



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

**THIRD QUARTER FINANCIAL HIGHLIGHTS**

Description	Q3 2019	Q3 2018	Change %	YTD 2019	YTD 2018	Change %
Net Profit After Tax	\$163.8m	\$102.2m	60.3	\$409.2m	\$293.3m	39.5
33Total Income	\$515.0m	\$339.5m	51.7	\$1,389.5m	\$1,005.5m	38.2
Total Expenses	\$272.9m	\$199.8m	-36.6	\$796.4m	\$597.8m	-33.2
Earnings Per Share	\$0.23	\$0.15	53.3	\$0.58	\$0.42	38.1
Return on Equity	12.9%	10.0%	28.9	32.3%	28.8%	12.2

**THIRD QUARTER PERFORMANCE**

For the Third Quarter ended September 30, 2019, the Jamaica Stock Exchange Group (JSEG) recorded a Net Profit after Tax of \$163.8m. There was an improvement in all revenue lines, when compared to the corresponding period in 2018. Earnings per Share of \$0.23 in Q3 2019 increased by \$0.08 (53.3%) compared to the corresponding quarter in 2018. The Return on Equity was 12.9% as against 10.0% in Q3 2018, representing a 28.9% improvement.

**Net Profit**

For the Third Quarter ended September 30, 2019, the JSEG recorded a Net Profit after Tax of \$163.8m. This represents an increase of \$61.6m (60.3%) when compared to the profit of \$102.2m 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 \$515m, which represents a \$175.5m (51.7%) increase over the corresponding quarter of 2018. This can be attributed to excellent performances in Cess Fee which increased by \$108.8m (96.5%) and Fee Income which increased by \$56.5m (26.5%) when compared to 2018 Third Quarter.

## **Expenses**

Total Expenses of \$272.9m increased by \$73.1m (36.6%) when compared to the corresponding quarter in 2018. The main line items contributing to the increase are as follows:

- Staff Costs increased by \$14.2m (15.5%) 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 Third Quarter exceeded 2018 comparatives by \$19.4m (176.4%). 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 50<sup>th</sup> Anniversary promotions.
- Property Expense increased by \$18.2m (57.1%) over prior year. This is attributed to increase in maintenance costs and licences expense.
- Securities Commission Fees exceeded Q3 2018 comparatives by \$13m (69.5%) due to this expense correlation with Cess Fees. Therefore, the higher the Cess Fees the higher will be this expense.

## **Financial Position**

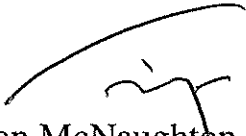
Total JSEG Assets as at September 30, 2019 of \$1,645m, reflected an increase of \$322.1m (24.3%), when compared to holdings as at September 30, 2018. This was due primarily to an increase in Property Plant and Equipment, Intangible Assets, Investments and Trade Receivables. The increase in Trade and Other Receivables is due to higher revenue in the Third Quarter over the prior year comparative.

Total Equity of \$1,269.6m as at September 30, 2019 reflects an increase of \$251.1m (24.7%) and \$144.2m (12.8%) over the comparable positions at the end of September 30, 2018 and December 31, 2018 respectively. Revenue Reserves reflect an increase of \$128.6m (19.7%) over the position as at December 31, 2018, which is net of \$280.5m paid to shareholders as dividend and the nine months' profit.

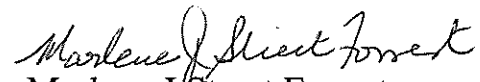
## MARKET DEVELOPMENTS & OUTLOOK

The Third Quarter performance was 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 increase 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 Financial Position  
As At September 30, 2019

	Unaudited Nine months ended September 2019 \$ '000	Unaudited Nine months ended September 2018 \$ '000	Audited Twelve months ended December 2018 \$ '000
<b>Non-Current assets</b>			
Property plant & equipment	508,774	421,451	491,222
Intangible assets	116,163	47,252	49,162
Post employment benefits	89,812	126,561	89,812
Investment in securities	200,280	157,111	141,856
Long-term receivables	14,990	16,671	15,564
<b>Total non-current assets</b>	<b>930,019</b>	<b>769,046</b>	<b>787,616</b>
<b>Current assets</b>			
Due from related party	859	2,722	2,684
Trade and other receivables	299,697	273,841	247,773
Investments in securities	24,655	19,571	18,422
Government securities purchased under resale agreement	320,306	190,832	214,390
Cash and cash equivalents	69,466	66,872	240,943
<b>Total current assets</b>	<b>714,983</b>	<b>553,838</b>	<b>724,212</b>
<b>Total assets</b>	<b>1,645,002</b>	<b>1,322,884</b>	<b>1,511,828</b>
<b>Equity</b>			
Share Capital	238,146	238,146	238,146
Fair value reserve	26,716	13,685	11,065
Property revaluation reserves	176,422	143,637	176,422
Revenue reserve - non-distributable	48,367	48,367	48,367
Revenue reserve	779,985	574,618	651,367
<b>Total equity</b>	<b>1,269,636</b>	<b>1,018,453</b>	<b>1,125,367</b>
<b>Non current liabilities</b>			
Deferred tax liabilities	61,998	78,380	54,158
<b>Total non-current liabilities</b>	<b>61,998</b>	<b>78,380</b>	<b>54,158</b>
<b>Current Liabilities</b>			
Income tax payable	27,782	20,792	52,315
Contract liabilities	99,683	-	20,448
Payable & accruals	185,903	205,259	259,540
<b>Total current liabilities</b>	<b>313,368</b>	<b>226,051</b>	<b>332,303</b>
<b>Total equity &amp; liabilities</b>	<b>1,645,002</b>	<b>1,322,884</b>	<b>1,511,828</b>

Approved and authorized for issue by the Board of Directors on November 13, 2019 and are signed on its behalf by:

  
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Ian McNaughton - Chairman

  
\_\_\_\_\_  
Marlene J Street Forrest - Managing Director

**JAMAICA STOCK EXCHANGE LIMITED**  
**Consolidated Statement of Comprehensive Income**  
**For the Nine Months Ended September 30, 2019**

Statement II

	Unaudited Three months ended September 2019 \$'000	Unaudited Three months ended September 2018 \$'000	Unaudited Nine months ended September 2019 \$'000	Unaudited Nine months ended September 2018 \$'000	Audited Twelve months ended December 2018 \$'000
<b>Revenue</b>					
Cess	221,576	112,836	509,276	340,168	494,711
Fee Income	270,103	213,579	771,697	601,777	808,148
Ecampus	6,533	2,018	40,361	8,832	15,063
Other operating Income	16,787	11,100	68,189	54,675	72,926
	<b>514,999</b>	<b>339,533</b>	<b>1,389,523</b>	<b>1,005,452</b>	<b>1,390,848</b>
<b>Expenses</b>					
Staff costs	105,996	91,791	317,990	263,084	353,065
Property expenses	50,122	31,931	132,148	99,308	136,285
Depreciation and amortisation	15,022	12,574	41,358	38,015	50,384
Advertising and promotion	30,426	10,966	93,517	41,471	59,332
Professional fees	18,083	16,127	48,399	49,883	55,483
Securities commission fees	31,770	18,694	76,027	51,909	74,362
Net impairment (gain)/losses on financial assets	(848)	-	8,003	1,897	15,599
Ecampus	8,791	4,677	32,381	13,344	19,407
Other operating expenses	13,569	13,050	46,647	38,920	53,522
	<b>272,931</b>	<b>199,810</b>	<b>796,470</b>	<b>597,831</b>	<b>817,439</b>
Investment income	6,404	10,830	20,066	27,450	19,093
<b>Profit before taxation</b>	<b>248,472</b>	<b>150,553</b>	<b>613,119</b>	<b>435,071</b>	<b>592,502</b>
Taxation	(84,721)	(48,345)	(204,000)	(141,792)	(179,439)
<b>Net profit</b>	<b>163,751</b>	<b>102,208</b>	<b>409,119</b>	<b>293,279</b>	<b>413,063</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
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)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,184</b>
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	8,871	4,247	15,651	(3,802)	(642)
Deferred income tax on items that may be reclassified to profit or loss	-	-	-	-	2,765
	<b>8,871</b>	<b>4,247</b>	<b>15,651</b>	<b>(3,802)</b>	<b>(6,144)</b>
Other comprehensive income for the period, net of taxes	8,871	4,247	15,651	(3,802)	(2,960)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>172,622</b>	<b>106,455</b>	<b>424,770</b>	<b>289,477</b>	<b>410,103</b>
<b>Earnings per share</b>	<b>\$ 0.23</b>	<b>\$ 0.15</b>	<b>\$ 0.58</b>	<b>\$ 0.42</b>	<b>\$ 0.59</b>

**JAMAICA STOCK EXCHANGE LIMITED**

**Consolidated Statement Of Changes In Equity  
For the Nine Months Ended September 30, 2019**

Statement III

	Share Capital	Fair Value Reserve	Property Revaluation Reserve	Revenue Reserve Non- Distributable	Revenue Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at January 1, 2018</b>	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	(9,780)	(9,780)
Profit for the period	-	-	-	-	293,279	293,279
Other comprehensive loss for the period	-	(3,802)	-	-	-	(3,802)
Total comprehensive (loss)/income for the period	-	(3,802)	-	-	293,279	289,477
Dividend	-	-	-	-	(210,024)	(210,024)
<b>Balance at September 30, 2018</b>	<b>238,146</b>	<b>13,685</b>	<b>143,637</b>	<b>48,367</b>	<b>574,618</b>	<b>1,018,453</b>
<b>Balance at January 1, 2019</b>	238,146	11,065	176,422	48,367	651,367	1,125,367
Profit for the period	-	-	-	-	409,119	409,119
Other comprehensive income for the period	-	15,651	-	-	-	15,651
Total comprehensive income for the period	-	15,651	-	-	409,119	424,770
Dividend	-	-	-	-	(280,501)	(280,501)
<b>Balance at September 30, 2019</b>	<b>238,146</b>	<b>26,716</b>	<b>176,422</b>	<b>48,367</b>	<b>779,985</b>	<b>1,269,636</b>

**THE JAMAICA STOCK EXCHANGE LIMITED**  
**Consolidated Statement Of Cash Flows**  
**Nine Months Ended September 30, 2019 (Unaudited)**

	Unaudited Nine months ended September 2019 \$'000	Unaudited Nine months ended September 2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	409,119	293,279
Adjustments for:		
Depreciation of property, plant and equipment	23,131	21,829
Amortisation of intangible assets	18,227	16,186
Net impairment on financial assets	8,003	1,897
Income tax expenses	204,000	141,792
Interest income	(20,066)	(26,674)
Operating cash flows before movements in working capital	642,414	448,309
Increase in trade and other receivable	(59,927)	(108,014)
Increase in contract liabilities	79,235	-
Decrease in trade and other payables	(73,637)	(19,677)
Cash provided by operations	588,085	320,618
Income tax paid	(228,533)	(105,841)
Cash provided by operating activities	359,552	214,777
<b>Cash flows from investing activities</b>		
Investments securities, net	(21,100)	55,537
Government securities purchased under resale agreement	(105,916)	(23,943)
Receipts/(payments) from related parties	1,825	(3,477)
Acquisition of property, plant and equipment	(40,683)	(100,460)
Acquisition of intangible assets	(85,228)	(3,186)
Long term receivables	574	(5,516)
Cash used in investing activities	(250,528)	(81,045)
<b>Cash flows from financing activities</b>		
Dividends paid	(280,501)	(210,024)
Cash used in financing activities	(280,501)	(210,024)
Net decrease in cash and cash equivalents	(171,477)	(76,292)
Cash and cash equivalent at the beginning of the year	240,943	143,164
Cash and cash equivalents at the end of the year	69,466	66,872

**JAMAICA STOCK EXCHANGE LIMITED**  
**Consolidated Segment Report**  
**For the Nine Months Ended September 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	144,789	15,815		22,430		183,034
Revenue - point in time	716,157	439,467	20,066	338,865	(288,000)	1,226,555
<b>Total Revenue</b>	<b>860,946</b>	<b>455,282</b>	<b>20,066</b>	<b>361,295</b>	<b>(288,000)</b>	<b>1,409,589</b>
Segment results	371,459	285,826		243,834	(288,000)	<b>613,119</b>
Profit before taxation	371,459	285,826		243,834	(288,000)	<b>613,119</b>
Taxation	(66,533)	(55,419)		(82,048)		<b>(204,000)</b>
Profit for the Period						<b>409,119</b>
<u>Other information</u>						
Depreciation & amortisation	29,674	6,944		4,740		<b>41,358</b>
Assets						
Segment assets	1,025,972	338,080		358,229	(77,279)	<b>1,645,002</b>
Liabilities						
Segment liabilities	246,749	72,146		71,119	(14,648)	<b>375,366</b>

**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	103,073	20,147		103,436		226,656
Revenue - point in time	536,023	292,788	27,450	182,985	(233,000)	806,246
<b>Total Revenue</b>	<b>639,096</b>	<b>312,935</b>	<b>27,450</b>	<b>286,421</b>	<b>(233,000)</b>	<b>1,032,902</b>
Segment results	300,787	181,482		185,802	(233,000)	<b>435,071</b>
Profit before taxation	300,787	181,482		185,802	(233,000)	<b>435,071</b>
Taxation	(46,507)	(35,579)		(59,706)		<b>(141,792)</b>
Profit for the Period						<b>293,279</b>
<u>Other information</u>						
Depreciation & amortisation	25,893	6,970		5,152		<b>38,015</b>
Assets						
Segment assets	880,558	261,963		263,687	(83,324)	<b>1,322,884</b>
Liabilities						
Segment liabilities	202,073	63,254		59,797	(20,693)	<b>304,431</b>



**THE JAMAICA STOCK EXCHANGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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 NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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 NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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 NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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 NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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. 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 NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**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 September 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.

**13. DIVIDEND**

During the period September 30, 2019, dividend payment was declared by the Board of Directors.

- On August 30, 2019 a dividend of \$0.15 per ordinary share was paid to shareholders. The total dividend paid was \$105.2 million.

Total dividend paid during 2019 was \$280.5 million.

**THE JAMAICA STOCK EXCHANGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**14. 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.

**15. 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 September 30, 2019 the fund had total assets of \$896.5 million (2018: \$858.6 million) and net equity of \$859.8 million (2018: \$814.1 million).

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

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Names	Shareholdings
1. Sagicor Pooled Equity Fund	73,109,006
2. JCSD Trustee Services Limited - Sigma Equity	65,129,259
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. Cornerstone Investment Holdings Limited	48,000,000
7. Jamaica Money Market Brokers	44,200,000
8. Mayberry Investments Limited	43,087,004
9. SJIML	35,235,572
10. JCSD Trustee Services Limited - Sigma Diversified Investors	31,000,000



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

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**Directors/Alternate Directors**

**Shareholding**

Edwin McKie*	1,239,004
Derrick McKoy*	756,170
Dian Black	2,000

**Senior Managers**

Marlene Street*	75,000
Suzette McNaught*	30,000
Suzette Whyte*	22,000
Neville Ellis*	10,000
Suzette Pryce	5,000
Riccalya Robb	5,000

*\*Includes holding in joint accounts*