

40 Harbour Street, P.O. Box 1084,
Kingston, Jamaica

Telephone: 876-967-3271
Fax: 876-924-9090

www.jamstockex.com

Celebrating 50 years strong!

July 22, 2019

Mrs. Marlene Street Forrest
Managing Director
Jamaica Stock Exchange
40 Harbour Street
Kingston

Dear Mrs. Street Forrest,

Re: Jamaica Stock Exchange Limited ("the Company") – Quarterly Financial Statement

Enclosed herewith, please find, in compliance with JSE Rule 407, two (2) hardcopies of the quarterly financial statement for the Company for the period ended June 30th 2019 which has been approved by the Company's Board of Directors and signed by two (2) directors. The shareholdings of directors, senior management, connected persons and persons holding the ten (10) largest blocks of shares have been included in the financial statement report.

Yours sincerely,

Roxanne Hutchinson
Company Secretary

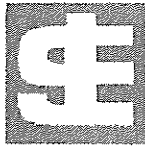
Enc.

Copy: Miss Riccalya Robb – Manager – Market Operations & Trading, JSE
Mr. Andrae Tulloch- Chief Regulatory Officer (Acting), JSE



Board Members:

Mr. Ian McNaughton (Chairman); Mr. Gary Peart (Deputy Chairman); Mr. Devon Barrett; Miss Dion Black; ~~Mr. Steven Gooden~~; Mr. Steven Gooden;
Mr. Garth Kiddoe; Mr. Julian Mair; Dr. Derrick McKay; ~~Mrs. Janet Morrison~~; Mrs. Janet Morrison; Mr. Livingstone Morrison;
Mrs. Marlene Street Forrest; Mr. Matthew Hagarth; Mr. Steven Whittingham; Miss Roxanne Hutchinson (Company Secretary)



REPORT OF THE BOARD OF DIRECTORS
CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR QUARTER ENDED JUNE 30, 2019

SECOND QUARTER FINANCIAL HIGHLIGHTS

Description	Q2-2019	Q2-2018	Change %	YTD 2019	YTD 2018	Change %
Net Profit After Tax	\$121.8m	\$89.8m	35.6	\$245.4m	\$191.1m	28.4
Total Income	\$429.4m	\$316.3m	35.8	\$874.5m	\$665.9m	31.3
Total Expenses	\$262.5m	\$191.3m	-37.2	\$523.5m	\$398.0m	-31.5
Earnings Per Share	\$0.17	\$0.13	30.8	\$0.35	\$0.27	29.6
Return on Equity	10.1%	8.7%	16.1	20.4%	18.6%	9.7

SECOND QUARTER PERFORMANCE

For the Second Quarter ended June 30, 2019, the Jamaica Stock Exchange Group (JSEG) recorded a Net Profit after Tax of \$121.8m. There was an improvement in all revenue lines, when compared to the corresponding period in 2018. Earnings per Share of \$0.17 in Q2 2019 increased by \$0.04 (30.8%) compared to the corresponding quarter in 2018. The Return on Equity was 10.1% as against 8.7% in Q2 2018, representing a 16.1% improvement.

Net Profit

For the Second Quarter ended June 30, 2019, the JSEG recorded a Net Profit after Tax of \$121.8m. This represents an improvement of \$32m (35.6%) when compared to the profit of \$89.8m for the corresponding period in 2018. Improvement in Net Profit continues to be positively impacted by increased market activities and the impact of JSEG diversification strategies.

Income

Total Income for the JSEG is \$429.4m, which represents a \$113.1m (35.8%) increase over the corresponding quarter of 2018. This can be attributed to excellent performances in Cess Fee which increased by \$47.4m (46.8%) and Fee Income which increased by

\$53.2m (26.5%) when compared to 2018 Second Quarter. Worthy of note is the improvement in eCampus Income which increased by \$9.2m (255.6%) when compared to the corresponding quarter for 2018. This is due mainly to an increase in the number of seminars and workshops.

Expenses

Total Expenses of \$262.5m increased by \$71.2m (37.2%) when compared to the corresponding quarter in 2018. The main line items contributing to the increase are as follows:

- Staff Costs increased by \$19.6m (23%) over prior year comparative due primarily to increase in salaries for 2019 and cost associated with new staff hires required to support the expansion of current business.
- Advertising and Promotion expense in the Second Quarter exceeded 2018 comparatives by \$17m (191%). This was largely due to planned increase in advertising, public relation and outreach activities being carried out by the Group. This is mainly in respect to the 50th Anniversary promotions.
- Property Expense increased by \$7.4m (20.8%) over prior year. This is attributed to increase in maintenance costs and licences expense.
- Securities Commission Fees exceeded Q2 2018 comparatives by \$8m (54.8%) due to this expense correlation with Cess Fees. Therefore, the higher the Cess Fees the higher will be this expense.
- Net impairment losses reflected an increase of \$7.1m. This is in relation to the IFRS 9 which was adopted in 2018 where a provision must be made on all receivables based on a matrix calculation. The amount booked is reversed once collected.

Financial Position

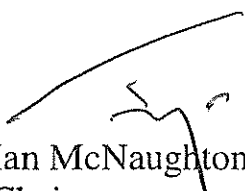
Total JSEG Assets as at June 30, 2019 of \$1,580m, reflected an increase of \$251m (18.9%), when compared to holdings as at June 30, 2018. This was due primarily to an increase in Property Plant and Equipment and Trade and Other Receivables. The increase in Trade and Other Receivables³³ is due to higher revenue in the Second Quarter over the prior year comparative.

Total Equity of \$1,202.2m as at June 30, 2019 reflects an increase of \$173.6m (16.9%) and \$76.8m (6.8%) over the comparable positions at the end of June 30, 2018 and December 31, 2018 respectively. Revenue Reserves reflect an increase of \$70m (10.7%) over the position as at December 31, 2018, which is net of \$175.3m paid to shareholders as dividend and the six months' profit.


MARKET DEVELOPMENTS & OUTLOOK

The Second Quarter performance has been excellent and the outlook for the remainder of the year is positive especially as it is expected there will be more companies listing their securities on the Exchange and other new product offerings. It is also anticipated that there will be a positive movement in Fee Income due to the expected increase in the Group's clientele and increased in the number of investors.

The JSEG will continue in the medium to long term to pursue a strategic path of growth through the promotion of new and existing markets, new product development and the continuous improvement of service delivery to the JSEG's customers and other stakeholders.



Ian McNaughton
Chairman



Marlene J Street Forrest
Managing Director

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement of Comprehensive Income
For the Six Months Ended June 30, 2019


Statement II

	Unaudited Three months ended June 2019 \$'000	Unaudited Three months ended June 2018 \$'000	Unaudited Six months ended June 2019 \$'000	Unaudited Six months ended June 2018 \$'000	Audited Twelve months ended December 2018 \$'000
Revenue					
Cess	148,669	101,277	287,700	227,332	494,711
Fee Income	253,881	200,652	501,594	388,198	808,148
Ecampus	12,788	3,573	33,828	6,814	15,063
Other operating income	14,071	10,841	51,402	43,575	72,926
	429,409	316,343	874,524	665,919	1,390,848
Expenses					
Staff costs	104,775	85,229	211,994	171,293	353,065
Property expenses	42,908	35,489	82,026	67,377	136,285
Depreciation and amortisation	13,111	12,940	26,336	25,441	50,384
Advertising and promotion	25,926	8,892	63,091	30,505	59,332
Professional fees	13,959	16,505	30,316	33,756	55,483
Securities commission fees	22,614	14,647	44,257	33,215	74,362
Net impairment losses on financial assets	7,136	-	8,851	1,897	15,599
Ecampus	13,247	4,955	23,590	8,667	19,407
Other operating expenses	18,798	12,602	33,078	25,870	53,522
	262,474	191,259	523,539	398,021	817,439
Investment income	12,555	8,436	13,662	16,620	19,093
Profit before taxation	179,490	133,520	364,647	284,518	592,502
Taxation	(57,726)	(43,760)	(119,279)	(93,447)	(179,439)
Net profit	121,764	89,760	245,368	191,071	413,063
OTHER COMPREHENSIVE INCOME					
Items that will never be reclassify to profit or loss:					
Remeasurement of employee benefits assets	-	-	-	-	(44,402)
Deferred income that will never be reclassified to profit or loss	-	-	-	-	14,801
Revaluation surplus on land	-	-	-	-	2,800
Revaluation surplus on property, plant & equipment	-	-	-	-	44,978
Deferred income tax on revaluation surplus	-	-	-	-	(14,993)
	-	-	-	-	3,184
Items that may be reclassify to profit or loss:					
Changes in the fairvalue of debt investments at fairvalue through other comprehensive income	-	-	-	-	(7,962)
Net impairment loss	-	-	-	-	(305)
Realised gains/(losses) on available-for-sale investments	3,771	(3,892)	6,780	(8,049)	(642)
Deferred income tax on items that may be reclassified to profit or loss	-	-	-	-	2,765
	3,771	(3,892)	6,780	(8,049)	(6,144)
Other comprehensive income for the period, net of taxes	3,771	(3,892)	6,780	(8,049)	(2,960)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	125,535	85,868	252,148	183,022	410,103
Earnings per share	\$ 0.17	\$ 0.13	\$ 0.35	\$ 0.27	\$ 0.59

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Financial Position
At June 30, 2019

	Unaudited Six months ended June 2019 \$ '000	Unaudited Six months ended June 2018 \$ '000	Audited Twelve months ended December 2018 \$ '000
Non-Current assets			
Property plant & equipment	503,199	409,781	491,222
Intangible assets	91,078	57,724	49,162
Post employment benefits	89,812	126,561	89,812
Investment in securities	156,193	154,304	141,856
Long-term receivables	15,490	13,348	15,564
Total non-current assets	855,772	761,718	787,616
Current assets			
Due from related party	-	306	2,684
Trade and other receivables	297,523	185,746	247,773
Investments in securities	19,281	13,975	18,422
Government securities purchased under resale agreement	256,821	210,432	214,390
Cash and cash equivalents	150,729	156,898	240,943
Total current assets	724,354	567,357	724,212
Total assets	1,580,126	1,329,075	1,511,828
Equity			
Share Capital	238,146	238,146	238,146
Fair value reserve	17,845	9,438	11,065
Property revaluation reserves	176,422	143,637	176,422
Revenue reserve - non-distributable	48,367	48,367	48,367
Revenue reserve	721,422	588,966	651,367
Total equity	1,202,202	1,028,554	1,125,367
Non current liabilities			
Deferred tax liabilities	57,574	76,350	54,158
Total non-current liabilities	57,574	76,350	54,158
Current Liabilities			
Due to related party	324	-	-
Income tax payable	6,940	1,420	52,315
Contract liabilities	137,323	-	20,448
Payable & accruals	175,763	222,751	259,540
Total current liabilities	320,350	224,171	332,303
Total equity & liabilities	1,580,126	1,329,075	1,511,828

Approved and authorized for issue by the Board of Directors on July 19, 2019 and are signed on its behalf by:



Ian McNaughton - Chairman



Marlene J Street Forrest - Managing Director

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Changes In Equity
For the Six Months Ended June 30, 2019

Statement III

	Share Capital \$'000	Fair Value Reserve \$'000	Property Revaluation Reserve \$'000	Revenue Reserve Non- Distributable \$'000	Revenue Reserve \$'000	Total \$'000
Balance at January 1, 2018	238,146	17,487	143,637	48,367	501,143	948,780
Changes on initial application of IFRS 9	238,146	17,487	143,637	48,367	(8,229)	(8,229)
Profit for the period	-	-	-	-	191,071	191,071
Other comprehensive income for the period	-	(8,049)	-	-	-	(8,049)
Total comprehensive income for the period	-	(8,049)	-	-	191,071	183,022
Dividend	-	-	-	-	(95,019)	(95,019)
Balance at June 30, 2018	238,146	9,438	143,637	48,367	588,966	1,028,554
Balance at January 1, 2019	238,146	11,065	176,422	48,367	651,367	1,125,367
Profit for the period	-	-	-	-	245,368	245,368
Other comprehensive income for the period	-	6,780	-	-	-	6,780
Total comprehensive income for the period	-	6,780	-	-	245,368	252,148
Dividend	-	-	-	-	(175,313)	(175,313)
Balance at June 30, 2019	238,146	17,845	176,422	48,367	721,422	1,202,202

THE JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Cash Flows
Six Months Ended June 30, 2019 (Unaudited)

	Unaudited Six months ended June 2019 \$'000	Unaudited Six months ended June 2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	245,368	191,071
Adjustments for:		
Depreciation of property, plant and equipment	15,363	14,460
Amortisation of intangible assets	10,973	10,981
Net impairment on financial assets	8,851	1,897
Income tax expenses	119,279	93,447
Interest income	(13,662)	(16,646)
Operating cash flows before movements in working capital	386,172	295,210
Increase in trade and other receivable	(58,601)	(19,919)
Increase in contract liabilities	116,875	-
Decrease in trade and other payables	(83,777)	(2,185)
Cash provided by operations	360,669	273,106
Income tax paid	(164,654)	(76,868)
Cash provided by operating activities	196,015	196,238
Cash flows from investing activities		
Investments securities, net	8,662	49,186
Government securities purchased under resale agreement	(42,431)	(43,543)
Receipts/(payments) from related parties	3,008	(1,061)
Acquisition of property, plant and equipment	(27,340)	(81,421)
Acquisition of intangible assets	(52,889)	(8,453)
Long term receivables	74	(2,193)
Cash used in investing activities	(110,916)	(87,485)
Cash flows from financing activities		
Dividends paid	(175,313)	(95,019)
Cash used in financing activities	(175,313)	(95,019)
Net (decrease)/increase in cash and cash equivalents	(90,214)	13,734
Cash and cash equivalent at the beginning of the year	240,943	143,164
Cash and cash equivalents at the end of the year	150,729	156,898

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Segment Report
For the Six Months Ended June 30, 2019 (Unaudited)

STATEMENT V

2019

	<u>Exchange Operations</u> (\$ 000)	<u>Depository Services</u> (\$ 000)	<u>Investments Other</u> (\$ 000)	<u>Trustees Services</u> (\$ 000)	<u>Eliminations</u> (\$ 000)	<u>Group</u> (\$ 000)
Revenue - overtime	112,958	15,815		84,193		212,966
Revenue - point in time	407,083	263,832	13,662	148,643	(158,000)	675,220
Total Revenue	<u>520,041</u>	<u>279,647</u>	<u>13,662</u>	<u>232,836</u>	<u>(158,000)</u>	<u>888,186</u>
Segment results	<u>203,519</u>	<u>166,996</u>	-	<u>152,132</u>	<u>(158,000)</u>	<u>364,647</u>
Profit before taxation	203,519	166,996	-	152,132	(158,000)	364,647
Taxation	(35,641)	(32,596)		(51,042)		<u>(119,279)</u>
Profit for the Period						<u><u>245,368</u></u>
<u>Other information</u>						
Depreciation & amortisation	18,537	4,603		3,196		26,336
<u>Assets</u>						
Segment assets	992,173	337,845		352,583	(102,475)	1,580,126
<u>Liabilities</u>						
Segment liabilities	<u>248,905</u>	<u>91,167</u>		<u>77,697</u>	<u>(39,845)</u>	<u>377,924</u>

2018

	<u>Exchange Operations</u> (\$ 000)	<u>Depository Services</u> (\$ 000)	<u>Investments Other</u> (\$ 000)	<u>Trustees Services</u> (\$ 000)	<u>Eliminations</u> (\$ 000)	<u>Group</u> (\$ 000)
Revenue - overtime	68,863	12,468		72,978		154,309
Revenue - point in time	344,590	162,881	16,620	114,139	(110,000)	528,230
Total Revenue	<u>413,453</u>	<u>175,349</u>	<u>16,620</u>	<u>187,117</u>	<u>(110,000)</u>	<u>682,539</u>
Segment results	<u>184,169</u>	<u>90,051</u>	-	<u>120,298</u>	<u>(110,000)</u>	<u>284,518</u>
Profit before taxation	184,169	90,051	-	120,298	(110,000)	284,518
Taxation	(31,985)	(21,800)		(39,662)		<u>(93,447)</u>
Profit for the Period						<u><u>191,071</u></u>
<u>Other information</u>						
Depreciation & amortisation	17,294	4,592		3,555		25,441
<u>Assets</u>						
Segment assets	910,341	261,761		249,266	(92,293)	1,329,075
<u>Liabilities</u>						
Segment liabilities	<u>221,390</u>	<u>67,575</u>		<u>32,738</u>	<u>(21,182)</u>	<u>300,521</u>

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

1. GROUP IDENTIFICATION

(a) Composition of the Group

The Group comprises the Jamaica Stock Exchange Ltd (the Company) which is incorporated in Jamaica as a public limited liability company and its wholly owned subsidiary, Jamaica Central Securities Depository Limited, (subsidiary) which is also incorporated in Jamaica. The Group also comprises the JCSD Trustee Services Limited which is a subsidiary of the Jamaica Central Securities Depository. The registered offices of all three companies are situated at 40 Harbour Street, Kingston, Jamaica.

The main activities of the Company are the regulation and operation of a stock exchange and the development of the stock market in Jamaica. The Company performs the twin role of regulating participants in the stock market, and operating an efficient platform on which that market trades, which is the commercial arm of the company.

(b) Principal Activities - Subsidiary

i. Jamaica Central Securities Depository Limited

The principal activity is to establish and maintain a Central Securities Depository (CSD) in Jamaica to transfer ownership of securities "by book entry", including shares, stocks, bonds or debentures of companies and other eligible securities.

ii. JCSD Trustee Services Limited

The principal activity is the provision of trustee, custodianship and related services.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the Companies Act, 2004 of Jamaica.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2018. The adoption of the new standard was applied retrospectively, but there were no restatement of comparatives as permitted under the transitional provisions in the standard.

The interim financial statements have been prepared on the historical cost basis except for the revaluation of financial assets classified as fair value through other comprehensive income and fair value through profit and loss that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION CONT'D

New and amended standards adopted by the Group

The following new standard affected the Group and became applicable for the current reporting period. This resulted in changes in accounting policies:

- IFRS 16 Leases

The impact of the adoption of this standard and the new accounting policies are disclosed in note 8 below.

3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

All intra- Group transactions, balances, income and expenses are eliminated in full on consolidation.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

4. EMPLOYEE BENEFIT COSTS

Pension obligations

The Group operates a defined benefit pension plan. The cost of providing benefits is determined using Projected Unit Credit Method with actuarial valuations being carried out at the end of each reporting period.

The post employment benefit assets recognised in the statement of financial position represents the fair value of the plan assets, as adjusted for unrecognised actuarial gains and losses and unrecognized past service costs, and as reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to the unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

5. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Certain contracts with customers provide a right of return. Accumulated experience is used to estimate and provide for customer returns using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability, representing amounts payable to customers, is recognised for expected returns.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

7. FINANCIAL INSTRUMENTS

The Group analyzed its business model for managing financial assets and liabilities, the respective cash flow characteristics, and the contractual terms to these assets and applies the “expected credit loss” impairment model.

- The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables
- Most of the Group’s debt instruments are considered to have low credit risk and the expected credit losses recognised was therefore limited to 12 months expected credit losses.

Other financial assets such as cash and cash equivalents are also subject to the impairment. However, the expected credit losses on these assets were immaterial.

8. LEASES

IFRS 16, ‘Leases’ (effective for annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, ‘Revenue from Contracts with Customers’, is also applied). The International Accounting Standards Board (IASB) published IFRS 16, ‘Leases’, which replaces the current guidance in IAS 17. This will require changes in accounting by lessees in particular. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. Under IFRS 16, a contract is, or contains, a lease 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 operates as a Lessor for lease arrangements. As such there is no substantial change to the accounting for the Group. The subsidiary has recognised a right of use asset and lease obligation as there is a lease held for which the subsidiary is a lessee. The associated right of use asset and lease obligation have been eliminated on consolidation as the leased asset is owned by the parent company.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

LEASES CONT'D

Changes in accounting policies

The group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The Group operates as a Lessor as such there are no opening adjustments in the consolidated financial statements.

On adoption of IFRS 16, the subsidiary recognised a lease liability in relation to the lease which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. This liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The associated right of use asset and lease obligation have been eliminated on consolidation as the leased asset is owned by the parent company.

The group leases its office space to its subsidiary. Rental contracts are typically made for fixed periods of 3 years but may have extension options. Lease terms are negotiated on an individual basis. Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases in the subsidiary's financial statements. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the subsidiary. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Management is currently quantifying the impact of the above on the segment disclosure. However, the associated right of use asset and lease obligation have been eliminated on consolidation as the leased asset is owned by the parent company.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

9. ORDINARY SHARES

The number of ordinary shares issued is 701,250,000.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit, by the weighted average number of ordinary shares in issue.

The weighted average number of ordinary units as at 30 June 2018 and 31 December 2018 was 701,250,000.

11. REVENUE RESERVES – NON-DISTRIBUTABLE

Revenue Reserves – Non Distributable represents externally imposed capital requirements for the subsidiary with which they have complied.

12. REVALUATION RESERVES

Property revaluation reserve represents the fair value gains and losses arising on the revaluation of land and buildings that have been recognized in other comprehensive income.

THE JAMAICA STOCK EXCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019**

13. SEGMENT REPORTING

The Group has undertaken an assessment of each material revenue stream in accordance with the five-step model

The Group's operations are organized into four main business segments as follows:

- Exchange operations – the operation and regulation of the Stock Exchange
- Depository – Services in connection with transferring and holding of securities, shares, stocks, bonds and debentures.
- Investments – Income derived from investing activities of the Group.
- Trustee – trustee, custodian and other activities.

The Group's operations are located solely in Jamaica.

14. COMPENSATION FUND

a. Compensation fund receipts

These are contributions by member dealers of the Stock Exchange, based on a percentage of the volume of business done by them through the Exchange, for maintaining the Contingency Reserve Fund. However, for the period to date there were no contributions by the member dealers as the Board was of the view that the reserve is adequate for the specific purpose.

b. Contingency reserve

This fund is created out of surpluses for the purpose of providing some protection to the investing public should they suffer pecuniary loss as a result of defalcation of fraudulent misuse of securities or documents of titles to securities. Provisions in respect of the fund are in accordance with Sections 27 to 35 of the Securities Act.

At June 30, 2019 the fund had total assets of \$873.03 million (2018: \$812.5 million) and net equity of \$838.2 million (2018: \$760.69 million).

**JAMAICA STOCK EXCHANGE LIMITED
TOP 10 ORDINARY SHAREHOLDERS REGISTER
AS AT JUNE 30, 2019**

Names	Shareholdings
1. JCSD Trustee Services Clients	115,947,176
2. Sagicor Pooled Equity Fund	73,109,006
3. M/VL Stockbrokers Limited	52,363,360
4. VM Wealth Management Limited	51,000,000
5. GK Capital Management Limited	51,000,000
6. Mayberry Investments Limited	48,182,838
7. Barita Investments Limited	48,000,537
8. Jamaica Money Market Brokers	44,200,000
9. SJIML	35,235,572
10. VM Wealth Equity Fund	17,936,470

JAMAICA STOCK EXCHANGE LIMITED
SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS
AS AT JUNE 30, 2019

Directors/Alternate Directors	Shareholding
Edwin McKie*	1,239,004
Derrick McKoy*	736,170
Dian Black	2,000

Senior Managers

Marlene Street*	75,000
Suzette McNaught*	45,000
Suzette Whyte*	30,000
Neville Ellis*	10,000
Suzette Pryce	5,000

**Includes holding in joint accounts*