



REPORT OF THE BOARD OF DIRECTORS
CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR QUARTER ENDED MARCH 31, 2021

FIRST QUARTER FINANCIAL HIGHLIGHTS

Description	Q1 2021	Q1 2020	Change %
Total Income	\$410.4m	\$508.6m	-19.3
Total Expenses	\$305.4m	\$316.2m	3.4
Net Profit After Tax	\$74.1m	\$125.1m	-40.8
Earnings Per Share	\$0.11	\$0.18	-38.8
Return on Equity	5.6%	9.5%	-41.1

FIRST QUARTER PERFORMANCE

The Jamaica Stock Exchange Group (JSEG) recorded a Net Profit after Tax of \$74.1m. Total Expenses decreased by 3.4% compared to the corresponding quarter in 2020. The Return on Equity was 5.6% as against 9.5% in 2020, representing a 41.1% decline.

Income

Total Income for the JSEG of \$410.4m, represents a \$98.2m (19.3%) decrease over the corresponding quarter of 2020. The decrease can be attributed to depressed market conditions which have resulted in declines in Cess Fee and Fee Income by \$36.3m (42%) and \$51.8m (14.3%) respectively over the comparable period.

Expenses

Total Expenses of \$305.4m decreased by \$10.8m (3.4%) when compared to the corresponding quarter in 2020. The main expenditure contributing to the decrease are as follows:

- Advertising and Promotion expense was below 2020 comparatives by \$18.3m (35.3%). This was mainly due to the transition of stakeholders' engagement activities to virtual delivery platforms in compliance with social distancing requirements.

- Securities Commission Fees was below 2020 comparatives by \$5.2m (40%), reflecting the decline in Cess Revenue.
- Net Impairment Losses on Financial Assets decreased by \$11m (133.5%) over prior year comparative. This decrease represents a reduction in receivables on which Expected Credit Loss is calculated.

Professional Fees Expense however increased by \$14.5m (77.1%) over prior year comparative, due primarily to consultancy services aligned to business expansion plans.

Net Profit

Net Profit after Tax of \$74.1m represents a decrease of \$51m (40.8%) when compared to the profit of \$125.1m for the corresponding period in 2020. The decrease in Net Profit is because of low trading values impacting the market, due to the COVID-19 pandemic.

Financial Position

Total JSEG Assets as at March 31, 2021 of \$2,112.5m, reflected an increase of \$317m (17.7%), when compared to holdings as at March 31, 2020. This was due primarily to an increase in Property, Plant and Equipment, Investment in Securities, as well as Government Securities purchased under resale agreement.

Total Equity of \$1,606.6m as at March 31, 2021 reflects an increase of \$292.2m (22.2%) and \$72.2m (4.7%) over the comparable positions at the end of March 31, 2020 and December 31, 2020, respectively.

MARKET DEVELOPMENTS & OUTLOOK

The First Quarter performance has been moderate and the outlook for the year is that the JSEG will continue to be impacted by the global pandemic. While the market has shown signs of recovery, trading values will lag thereby impacting income. Several risk mitigating measures have been successfully implemented, including a COVID 19 Response Plan aimed at minimizing health and safety risks to employees and other stakeholders. The JSEG remains resolute in its commitment to maximize shareholders' wealth while providing strong support to stakeholders and the country at large.

In the First Quarter the JSE Private Market was rolled out to a very receptive market. 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 in systems and service delivery to the JSEG's customers and other stakeholders.



Julian Mair
Chairman



Marlene J Street Forrest
Managing Director

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Financial Position
As At March 31, 2021

	Unaudited	Unaudited	Audited
	Three months ended March 2021 \$ '000	Three months ended March 2020 \$ '000	Twelve months ended December 2020 \$ '000
Non-current assets			
Property plant & equipment	688,163	590,920	679,521
Intangible assets	141,517	137,710	135,690
Post employment benefits	102,429	130,110	102,429
Investment in securities	223,282	175,504	221,464
Long-term receivables	15,070	20,851	15,949
Total non-current assets	1,170,461	1,055,095	1,155,053
Current assets			
Income tax recoverable	34,409	-	-
Due from related party	3,211	3,395	-
Trade and other receivables	303,317	364,428	262,010
Investments in securities	12,239	23,241	12,197
Government securities purchased under resale agreement	443,463	211,803	300,137
Cash and cash equivalents	136,050	137,505	140,508
Total current assets	932,689	740,372	714,852
Total assets	2,103,150	1,795,467	1,869,905
Equity			
Share capital	238,146	238,146	238,146
Fair value reserve	35,459	8,267	37,321
Property revaluation reserves	290,867	237,377	290,867
Revenue reserve non-distributable	48,367	48,367	48,367
Revenue reserve	993,794	782,206	919,664
Total equity	1,606,633	1,314,363	1,534,365
Non current liabilities			
Deferred tax liabilities	104,769	93,080	105,714
Total non-current liabilities	104,769	93,080	105,714
Current liabilities			
Due to related party	-	-	21
Income Tax payable	-	3,423	15,321
Contract liabilities	259,570	215,603	29,973
Payable & accruals	132,178	168,998	184,511
Total current liabilities	391,748	388,024	229,826
Total equity & liabilities	2,103,150	1,795,467	1,869,905

Approved and authorized for issue by the Board of Directors on May 12, 2021 and are signed on its behalf by:



Julian Mair - Chairman



Marlene Street Forrest - Managing Director

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement of Comprehensive Income
For The Three Months Ended March 31, 2021

Statement II

	Unaudited Three months ended March 2021 \$'000	Unaudited Three months ended March 2020 \$'000	Audited Twelve months ended December 2020 \$'000
Revenue			
Cess	50,273	86,639	380,019
Fee income	310,680	362,506	1,215,106
Ecampus	9,513	9,992	31,651
Other operating income	39,977	49,452	84,613
	<u>410,443</u>	<u>508,589</u>	<u>1,711,389</u>
Expenses			
Staff costs	134,105	114,613	477,324
Property expenses	62,152	62,848	229,774
Depreciation and amortisation	16,669	16,912	67,169
Advertising and promotion	33,593	51,910	90,751
Professional fees	33,253	18,784	75,498
Securities commission fees	7,783	13,010	57,656
Net impairment losses on financial assets	(2,759)	8,243	37,485
Ecampus	6,402	8,160	29,224
Other operating expenses	14,160	21,764	72,008
	<u>305,358</u>	<u>316,244</u>	<u>1,136,889</u>
Investment income	9,246	6,602	43,967
Profit before taxation	114,331	198,947	618,467
Taxation	(40,201)	(73,803)	(211,531)
Net profit	74,130	125,144	406,936
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassify to profit or loss:			
Remeasurement of employee benefits assets	-	-	(58,722)
Deferred income that will never be reclassified to profit or loss	-	-	19,575
Revaluation surplus on land	-	-	13,500
Revaluation surplus on property, plant & equipment	-	-	59,985
Deferred income tax on revaluation surplus	-	-	(19,995)
	<u>-</u>	<u>-</u>	<u>14,343</u>
Items that may be reclassify to profit or loss:			
Changes in the fairvalue of debt investments at fair value through other comprehensive income	-	-	10,484
Net impairment gain	-	-	494
Unrealised losses on investment in securities	(1,862)	(21,571)	-
Deferred income tax on items that may be reclassified to profit or loss	-	-	(3,495)
	<u>(1,862)</u>	<u>(21,571)</u>	<u>7,483</u>
Other comprehensive (loss)/income for the period, net of taxes	(1,862)	(21,571)	21,826
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	72,268	103,573	428,762
Earnings per share	\$ 0.11	\$ 0.18	\$ 0.58

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Changes In Equity
For the Three Months Ended March 31, 2021

Statement III

	Share Capital	Fair Value Reserve	Property Revaluation Reserve	Revenue Reserve Non- Distributable	Revenue Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2020	238,146	29,838	237,377	48,367	916,525	1,470,253
Profit for the period	-	-	-	-	125,144	125,144
Other comprehensive loss for the period	-	(21,571)	-	-	-	(21,571)
Total comprehensive income for the period	-	(21,571)	-	-	125,144	103,573
Dividend	-	-	-	-	(259,463)	(259,463)
Balance at March 31, 2020	238,146	8,267	237,377	48,367	782,206	1,314,363
Balance at January 1, 2021	238,146	37,321	290,867	48,367	919,664	1,534,365
Profit for the period	-	-	-	-	74,130	74,130
Other comprehensive loss for the period	-	(1,862)	-	-	-	(1,862)
Total comprehensive (loss)/income for the period	-	(1,862)	-	-	74,130	72,268
Dividend	-	-	-	-	-	-
Balance at March 31, 2021	238,146	35,459	290,867	48,367	993,794	1,606,633

THE JAMAICA STOCK EXCHANGE LIMITED
Consolidated Statement Of Cash Flows
Three Months Ended March 31, 2021 (Unaudited)

	Unaudited Three months ended March 2021 \$'000	Unaudited Three months ended March 2020 \$'000
Cash flows from operating activities		
Profit for the period	74,130	125,144
Adjustments for:		
Depreciation of property, plant and equipment	8,765	8,379
Amortisation of intangible assets	7,904	8,533
Net impairment on financial assets	(2,759)	8,243
Income tax expenses	40,201	73,803
Interest income	(9,246)	(6,602)
Operating cash flows before movements in working capital	<u>118,995</u>	<u>217,500</u>
Increase in trade and other receivable	(38,548)	(102,453)
Increase contract liabilities	229,597	191,386
(Decrease)/Increase in trade and other payables	<u>(52,333)</u>	<u>5,557</u>
Cash provided by operations	257,711	311,990
Income tax paid	<u>(89,931)</u>	<u>(114,227)</u>
Cash provided by operating activities	<u>167,780</u>	<u>197,763</u>
Cash flows from investing activities		
Investments securities, net	4,579	4,557
Government securities purchased under resale agreement	(143,326)	108,365
Payments made to related parties	(3,232)	(2,713)
Acquisition of property, plant and equipment	(17,407)	(8,300)
Acquisition of intangible assets	(13,731)	(3,947)
Long term receivables	879	(5,869)
Cash provided (used)/by in investing activities	<u>(172,238)</u>	<u>92,093</u>
Cash flows from financing activities		
Dividends paid	-	(259,463)
Cash used financing activity	<u>-</u>	<u>(259,463)</u>
Net increase in cash and cash equivalents	(4,458)	30,393
Cash and cash equivalent at the beginning of the year	<u>140,508</u>	<u>107,112</u>
Cash and cash equivalents at the end of the period	<u>136,050</u>	<u>137,505</u>

JAMAICA STOCK EXCHANGE LIMITED
Consolidated Segment Report
For The Three Months Ended March 31, 2021 (Unaudited)

STATEMENT V

2021

	Exchange Operations	JCSD Services	Investments Other	JCSD Trustees Services	Eliminations	Group
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Revenue - over time	60,366	6,322		49,877		116,565
Revenue - point in time	203,626	150,526	9,246	107,126	(167,400)	303,124
Total Revenue	263,992	156,848	9,246	157,003	(167,400)	419,689
Segment results	98,133	91,968		91,631	(167,400)	114,332
Profit before taxation	98,133	91,968		91,631		<u>114,332</u>
Taxation	-	(10,998)		(29,204)		<u>(40,202)</u>
Profit for the period						<u><u>74,130</u></u>
Other information						
Depreciation & amortisation	12,616	3,103		950		16,669
Assets						
Segment assets	1,310,418	452,179		491,920	(151,367)	<u>2,103,150</u>
Liabilities						
Segment liabilities	365,292	138,403		82,829	(90,007)	<u>496,517</u>

2020

	Exchange Operations	JCSD Services	Investments Other	JCSD Trustees Services	Eliminations	Group
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Revenue - over time	54,665	9,489		45,830		109,984
Revenue - point in time	324,288	264,179	6,602	111,138	(301,000)	405,207
Total Revenue	378,953	273,668	6,602	156,968	(301,000)	515,191
Results						
Segment results	187,913	204,905		107,129	(301,000)	198,947
Profit before taxation	187,913	204,905		107,129		<u>198,947</u>
Taxation	(4,895)	(35,856)		(33,052)		<u>(73,803)</u>
Profit for the period						<u><u>125,144</u></u>
Other information						
Depreciation & amortisation	12,140	3,215		1,557		16,912
Assets						
Segment assets	1,181,420	425,187		354,662	(165,802)	<u>1,795,467</u>
Liabilities						
Segment liabilities	384,473	149,051		51,990	(104,410)	<u>481,104</u>