SECTORS	2022			2021			YEAR 2020			2019			2018		
	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low
Banking	1,076.65	1,279.07	1,035.41	1,242.37	1,242.37	1,202.31	1,151.98	1,362.37	1,096.28	1,282.08	1,306.34	1,108.14	1,110.10	1,121.61	975.66
Conglomerates	3,294.44	4,313.68	3,236.53	3,953.38	4,027.94	3,770.17	2,831.35	3,026.09	2,495.39	2,889.99	2,889.99	2,546.86	2,529.33	2,809.38	1,131.64
Property	142.35	151.13	127.75	131.51	134.01	131.51	131.50	156.56	125.24	150.30	164.08	144.04	154.48	160.32	151.14
Manufacturing I	1,829.65	2,046.49	1,828.50	1,973.93	2,042.63	1,955.33	2,219.84	8,990.08	1,964.83	2,541.61	2,616.80	2,202.63	2,204.14	2,313.82	2,131.36
Manufacturing II	450.67	452.99	404.42	413.65	454.10	402.10	288.87	300.42	201.04	231.08	321.06	212.59	313.20	423.61	290.26
Trading	348.15	352.33	243.15	243.15	243.15	193.20	193.30	212.16	186.01	207.80	207.80	185.40	186.92	189.42	176.45
Energy	116.05	119.50	93.00	104.50	104.50	91.80	85.00	120.00	71.25	119.80	152.50	104.90	145.50	150.55	130.00
Non-Banking Finance	1,103.15	1,232.42	1,052.69	1,197.42	1,206.66	1,188.48	981.85	1,166.00	945.99	1,133.99	1,156.50	1,009.26	1,063.52	1,114.88	1,003.00
Composite	1,332.15	1,540.09	1,298.33	1,496.93	1,497.58	1,451.80	1,323.11	1,518.01	1,255.80	1,468.41	1,482.33	1,301.77	1,302.48	1,310.21	1,214.12
All T&T	2,007.80	2,155.96	1,946.32	2,084.81	2,085.82	1,998.54	1,772.61	1,941.56	1,668.88	1,868.97	1,868.97	1,702.88	1,705.17	1,732.30	1,675.41
Cross Listed	85.26	123.49	82.59	121.63	122.04	121.11	118.09	148.42	111.16	144.65	150.87	119.66	121.57	124.87	96.79
SME	50.91	50.00	36.19	43.02	43.02	40.62	64.33	68.45	64.33	67.76	100.00	67.71	100.00	100.00	100.00

SHARE LISTINGS 2022

Security	Listing Date		No. of Shares/Units	Market Value* ('000)
Republic Financial Holdings Limited	January 31, 2022	Issued pursuant to Executive Share Option Plan	12,947	1,838
Republic Financial Holdings Limited	February 10, 2022	Issued pursuant to Executive Share Option Plan	62,101	8,874
Republic Financial Holdings Limited	February 17, 2022	Issued pursuant to Executive Share Option Plan	52,362	7,486
Republic Financial Holdings Limited	February 21, 2022	Issued pursuant to Executive Share Option Plan	7,255	1,031
Republic Financial Holdings Limited	March 1, 2022	Issued pursuant to Executive Share Option Plan	4,081	580
Massy Holdings Ltd.	March 8, 2022	Issued pursuant to Twenty for One Stock Split	1,880,415,313	9,966,201
Republic Financial Holdings Limited	June 2, 2022	Issued pursuant to Executive Share Option Plan	41,764	5,847
Republic Financial Holdings Limited	July 29, 2022	Issued pursuant to Executive Share Option Plan	8,622	1,216
GraceKennedy Limited	July 29, 2022	Issued pursuant to Executive Share Option Plan	6,389	35
GraceKennedy Limited	August 18, 2022	Issued pursuant to Executive Share Option Plan	40,052	214
Republic Financial Holdings Limited	August 22, 2022	Issued pursuant to Executive Share Option Plan	10,206	1,439
GraceKennedy Limited	October 12, 2022	Issued pursuant to Executive Share Option Plan	12,659	66
Republic Financial Holdings Limited	December 29, 2022	Issued pursuant to Executive Share Option Plan	19,831	2,757

* No of shares x opening price

SHARE CANCELLATIONS 2022

There were no share cancellations for the year 2022

DELISTINGS 2022

There were no delistings for the year 2022

FIRST TIER MARKET CAPITALISATION BY SECTOR

Sector	2022 Number of Securities	2022 Market Capitalization	2021 Number of Securities	2021 Market Capitalization	Market Capitalization YOY %Δ
Banking	5	69,418,467,675	5	80,069,381,157	(13.30)
Conglomerates	3	22,449,534,693	3	26,943,688,441	(16.68)
Property	1	135,123,582	1	124,820,905	8.25
Manufacturing I	6	11,105,230,640	6	11,989,921,541	(7.38)
Manufacturing II	1	1,461,126,046	1	1,341,238,780	8.94
Trading	3	3,894,164,476	3	2,719,789,248	43.18
Energy	1	2,694,681,000	1	2,426,490,000	11.05
Non-Banking Finance	4	15,804,091,755	4	17,155,673,019	(7.88)
Non-Sector	3	11,330,919	3	11,330,919	-
Total	27	126,973,750,786	27	142,782,334,010	(11.07)

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



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 Capitalization (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) 31 (s)	249	11,009	78,163,210	1,152,931,323	44	313,908	4,630,246	113,475,853,006	1,162.30	11.39	0.99
2016	28 (c) 31 (s)	247	10,519	91,975,523	951,852,647	43	372,371	3,853,654	118,283,057,986	1,209.53	47.23	4.06
2017	28 (c) 31 (s)	242	11,221	84,550,274	1,024,708,791	46	349,381	4,234,334	123,180,631,200	1,266.35	56.82	4.70
2018	27 (c) 30 (s)	246	11,721	72,333,637	1,148,363,861	48	294,039	4,668,146	126,697,440,016	1,302.48	36.13	2.85
2019	25 (c) 28 (s)	247	12,054	76,909,892	1,102,339,434	49	311,376	4,462,913	143,517,792,266	1,468.41	165.93	12.74
2020	25 (c) 28 (s)	250	11,668	61,252,991	1,042,861,853	47	245,012	4,171,447	126,080,610,814	1,323.11	(145.30)	(9.90)
2021	24 (c) 27 (s)	249	14,936	94,775,207	1,314,714,343	60	380,623	5,279,977	142,782,334,009	1,496.93	173.82	13.14
2022	24 (c) 27 (s)	248	20,944	184,265,455	1,706,893,130	84	743,006	6,882,634	126,973,750,787	1,332.15	(164.78)	(11.01)
TOTAL		5,319	350,317	3,666,785,039	37,335,274,950							

NOTES:

1. The Composite Index was rebased on January 01st, 1983.
2. 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 02nd, 2017 and was de-listed from the TTSE effective February 21st, 2018. As such, SIJL was excluded in the market capitalization total as at the end of 2017.
3. Pursuant to Sagicor Financial Corporation Limited (SFC) Scheme of Agreement (SOA), trading in SFC was suspended effective November 29th, 2019. As such, SFC was excluded in the market capitalization total as at the end of 2020.

REGIONAL STOCK EXCHANGE MARKET ACTIVITY

Stock Exchange	Traded Volume ('000,000)	Traded Value* (US\$) ('000,000)	Index	Market Capitalization* (US\$) ('000,000)
Barbados Stock Exchange (Regular)	4.59	2.92	610.28	2,452.85
Jamaica Stock Exchange (Ordinary)	5,584.02	366.68	355,896.64	11,595.96
Trinidad & Tobago Stock Exchange (First Tier)	184.27	251.65	1,332.15	18,719.96

*Figures converted to US\$ using the exchange rates as at December 31st, 2022.



LISTED COMPANIES INFORMATION

Security	Symbol	Issued Share Capital ¹	Capitalization Value (\$) ¹	Financial Year End	FINANCIAL PERFORMANCE					
					Total Assets (\$'000)	Total Liabilities (\$'000)	Total Equity (\$'000)	Net Profit (\$'000)	Basic EPS/NAV	Dividends
First Tier Market										
Banking										
FirstCaribbean International Bank Limited ⁵	FCI	1,577,094,570	8,595,165,407	31-Oct	87,783,300	80,034,406	7,748,893	1,179,258	0.74	0.040
First Citizens Group Financial Holdings Limited	FCGFH	251,353,562	13,070,385,224	30-Sep	45,439,184	37,539,877	7,899,307	733,508	2.91	1.600
NCB Financial Group Limited ⁹	NCBFG	2,466,762,828	11,248,438,496	30-Sep	88,760,003	80,305,427	8,454,576	(326,249)	(0.51)	-
Republic Financial Holdings Limited	RFHL	163,538,875	22,730,268,236	30-Sep	110,977,703	97,608,494	13,369,209	1,683,886	9.37	4.500
Scotiabank Trinidad & Tobago Limited	SBT	176,343,750	13,774,210,313	31-Oct	28,057,979	23,743,959	4,314,020	683,749	3.88	3.300
Conglomerates										
ANSA Mc Al Limited	AMCL	176,197,617	9,074,177,276	31-Dec	17,650,575	8,549,704	9,100,871	251,526	1.15	1.800
GraceKennedy Limited ^{4,8}	GKC	995,128,505	4,468,126,987	31-Dec	8,572,267	5,459,744	3,112,523	241,158	0.23	2.020
Massy Holdings Ltd.	MASSY	1,979,384,540	8,907,230,430	30-Sep	12,698,583	5,445,800	7,252,783	858,188	41.12	0.157
Property										
Point Lisas Industrial Port Development Corporation Limited	PLD	39,625,684	135,123,582	31-Dec	3,265,863	378,510	2,887,353	43,501	1.10	0.170
Manufacturing I										
Angostura Holdings Limited	AHL	205,820,361	4,939,688,664	31-Dec	1,698,786	312,309	1,386,477	145,237	0.71	0.350
Guardian Media Limited	GML	40,000,000	117,600,000	31-Dec	334,505	80,341	254,164	2,462	0.06	0.040
National Flour Mills Limited	NFM	120,200,000	180,300,000	31-Dec	526,024	265,235	260,789	6,909	5.86	-
One Caribbean Media Limited	OCM	66,499,801	219,449,343	31-Dec	894,113	219,438	674,675	28,591	0.40	0.200
Unilever Caribbean Limited	UCL	26,243,832	338,545,433	31-Dec	464,759	127,196	337,563	9,769	0.37	2.800
The West Indian Tobacco Company Limited ⁴	WCO	252,720,000	5,309,647,200	31-Dec	783,436	331,217	452,219	261,580	1.04	0.720
Manufacturing II										
Trinidad Cement Limited ³	TCL	374,647,704	1,461,126,046	31-Dec	2,575,781	1,524,724	1,051,057	167,092	0.31	-
Trading										
Agostini's Limited	AGL	69,103,779	3,455,188,950	30-Sep	3,341,929	1,502,280	1,839,649	274,932	2.91	1.300
L.J. Williams Limited Ordinary 'b' ^{3,4}	LIWB	19,742,074	46,393,874	31-Mar	232,444	114,476	117,968	13,976	0.57	0.080
Prestige Holdings Limited	PHL	62,513,002	392,581,653	30-Nov	831,260	543,875	287,385	35,474	0.579	0.320
Energy										
Trinidad and Tobago NGL Limited ³	NGL	116,100,000	2,694,681,000	31-Dec	3,736,214	3,341	3,732,873	165,147	1.07	0.350
Non-Banking Finance										
ANSA Merchant Bank Limited	AMBL	85,605,263	3,766,631,572	31-Dec	9,590,796	6,849,745	2,741,051	(61,022)	(0.71)	1.200
Guardian Holdings Limited	GHL	232,024,923	6,262,352,672	31-Dec	34,812,066	29,241,390	5,570,676	1,104,751	4.74	0.720
JMMB Group Limited ^{4,5,3}	JMMBGL	1,955,552,530	3,736,105,332	31-Mar	27,476,001	25,351,062	2,124,939	204,331	0.10	0.250
National Enterprises Limited	NEL	600,000,641	2,040,002,179	30-Sep	4,039,957	4,010	4,035,947	1,979,760	N/A	0.460
Non-Sector Companies										
Guardian Media Limited \$50.00 6% Cumulative Preference	GMLP	29,297	1,924,813	31-Dec	334,505	80,341	254,164	2,462	0.06	6.00%
L.J. Williams Limited \$0.10 Ordinary 'A' ^{3,4}	LIWA	46,166,600	9,233,320	31-Mar	232,444	114,476	117,968	13,976	0.57	0.008
L.J. Williams Limited \$5.00 8% Cumulative Preference ^{3,4}	LIWP	45,590	172,786	31-Mar	232,444	114,476	117,968	13,976	0.57	0.080
Mutual Fund Market										
Calypso Macro Index Fund ⁴	CALYP	20,200,000	427,230,000	31-Dec	634,533	332	634,201	111,648	31.39	0.760
CLICO Investment Fund ⁴	CIF	204,000,000	5,601,840,000	31-Dec	6,354,436	43,384	6,311,051	133,644	30.94	0.290
Eppley Caribbean Property Fund Limited SCC - Development Fund ⁷	CPFD	54,944,803	3,736,362,466	30-Sep	55,196	961	54,235	(1,966)	0.99	-
Eppley Caribbean Property Fund Limited SCC - Value Fund ⁷	CPFV	55,652,768	89,044,429	30-Sep	386,530	75,780	310,750	27,707	2.27	0.027
Second Tier Market										
Mora Ven Holdings Limited ¹⁰	MOV	8,255,000	99,060,000	31-Dec	336,515	255,345	81,170	(5,737)	(1.02)	-
SME Market										
CinemaOne Limited	CINE1	6,406,295	52,531,619	30-Sep	84,225	63,123	21,102	(1,421)	(0.22)	-
Endeavour Holdings Limited ^{2,4}	EHL	32,887,619	287,766,666	30-Apr	969,734	327,386	642,348	62,400	1.90	0.400
USD Equity Market										
MPC Caribbean Clean Energy Limited ¹¹	MPCCEL	21,666,542	19,499,888	31-Dec	31,639	10,126	21,513	701	0.03	-

Notes:

1 Values as at 31/12/22

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 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 buying rate for 30/09/22 of \$6.6892

6 Financials presented in USD Converted to TTD using the buying rate for 31/10/22 of \$6.6854

7 Financials presented in BDS Converted to TTD using the buying rate for 30/09/22 of \$2.9137

8 Financials presented in JMD Converted to TTD using the buying rate for 30/09/22 of \$0.0427

9 Financials presented in JMD Converted to TTD using the buying rate for 31/12/22 of \$0.0429

10 Financials as at the end of the 3rd quarter 2016.

11 Values quoted in USD.

N/A Not Available

PRICE ANALYSIS

Securities	Opening Price 2022	Closing Price 2022	Change \$	Change %	High Closing Price	Low Closing Price	Average Closing Price	Trades	Traded Volume	Traded Value \$
TTD MARKET										
FIRST TIER MARKET										
AGOSTINI'S LIMITED	32.50	50.00	17.50	53.85	50.05	32.50	45.26	488	734,629	35,114,368.35
ANGOSTURA HOLDINGS LIMITED	18.00	24.00	6.00	33.33	26.99	18.00	22.95	520	2,158,416	50,640,605.18
ANSA Mc AL LIMITED	59.49	51.50	(7.99)	(13.43)	59.99	47.50	56.36	412	885,900	50,214,375.33
ANSA MERCHANT BANK LIMITED	43.10	44.00	0.90	2.09	45.00	40.51	42.75	113	149,915	6,326,203.80
FIRST CITIZENS GROUP FINANCIAL HOLDINGS LIMITED	62.29	52.00	(10.29)	(16.52)	69.99	49.27	53.58	1,464	3,783,489	192,838,938.64
FIRSTCARIBBEAN INT. BANK LTD.	6.14	5.45	(0.69)	(11.24)	6.15	4.99	5.47	724	11,304,149	57,323,310.40
GRACEKENNEDY LIMITED	6.24	4.49	(1.75)	(28.04)	6.25	4.12	5.52	822	18,914,399	108,720,068.42
GUARDIAN HOLDINGS LIMITED	30.00	26.99	(3.01)	(10.03)	30.25	25.00	27.26	610	1,677,843	46,195,671.73
GUARDIAN MEDIA LIMITED	3.04	2.94	(0.10)	(3.29)	3.20	2.94	3.07	74	196,642	612,126.10
JMMB GROUP LIMITED	2.29	1.91	(0.38)	(16.59)	2.57	1.81	2.25	992	37,291,203	86,004,353.18
MASSY HOLDINGS LTD. ¹	5.33	4.50	(0.83)	(15.49)	6.76	4.38	4.95	4,681	51,716,992	353,243,919.46
NATIONAL ENTERPRISES LIMITED	3.40	3.40	-	-	3.76	2.84	3.22	1,309	13,877,226	44,464,815.26
NATIONAL FLOUR MILLS LIMITED	1.95	1.50	(0.45)	(23.08)	2.00	1.40	1.70	286	9,507,359	15,338,835.57
NCB FINANCIAL GROUP LIMITED	8.00	4.56	(3.44)	(43.00)	8.05	4.50	5.78	647	12,457,783	79,668,270.39
ONE CARIBBEAN MEDIA LIMITED	4.45	3.30	(1.15)	(25.84)	4.45	3.30	4.02	203	875,806	3,541,252.27
POINT LISAS INDUSTRIAL PORT DEV. CORP.	3.15	3.41	0.26	8.25	3.62	3.06	3.29	141	1,915,508	6,262,433.72
PRESTIGE HOLDINGS LIMITED	7.00	6.28	(0.72)	(10.29)	7.10	5.71	6.73	276	335,424	2,268,659.52
REPUBLIC FINANCIAL HOLDINGS LIMITED	140.02	138.99	(1.03)	(0.74)	144.52	132.69	140.09	1,012	1,509,423	212,095,934.88
SCOTIABANK TRINIDAD & TOBAGO LIMITED	68.92	78.11	9.19	13.33	82.17	68.92	76.80	1,304	1,648,432	127,225,428.91
THE WEST INDIAN TOBACCO COMPANY LIMITED	28.26	21.01	(7.25)	(25.65)	28.50	21.01	23.70	1,062	3,067,698	72,541,898.86
TRINIDAD AND TOBAGO NGL LIMITED	20.50	23.21	2.71	13.22	23.90	18.60	21.11	1,802	4,500,786	95,347,642.87
TRINIDAD CEMENT LIMITED	3.74	3.90	0.16	4.28	3.92	3.50	3.66	383	2,086,717	7,642,531.53
UNILEVER CARIBBEAN LIMITED	16.20	12.90	(3.30)	(20.37)	20.07	12.20	14.43	1,500	3,355,710	52,609,817.54
WILLIAMS LJ \$0.10 A	0.20	0.20	-	-	0.20	0.20	0.20	-	-	-
WILLIAMS LJ B	1.84	2.35	0.51	27.72	2.75	1.70	2.05	119	314,006	651,668.19
PREFERENCE										
GUARDIAN MEDIA LIMITED \$50 6% CP	65.70	65.70	-	-	65.70	65.70	65.70	-	-	-
L.J. WILLIAMS LIMITED 8% PREFERENCE	3.79	3.79	-	-	3.79	3.79	3.79	-	-	-
MUTUAL FUND MARKET										
CALYPSO MACRO INDEX FUND	16.65	21.15	4.50	27.03	22.15	16.65	19.65	226	63,385	1,278,456.59
CLICO INVESTMENT FUND	31.37	27.46	(3.91)	(12.46)	32.75	26.73	29.42	1,640	7,863,218	230,511,149.96
EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC - DEVELOPMENT FUND	0.67	0.68	0.01	1.49	0.68	0.67	0.68	1	1	0.68
EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC - VALUE FUND	1.70	1.60	(0.10)	(5.88)	1.70	1.60	1.64	2	9,984	15,974.50
SECOND TIER MARKET										
MORA VEN HOLDINGS LIMITED ²	12.00	12.00	-	-	12.00	12.00	12.00	-	-	-
SME MARKET										
CINEMAONE LIMITED	4.20	8.20	4.00	95.24	8.20	1.79	4.98	55	15,253	67,536.61
ENDEAVOUR HOLDINGS LIMITED	7.93	8.75	0.82	10.34	8.75	6.59	7.48	78	65,515	497,963.56
USD EQUITY MARKET										
MPC CARRIBEAN CLEAN ENERGY LIMITED	0.90	0.90	-	-	0.90	0.90	0.90	-	-	-

Notes:

1. Pursuant to the 20 for 1 stock split effected on March 11th, 2022, prices prior to the stock split were adjusted in order to obtain the opening price and highest price for the year. Further, the average price for 2022 was calculated using the prices subsequent to the stock split.
2. Trading in Mora Ven Holdings Limited (MOV) was temporarily suspended effective February 01st, 2019, in accordance with TTSE Rules 600 (8) and 601 (5).



GENERAL INFORMATION ON THE TTSE

LISTING PROCESS

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

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

The listing requirements of the Exchange have two primary purposes:

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

TRADING ON THE TTSE

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

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

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

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

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

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

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

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

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

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

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



COMPOSITE INDEX

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

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

ALL T&T INDEX

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

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

CROSS LISTED INDEX

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

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

SME INDEX

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

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

SECTOR INDEX

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

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

CARIBBEAN EXCHANGE INDEX (CXNI)

This market-value weighted index collectively measures the price movements of all securities listed on the Main Markets of the five participating Stock Exchanges (Barbados Stock Exchange, Eastern Caribbean Securities Exchange, The Guyana Association of Securities Companies and Intermediaries Inc., Jamaica Stock Exchange and Trinidad and Tobago Stock Exchange). Cross-listed securities are only included in the market capitalization calculation of their domestic Stock Exchange.

$(\text{Current day Caribbean Exchange Market Capitalisation in USD} / \text{Previous day Caribbean Exchange Market Capitalisation in USD}) \times \text{Previous day Caribbean Exchange Index}$



CORPORATE INFORMATION

Board of Directors (TTSE)

Ian Narine – Chairman
Anton Gopaulsingh – Deputy Chairman
Peter Clarke
Peter Inglefield
Donna-Marie Johnson
Carla Kelshall
Wendy Kerry
Michael Phillip
Ray A. Sumairsingh
Kavita Surat Singh

Board of Directors (TTCD)

Anton Gopaulsingh – Chairman
Ian Narine – Deputy Chairman
Michael Phillip
Sarodh Ramkhelawan
Kavita Surat Singh

Management

Eva Mitchell – Chief Executive Officer
Tisha Marie Millington-Beharry – Manager, TTCD Operations
Rhonda Sellier – Head, Shared Services
Natasha Bhola – Marketing and Communications Officer
Jason Dyer – Information Technology Manager
Nicola Moreau – Financial Accountant
Jewel Ann Troja – Regulatory, Legal and Compliance Officer
Nicola Vickles – Manager, Market Operations

Company Secretary

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

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

Registered Office

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

Attorneys

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

Auditors

PricewaterhouseCoopers Limited
11-13 Victoria Avenue,
Port-of-Spain

Information and Publications

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

PROXY FORM – SHAREHOLDERS

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

1. Name of Company: **THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED** Company No. T2595 (C).
2. Particulars of Meeting: Twenty-Sixth Annual Meeting of the Shareholders of the Exchange to be held in **The BRIX Autograph Collection Hotel Conference Room, St. Madeleine, 2-4 Coblentz Avenue, Cascade, Port-of-Spain, on Tuesday May 23, 2023 at 1:30pm.**

I/We _____
(Block Letters)

Of _____
(Block Letters)

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

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

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

ORDINARY BUSINESS	FOR	AGAINST
RESOLUTION 1 To receive and consider the Audited Consolidated Financial Statements for the financial year ended December 31, 2022, together with the Reports of the Directors and the Auditors thereon.		
RESOLUTION 2 To re-elect Ms. Donna-Marie Johnson as a Director under paragraph 4.5.1 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.		
RESOLUTION 3 To re-elect Mr. Michael Phillip as a Director under paragraph 4.5.1 of By-Law No. 1 for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.		
RESOLUTION 4 To re-elect Mr. Peter Clarke as a Director under paragraph 4.5.1 of By-Law No. 1 for a period ending at the close of the third Annual Meeting of the Shareholders of the Exchange following his election.		

<p>RESOLUTION 5 To re-elect Mr. Peter Inglefield as a Director 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.</p>		
<p>RESOLUTION 6 To re-elect Mr. Ray A. Sumairsingh as a Director 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.</p>		
<p>RESOLUTION 7 To re-appoint Messrs. PricewaterhouseCoopers as the Auditors to hold office until the close of the next Annual Meeting of the Shareholders of the Exchange.</p>		
<p>SPECIAL BUSINESS</p> <p>RESOLUTION 8</p> <p>To consider, and if thought fit, to pass an ordinary resolution to confirm the amendments to By Law No. 1 of the Exchange adopted by the Directors at their meeting of March 9th 2023, which amendments provide for Directors to be eligible for re-election after attaining the age of seventy (70), for terms expiring no later than the conclusion of the next annual meeting following their election, until they attain the age of seventy-five (75), by the deletion of paragraph 4.8.4 of By-Law No. 1 and the insertion of the following in its place:</p> <p style="padding-left: 40px;"><i>“4.8.4 Notwithstanding By-Law 4.8.1(g), a director who ceases to be a director under By-Law 4.8.1(g) shall be eligible for re-election at the annual meeting at which he ceases to be a director for a term expiring at the conclusion of the next following annual meeting, until he shall attain the age of seventy-five (75), at which age he shall cease to be eligible for re-election.”</i></p>		

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

Dated this _____ day of _____, 2023.

Signature(s) of Shareholder(s) _____

NOTES:

1. A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words “the Chairman of the Meeting” from the Proxy Form and insert the name and address of the person appointed proxy in the space provided and initial the alteration.
2. If the appointer is a corporation, this Proxy Form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. A shareholder that is a body corporate may, in lieu of appointing a proxy authorise an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.

4. In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.
5. If the Proxy Form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
6. To be valid, this Proxy Form must be completed and deposited at the registered office of The Trinidad and Tobago Stock Exchange Limited, at the address below not less than 48 hours before the time for holding the Annual Meeting or adjourned meeting.

RETURN TO:

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



Trinidad & Tobago
Stock Exchange



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

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