VISION

To be the medium of choice for wealth creation and capital-raising in the Eastern Caribbean Currency Union

MISSION

To provide the Eastern Caribbean Currency Union (ECCU) with an accessible market place in which to issue and trade securities, to clear and settle trades, and to register companies in a transparent, seamless, confidential and secure manner
To grow revenues by leveraging our advanced technological capacity to offer the most efficient and appropriate capital market products and services to a broadened clientele, based on responsive, client-focused operations, and strategic marketing and outreach activities.

VALUES

Accountability & Transparency
Efficiency, Professionalism & Competence
Integrity, Reliability & Dependability
Responsive & Client-Focused
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BOARD OF DIRECTORS

Chairman

Mr Timothy NJ Antoine
Governor, Eastern Caribbean Central Bank

Deputy Chairman

Mr D Michael Morton, CBE
Director, TDC Group of Companies

Mr Peter Blanchard, GCM
Managing Director, General Insurance Company Ltd

Mrs Jennifer Nero
Business Consultant

Mrs Janice Jean-Jacques Thomas
Director/CEO, Dominica Social Security

Mr Matthew Mathurin
Director, National Insurance Corporation Saint Lucia

Mr Dexter Ducreay
General Manager, A.C. Shillingford & Company Ltd

Mr Trevor E Blake
Managing Director, ECSE Group
COMPANY SECRETARY

Ms Raemona Frederick
Senior Legal Officer
Eastern Caribbean Central Bank

MANAGEMENT

Mr Trevor E Blake
Managing Director

Mr Tarlie Francis
Senior Manager, Operations Division

Ms Tian Arthurton
Manager, Accounting, Finance and Administration Division

Registered Office
P O Box 94
Bird Rock
Basseterre
St. Kitts

Auditors
KPMG
2nd Floor, ABI Financial Centre
156 Redcliffe Street, P.O. Box W388
St John’s, Antigua

Solicitors
Kelsick, Wilkin & Ferdinand
South Independence Square Street, Basseterre, St Kitts

Subsidiary Companies
Eastern Caribbean Central Securities Registry Limited (100%)

Eastern Caribbean Central Securities Depository Limited (100%)

Bankers
St. Kitts-Nevis-Anguilla National Bank Ltd
Central Street, Basseterre, St. Kitts

CIBC First Caribbean International Bank (Barbados) Ltd
The Circus, Basseterre, St Kitts
STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES
The Eastern Caribbean Securities Exchange Limited (ECSE), the Eastern Caribbean Central Securities Registry Limited (ECCSR) and the Eastern Caribbean Central Securities Depository Limited (ECCSD) continue to promote high standards and principles of corporate governance throughout the Group. This statement of corporate governance practices provides a brief description of the Group's approach to governance.

LEGAL FRAMEWORK

The ECSE was incorporated in the Federation of St Christopher and Nevis under the Companies Act of 1996 as a public limited liability company. It is licensed under the Securities Act of 2001, a uniform regional body of legislation in Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Christopher and Nevis, Saint Lucia, and St Vincent and the Grenadines. The Act provides for the protection of the investing public by creating the Eastern Caribbean Securities Regulatory Commission (ECSRC) that regulates the securities market, securities exchanges, persons engaged in securities business and the public issue of securities. The ECSE facilitates the trading of a range of financial products, including equities, corporate bonds, and government securities.

The ECCSR and ECCSD, both wholly owned subsidiaries of the ECSE, were also incorporated in St Christopher and Nevis in 2001 as public limited liability companies, under the 1996 Companies Act. The ECCSR and ECCSD are also both licensed and regulated by the ECSRC, under the Securities Act of 2001.
BOARD OF DIRECTORS

The Board of Directors of the ECSE is responsible for the strategic guidance of the Company, and is focused on both protecting the interests of all stakeholders and optimizing shareholder value.

The Board of Directors consists of eight members, seven non-executive directors elected in accordance with Article 81 of the Articles of Association of the ECSE, and the Managing Director. The Directors include regional business leaders and professionals, who bring considerable expertise and experience to the decision-making processes. The Board of Directors typically meets on a bi-monthly basis and regularly reviews the Group’s financial and operational performance.

In accordance with the Articles, all of the non-executive Directors retire at each Annual General Meeting of the company. Directors are eligible for nomination by their respective classes for re-election to the Board.

BOARD COMMITTEES

Committees of the Board are established, in accordance with Article 80 of the ECSE’s Articles, to enhance the Board’s effectiveness in the proper governance of the Group. During the year, the Board revamped its Committee structure, for greater effectiveness and relevance to current operations.

The Committees, and their composition, at 31 March 2019 were as follows:

**Audit and Risk Committee**
Mrs Jennifer Nero – Chairperson
Mr Matthew L Mathurin
Mr Dexter Ducreay

**Budget and Finance Committee**
Mr D Michael Morton, CBE – Chairman
Mr Peter Blanchard, GCM
Mrs Janice Jean-Jacques Thomas
Mr Trevor E Blake

**Human Resources Committee**
Mrs Janice Jean-Jacques Thomas – Chairperson
Mr D Michael Morton, CBE
Mr Dexter Ducreay
Mr Trevor E Blake

**Disciplinary Committee**
Mr Peter Blanchard, GCM – Chairman
Mr Matthew L Mathurin
Mrs Jennifer Nero

The Company Secretary facilitates the functioning of the Committees.

SUBSIDIARY COMPANIES

The Boards of Directors of the two subsidiary companies, the ECCSR Ltd and the ECCSD Ltd are comprised as follows:

Mr Timothy NJ Antoine - Chairman
Mr D Michael Morton, CBE - Deputy Chairman
Mr Peter Blanchard, GCM
Mrs Jennifer Nero
Mr Dexter Ducreay
Mr Trevor E Blake – Managing Director

**Company Secretary**
Ms Raemona Frederick
CHAIRMAN’S STATEMENT

FORGING AHEAD
The ECSE has led the pioneering thrust over the last 18 years for the development of an investment market for ECCU citizens. Following a strategic advance in January 2018, our Board embraced the following five (5) strategic priorities:

1. Enhancing and expanding products and services
2. Growing revenue
3. Increasing access to and participation in our securities market
4. Increasing Marketing & Outreach
5. Augmenting organisational fitness and capacity

The ECSE Board and management and staff have embarked on a purposeful quest to advance these priorities. Their work has involved:

1. Exploring potential business relationships aimed at increasing the range of products and services available to the investing public.
2. Developing and reviewing draft rules that would guide the operations of a Junior Market for the ECSE.
3. Engaging with skilled professionals to develop a targeted marketing strategy aimed at optimizing outreach.
4. Undertaking an organizational restructuring, including the streamlining of staff responsibilities and recruitment of new staff.
5. Maximizing opportunities for increasing the revenue of the ECSE.

This new path resulted in a net profit of $1.3 million for the year ended.

This milestone has been long in coming and is due to the level of focus and dedication to task by the Management and Board of the ECSE. We thank all who have contributed to this milestone including past Board members and staff.

The performance of the Regional Government Securities Market (RGSM) has continued to perform for the benefit of our participating governments who raised an
estimated $1.3 billion. The ECSE can become a major catalyst for wealth creation, economic development and empowerment with the creation of an active investor environment. Consequently, we continue to strive to increase the number of private citizens participating on the market. With this in mind, the ECSE has committed to being a strategic partner in the recently launched Money and Capital Markets or MCM 3.0, along with the Eastern Caribbean Central Bank, the Eastern Caribbean Securities Regulatory Commission and the Eastern Caribbean Home Mortgage Bank. MCM 3.0 is aimed at growing the ECCU market and includes identifying and removing the legal and regulatory hindrances to a more inclusive expansion and faster pace of development.

As part of the restructuring and reorganizing efforts, the ECSE wound up the Eastern Caribbean Central Securities Registry Ltd and the Eastern Caribbean Central Securities Depository Ltd would have absorbed those operations.

Our ECCU governments have been consistently supportive so we thank them. Their continued commitment is needed for significant legislative reforms that would greatly enhance the investment environment of the ECCU.

I am extremely grateful to our supportive and patient shareholders. I look forward to your ongoing support as we forge ahead with the ECSE’s new strategic priorities and pursue the full potential of the ECSE Group.

It is with pleasure that I announce the ECSE’s first dividend of the princely sum of $500,000, to our shareholders, another milestone achievement of the ECSE. Your longstanding commitment is laudable and this declaration is richly deserved.

I seize this opportunity to express my appreciation to the Board of Directors, Management and Staff for your support over the past year.

Now, let us press on.

Timothy N J Antoine
REVIEW OF OPERATIONS
Global activity lagged expectation in 2018. The international economy grew at an estimated 3.6%, weakening from 3.8% in 2017, due to the lethargy in some of the major economies in the latter half of the year.

A notable exception was the US economy, which grew by a relatively brisk 2.9% in 2018, compared to 2.2% in the previous year. Some deceleration was also experienced in emerging market and developing economies, over the year.

Growth in the global economy is projected to remain sluggish, with the growth rate forecasted to decline to 3.2% in 2019. This deceleration is projected in both advanced, and emerging market and developing, economies. Output in the US economy is expected to grow by 2.6%, while 0.3 percentage points above the previously forecasted rate, will still lag the previous year’s outturn.

Against this backdrop, the ECSE Group recorded a mixed performance. During the financial year, there were 13 net new listings, a growth of 9.6% over the year. Primary market activity declined by 9.8%, with lower activity in both the RGSM and the corporate issue market. Trading volumes on the secondary market increased significantly, although the number of transactions remained flat. Registry activity remained robust, with growth recorded in most of the functional areas. The Group achieved a strong financial performance, recording a profit of $1.3 million for the year ended 31 March 2019.


MARKET OPERATIONS

LISTINGS

The number of securities listed on the Exchange increased by 13 or 9.6% over the year and stood at 149 at 31 March 2019. This comprised 128 sovereign debt securities, 13 equities and eight corporate debt instruments.

There were 78 new fixed income securities listed on the market during the year, comprising 49 Treasury bills, 2 notes, 19 bonds and eight issues of commercial paper. Over the same period, 64 securities matured and were redeemed, resulting in a net increase of 14 in the number of fixed income listings. The 64 securities redeemed on maturity comprised 48 Treasury bills, six bonds, two notes and eight issues of commercial paper.

Sovereign Debt Securities

At year-end, the number of sovereign debt instruments listed on the ECSE stood at 128, increasing by 16, or 14.28%, over the year. This asset class now represents 85.8% of total market listings, rising 290 basis points from its level at the previous year-end.

The Government of Saint Lucia remained the issuer of the largest number of listed securities, accounting for 51.2% of the listed sovereign debt and 44.9% of total market listing.

Corporate Securities

The number of listed corporate securities stood at 21 at 31 March 2019, comprising 13 equities and eight corporate debt instruments of 1-year tenor. This represented a decrease of two or 8.7% from the previous year-end, as during the year, one fewer commercial paper was listed and the cross-listed ordinary shares of the CIBC FirstCaribbean International Bank Limited were delisted.

MARKET CAPITALIZATION

At 31 March 2019, total market capitalization was $1.8 billion, a significant fall from the position at the previous yearend, 31 March 2018. This decrease in market capitalization is attributed mainly to the delisting of CIBC FirstCaribbean International Bank Ltd, whose market Capitalization of $6.3 billion previously accounted for 79.2% of total capitalization.
PRIMARY MARKET ACTIVITY

There was a slight decrease in primary market activity as 64 auctions took place using the ECSE’s primary issuance platform, seven fewer than in the previous financial year. This 9.8% decrease reflects six fewer auctions by sovereign issuers and one by corporates. The primary market continued to be dominated by the activity on the Regional Government Securities Market (RGSM).

Overall, a total of $1.4 billion was raised in the primary markets, $46.8 million or 3.2% above the sum raised in the previous year.

RGSM

Activity on the RGSM remained strong during the financial year ended 31 March 2019. Fifty-five securities were auctioned, a fall of 5 securities or 8.3% compared to the previous financial year. These auctions raised a total of $1.3 billion, which represents a $61.9 million or 5.1% increase from the amount raised in the previous year.

Five sovereign issuers were active on the RGSM, with four, the Governments of Antigua-Barbuda, the Commonwealth of Dominica, Grenada and Saint Lucia recording marginal decreases in the number of securities auctioned. The Government of St Vincent and the Grenadines, however, increased its issuances by two securities or 16.7%, compared to the previous year. In terms of the sum raised through RGSM auctions, three issuers recorded increases and two recorded a decrease.

The Government of Saint Lucia remained the market leader in the financial year, raising $496.2 million from the auctions of 15 Treasury bills and four bonds, which represents an increase of $90.0 million or 22.2% from the amount raised in 2018. The Government of Saint Lucia’s activity accounted for 34.5% of the number of auctions and 38.4% of the overall RGSM proceeds.

The Governments of St Vincent and the Grenadines and Antigua and Barbuda were the next most active issuers, with the former increasing its number of actions by two and the latter decreasing by one. Both increased their volumes compared to the previous year. St Vincent and the Grenadines auctioned 14 securities, raising $360.9 million, an increase of $27.9 million or 8.4% from the previous year, and Antigua and Barbuda raised $245.0 million, increasing $41.0 million or 20.1%, through the issue of 11 securities.

The oversubscription of issues remained high, indicating a sustained demand for sovereign securities. Although
the level of oversubscription in 2019 decreased by $4.3 million or 0.86% from the previous year, the strong demand for sovereign securities proves to be beneficial to the issuers. Of the 55 RGSM auctions, 52 were oversubscribed by a total of $495.5 million or 40.1%, contributing to a decrease in the overall discount rates on treasury bills.

The average discount rate on 91-day Treasury bills fell by 30 basis points to 2.62%, 180-day bills by 20 basis points to 3.4% and 365-day bills by 40 basis points to 3.85%.

**ECSM**
The Eastern Caribbean Home Mortgage Bank was the sole issuer on the Eastern Caribbean Securities Market (ECSM), raising a total of $199.1 million through the auction of nine issues of commercial paper.

Primary market activity on the ECSM declined by $15.1 million or 7.1% from the previous year when two issuers raised a total of $214.2 million.

**SECONDARY MARKET ACTIVITY**
Secondary market activity remained flat at 225 transactions in the financial year ended 31 March 2019, compared to 223 in the previous year. At the same time, the transactions’ volume and value grew significantly as 19.6 million units of securities traded at a value of $27.0 million, up from 6.5 million units traded at $7.6 million in the previous year.

**Fixed Income**
Results on the secondary market was once again dominated by trades in fixed income securities which, though processed in 11 transactions, accounted for 99.1% of overall total volume of securities exchanged.

Trades of sovereign instruments during the financial year amounted to 19.4 million units that traded at $26.1 million. This, is markedly higher than in the previous financial year when 6.3 million units traded at $6.5 million. The volume of debt securities traded increased by 197.7% over that recorded in 2018, continuing the trend of triple digit growth.

**Equities**
During the year, 214 equities transactions were recorded, in which 166,698 units of ordinary shares were traded at a value of $0.9 million. This represents contractions in equities trading of 29.3% in volume and 23.3% in value, compared to the previous year.

**ECFH**, which recorded a traded volume of 40,521 units at a value of $171,923.76 was the most actively traded stock with 75 trades accounting for 35.0% of all equites transactions. **SKNB**, which recorded a traded volume of 27,651 units at a value of $82,953.00 was the next most active with 33 trades or 15.4% of equities transactions.

**EC-SHARE INDEX**
The ECSE EC-Share Index fell 1.53 points or 1.0% over the year to close at 150.34 on 31 March 2019. This decrease in the index mainly reflects declines in prices of four equities, BON, BOSV, GCBL and TDC.
REGISTRY SERVICES

Registry services continued to expand and to make a strong contribution to the Group’s overall performance. Growth was recorded in most of the service areas, including maintenance of securities registers, corporate actions and pledge/charge registrations.

Registrations

The number of securities registers maintained by the ECCSR increased by six from the previous year’s end position, to 156 at 31 March 2019. This comprised 138 fixed income instruments and 18 equities, held on behalf of 25 issuers, 18 corporates, six Sovereigns and one Local Government.

Of the 138 fixed income instruments registered, 128 comprised sovereign debt issues of five Central Governments, nine represented Commercial Papers issued by one corporate, and one, an issue of Local Government Treasury bills. All of the sovereign fixed income securities, with the exception of one bond, was listed on the market at year-end. One corporate issue and the local Government Treasury bill were not listed. Of the 18 equities, 13 were listed.

Corporate Actions

During the financial year ended 31 March 2019, the ECCSR processed 295 corporate action payments amounting to $1.7 billion, on behalf of nine corporate and seven sovereign clients. This included debt service payments of $1.5 billion, on behalf of sovereigns, and of $203.6 million, on behalf of corporate issuers. Dividends totaling $43.6 million were also paid.

Corporate action transactions in the year, included 50 Treasury bill redemptions; 212 payments of interest and principal on long-term sovereign debt instruments; 19 payments of interest and principal on commercial paper; and 14 dividend payments.

Dividends

During the year ended 31 March 2019, the ECCSR processed dividends amounting to $43.6 million to shareholders of nine client companies. The total dividend distribution represents a decrease of 8.0% from the sum distributed in the previous year. The largest contributor to total dividend payments was The St. Lucia Electricity Services Limited (SLES) which paid out $15.8 million, representing 36.3% of the total dividends distributed. Grenada Electricity Services Limited was the second largest contributor, with $9.9 million representing 22.6% of total dividends paid.
Debt Service Payments

Corporates
During the year, the ECCSR made payments totaling $203.6 million on behalf of the sole issuer of corporate debt, the Eastern Caribbean Home Mortgage Bank (ECHMB). This comprised 19 semi-annual interest payments of $4.5 million on ECHMB's issues of commercial paper, and principal repayments of $199.1 million in redemption of those maturing in the financial year. The total of $203.6 million paid on corporate debt in the review year reflects a $14.9 million or 7.9% increase from that of the previous year.

Sovereigns
Payments to holders of sovereign debt securities during the year amounted to $1.4 billion, increasing by $15.2 million or 1.0% from the previous year. The contributors to this increment were the Government of Saint Lucia, which increased disbursements by $64.4 million or 11.6% to $617.8 million; the Government of St. Vincent and the Grenadines, which increased payouts by $17.2 million or 4.7%, and the Government of Antigua and Barbuda, which paid out an additional $34.8 million or 17.0%, to total $237.6 million. The other Governments recorded decreases in their levels of disbursement.

Interest
During the year, interest paid on Treasury notes and bonds amounted to $131.9 million, which represented a decrease of $6.3 million or 4.7%, from the disbursement in the previous year. Five of the six sovereign issuers contributed to this decrease; with only the Government of St. Vincent and the Grenadines recording an increase.

Principal Redemptions
Principal redeemed on matured and amortising sovereign debt securities during the year totaled $1.34 billion, which was $21.5 million or 1.6% higher than the sum repaid in the previous year. Treasury bill redemptions amounted to $1.06 billion, decreasing marginally by $0.6 million. Principal repayments on notes and bonds increased by $22.1 million or 8% over the previous year to amount to $282.4 million.

Two issuers, the Governments of Saint Lucia and of St Vincent and the Grenadines, were the main contributors to the growth in principal redemptions. Saint Lucia increased redemptions by $31.9 million or 18.5%, due mainly to the retirement of four maturing bonds. St Vincent and the Grenadines recorded an increment of $15.3 million or 72.7% in disbursements that amounted to $36.3 million, due mainly to the redemption of an $18.5 million Treasury note in the
review year. The Government of St Kitts and Nevis recorded a 3.0% increase in repayment of amortizing units of its restructured bond; Grenada’s and Antigua and Barbuda’s disbursements remained flat while the Commonwealth of Dominica recorded lower levels.

In terms of overall outlays, the Government of Saint Lucia disbursed $617.8 million in Treasury bill redemptions and semi-annual debt service payments on its various bonds and notes during the year. Saint Lucia’s aggregate disbursements increased 11.6% from that of the previous year’s total, and continued to account for the largest share – 41.8% – of aggregate sovereign debt payments processed by the ECCSR.

Other Services
Charges/Pledges
At 31 March 2019, there were 494 charges/pledges registered on securities maintained at the ECCSR. These covered 243.2 million units of 89 securities, comprising 210.4 million units of 74 debt instruments, and 32.8 million units of 15 equities.

During the year, 75 new charges/pledges, seven more than in the previous financial year, were registered on 113.6 million units of 45 securities. Relatedly, 53 charges/pledges, two more than in the prior year, were released, resulting in an increment of 22 in the number of charges registered.

DEPOSITORY ACTIVITY
During the year, the Eastern Caribbean Central Securities Depository (ECCSD) cleared and settled, 1,053 transactions in which 1.5 billion units of securities were exchanged. This comprised 828 transactions generated in the primary markets, and 225 transactions resulting from secondary market trades. This activity level was 4.6% higher in volume than that recorded in the financial year ended March 2018.

The activity during the year included the processing of 1.3 billion units of government securities and 199.1 million units of corporate debt securities from 828 primary market transactions. The CSD also processed, 19.4 million units of government securities from 11 transactions, and 0.2 million units of equities from 214 transactions, resulting from the secondary market trades.

Cash settlement activity from primary market transactions totaled $1.5 billion, while secondary trades settlement amounted to $19.6 million.

INTERMEDIARIES
The Intermediaries Working Group (IWG) stepped up its activities during this financial year, holding five meetings via ZOOM conferencing, and one in person meeting in October 2018 in St Vincent.
Discussions at these meetings focused on matters relating to market operations, a new broker dealer information brochure, re-visiting the initiative to establish a Broker-Dealer Association, and ideas for the brokerage community’s participation in Financial Information Month (FIM) activities.

The, ECSE hosted a Continuing Professional Development (CPD) Workshop for principals and representatives of member broker dealers, in October 2018 in St Vincent and the Grenadines. The CPD workshop, held under the theme ‘Market analysis, an essential component of business development’ attracted 14 associated persons from all six ECSE member broker-dealers. The CPD covered two main topics; market analysis and investment advice and, ECSE’s trading platform and the pursuit of clients’ investment goals.

The ECSE and member brokers participated in a Shareholder Forum as part of the FIM activities organised by ECCB and the local St Vincent and the Grenadines FIM committee in October, 2018. This initiative has been adopted with plans for annual staging in each ECSM territory on rotation.

An ECSM Certification Programme workshop was held during the financial year. In October/November 2018, seven participants from the ECCU and Barbados attended the Workshop and sat the examinations.

An online ECSE Systems Certification Programme, was held in the period 27 February to 1 March 2019. This workshop trains securities market professionals in the use of the ECSE Group’s core applications for trading and post trade activities, the Montran CSD and trading platforms. Three participants from Member brokers completed the program and have been certified.

**Intermediary Market Activity**

Broker-dealer activity in the year ended 31 March 2019, as measured by the number of transactions on both the primary and secondary markets, comprised 1,503 transactions with 1.5 billion units traded. This represents a decrease of 507 transactions or 32.5% from the previous financial year. Notwithstanding this fall in the number of trades, there was a 4.6% increase in volumes transacted due mainly to an expansion in secondary market trading of fixed income securities. All broker dealers were active in the primary and secondary markets, buying and selling securities.

![Brokers' Purchases](image)

Buy-side activity by broker dealers ranged from 2.1 million units to 860.7 million units. Three brokers, Bank of St Vincent and the Grenadines Ltd (BSVG), First Citizens Investment Services Ltd (FCIS) and St Kitts Nevis Anguilla National Bank Ltd (SKNB) recorded increases in volumes, while the remaining three, The Bank of Nevis Ltd (BON), Bank of Saint Lucia Ltd (BOSL) and Grenada Co-operative Bank Ltd (GCB) recorded declines. The leading broker, FCIS, increased its volume to 860.7 million units, up 57.0% from its 2018 performance of 729.8 million units mainly through a more robust showing in fixed income transactions.
The broker dealer fraternity together traded a total of 19.6 million units of securities in the secondary market during the year. While the number of transactions only increased by two, compared to the previous year, the volume expanded by 200.2% or 13.0 million units, reflective of the increase in secondary trades of sovereign securities.

Four of the six brokers, BON, BOSL, BSVG and FCIS recorded increases in sales volume compared to the previous year. Bank of Saint Lucia Ltd accounted for the highest volume in sales at 72.9%.

**INFORMATION TECHNOLOGY**

During the financial year, the ECSE continued its thrust to renew and modernize its IT infrastructure. This was the first full year of operations with the coupled trading and post-trade platforms, the Montran Trading System and Montran CSD application. An increased level of processes automation and operating efficiency is being achieved as administrator, brokers and issuers move to maximize the benefits of the new system.

During the year, preliminaries for the redesign and re-launch of the ECSE’s website commenced. The aim is to upgrade and modernize the website to provide a better user experience and facilitate ease of communication with visitors, improving public access to relevant and current market information.

**EDUCATION AND AWARENESS**

**INFORMATION DISSEMINATION**

The ECSE continued to distribute reports on trading and market events to radio, television and print media houses in the region for public dissemination. These daily reports keep the general public informed of activity on the markets. The ECSE also provides reports on Regional Government Securities Market (RGSM) primary market activity to Bloomberg news media in the USA, a major financial media institution, for dissemination to its subscribers.

The ECSE also issued its own and Issuers’ press releases on significant market events and activities. These, along with the market reports, statutory filings and material disclosures by listed issuers continued to be publicly disseminated by posting on the ECSE’s website, www.ecseonline.com.

**EVENTS**

**17th Anniversary/FIM**

The ECSE celebrated the 17th anniversary of the launch of its operations on 19 October 2018, which fell within the Financial Information Month (FIM). Focus was placed on the Broker-dealer Network and securities holders, with the hosting of a Continuing Professional Development workshop, an Intermediaries Working Group in-person meeting, and a shareholder forum in St Vincent and the Grenadines.

The ECSE also participated in other FIM activities during October 2018 in conjunction with other financial institutions in the ECCU. These included the Financial Fair in the Federation of St Kitts and Nevis and the FIM Business Symposium and Innovative Forum. The FIM logo and theme song were posted on the ECSE’s website during October and on each Friday in October, Staff donned T-shirts displaying the FIM theme.
Shareholder Events
During 2018-2019, the ECSE Group continued to offer Annual General Meeting (AGM) facilitation services to companies listed on the Exchange. In May 2018, as in previous years, the ECSE administered key aspects of Grenada Electricity Services Ltd’s AGM. This service was also provided to the Bank of Nevis Limited during the year, at its 32nd AGM in December 2018 and a Special General Meeting in May 2019.

Registry staff operated securities-holders’ service desks at the AGMs of five listed companies at which investors were provided with information and account maintenance services, such as payment option and address changes.

Youth Outreach
The ECSE continued its annual involvement in a secondary school programme to provide work experience to a 5th Form student aspiring to a career within a financial institution. As a part of this programme, a student of the Cayon High School completed a one-week attachment at the ECSE in December.

Memberships & Affiliations
The ECSE Group companies continued to maintain membership of strategic industry associations and organisations, to benefit from training and networking opportunities and exposure to industry developments. Through the ECCSD, the Group continued to play an active role in the Association of Securities Depositories of the Americas (ACSDA), the leading hemispheric industry association. The Managing Director, was elected to a fourth consecutive two-year term on ACSDA’s Executive Committee at the Association’s 21st Annual General Assembly held in Lima, Peru, in March 2019.

The ECCSR also maintained its membership of the Securities Transfer Association.

CORPORATE GOVERNANCE INITIATIVES
The ECSE continued to promote high governance standards amongst corporate leaders throughout the region, with a particular focus on director training. During the financial year, the ECSE collaborated with the Institute of Chartered Secretaries and Administrators/Chartered Secretaries Canada (ICSA/CSC) in the delivery of two Directors’ Education and Accreditation Programme (DEAP) workshops, in May 2018 in Grenada and March 2019 in St Kitts.

In addition, commencing a critical area of focus of the ECSE Group’s 2019 - 2021 Strategic Plan, the first in a series of Professional Development Workshops for Corporate Secretaries, focused mainly on companies listed on the ECSE, was held in St Kitts in March, 2019. This workshop’s curriculum addresses key thematical areas on the legal framework, role and duties of a company secretary, and provides introductory training on the access and use of ECSE’s Montran CSD application as a certification for the grant of access to the respective company’s membership register.

The ECSE also maintained its membership of the Caribbean Association of Audit Committee Members (CAACM), and continued to support its activities. In June 2018, two members of the Board’s Audit Committee participated in the 12th Annual Conference & General Meeting held in Barbados.
ADMINISTRATION

PERSONNEL

Milestones

Two members of staff completed 10 years of service in the ECSE Group during Financial Year 2018-2019. In December 2018 Ms. Sherizan Mills, Client Services Representative, and in March 2019 Mr. Tarlie Francis, Senior Manager Operations Division achieved that milestone. The ECSE Group extends congratulations to Ms. Mills and Mr. Francis for their long service and their valued contributions over the 10 years.

Staff Development

Improved knowledge of the core functions of the ECSE continued to be promoted by the Management of the ECSE. Throughout the period under review, the ECSE continued to assist staff in the development and maintenance of knowledge levels and skill sets in respect of their appropriate areas of responsibility. These development activities were undertaken through a combination of external and in-house training.
For the financial year ended 31 March 2019, the ECSE Group’s operations realized a profit of $1.3 million.

PERFORMANCE

For the financial year ended 31 March 2019, the ECSE Group’s operations realized a profit of $1.3 million. This represents a $0.1 million or 9.9% increase over the results of the previous year, and was achieved from gross revenues of $4.6 million and operating expenses of $3.3 million.

REVENUES

Total revenues for the financial year amounted to $4.6 million, reflecting a 0.05% decline from total income in the last financial year. The major contributor to Group revenues in the review year was Listing and Registry Income, which accounted for $2.54 million or 55.3% of total income. Primary Market Income was the next largest contributor with $1.1 million or 24.2% of total income, followed by Membership and Trading Income, which accounted for $0.44 million or 9.6% of total income.

Compared to the previous financial year, Other Income grew by $0.06 million or 29.6%, due to an increase in revenues from seminars and workshops, and Interest Income grew by 29.6%.
Membership and Trading Income declined by $0.16 million or 26.4%, due to a decrease in market activity. Listing and Registry Income declined by $0.05 million or 2.1%, due to a reduction in registry transaction fees earned.

**EXPENSES**

The Group's total expenditure amounted to $3.3 million, 3.6% below the prior year's aggregate. Four expense categories accounted for approximately 95% of total expenditure in the financial year ended 31 March 2019. Of these, the top three, Compensation Costs, which accounted for $1.7 million or 52.3% of the aggregate; Administrative Expenses – $0.67 million or 20.5%; and Depreciation and Amortisation – $0.44 million or 13.5%, have typically led Group expenditures. Software Maintenance totaled $0.29 million or 8.8% of aggregate expenses.

In comparison to expenditure in 2017–2018 Promotional Activities declined by $0.02 million or 26.2%, as a result of a decline in MEA and travel expenses. Compensation costs declined by $0.10 million or 5.4% due to a decrease in holiday provision and Software maintenance declined by $0.05 million or 15.7% due to a reduction in maintenance fees for the depository and trading system. Administrative Expenses increased by $0.04 million or 6.3% mainly due to seminar expenses incurred.

**FINANCIAL POSITION**

**ASSETS**

The Total Assets of the ECSE at 31 March 2019 stood at $44.4 million, a decrease of $56.6 million or 56.1% over the position at the previous year-end. This decrease was mainly due to the decline in Cash and Cash Equivalents of $54.1 million. Of these balances, which amounted to $36.4 million at year-end, $29.1 million or 79.8% represented securities-holders’ payables, including transitory funds held for payment of interest and principal on securities currently being redeemed. The ECSE’s asset base, if adjusted for these third-party funds, would stand at $15.3 million.

**LIABILITIES**

The Group’s Liabilities totaled $33.7 million, a decrease of $57.9 million or 63.2% over the previous year. The decrease in liabilities is due mainly to the decline in securities-holders’ funds, which stood at $29.1 million. Adjusting for these third-party funds, total liabilities would amount to $4.7 million.

**SHAREHOLDERS’ EQUITY**

The ECSE’s capital base amounted to $10.6 million, comprising shareholders’ subscribed capital of $9.7 million and an accumulated surplus of $0.93 million. Shareholders’ equity increased by $1.3 million or 13.9% over the prior year.
The Directors are pleased to recommend, for the first time in the history of the Group, the payment of dividends amounting to $500,000, being 51.4 cents a share, for the year ended 31st March 2019.

Principal Activities
The ECSE Group’s principal activities consist of facilitating the primary issuance and secondary trading of corporate and sovereign securities, facilitating the clearance and settlement of issues and trades, maintaining securities holders’ records, and providing custodial, registration, transfer agency and paying agency services in respect of listed and non-listed securities. There were no significant changes in the nature of the Group’s activities during the year.

The ECSE and its subsidiaries are licensed by the Eastern Caribbean Securities Regulatory Commission, under the provisions of the Securities Act, to carry out these activities.

Directors
At the 17th AGM, held on 21 September 2018, Mr Dexter Ducreay, upon nomination by Class B Members, was duly elected to the Board of Directors. Mr Ducreay replaces Mr George S Goodluck, who did not seek re-election.

In accordance with the Articles of Association, all of the elected non-executive Directors retire by rotation at the Annual General Meeting (AGM) of the Company. The retiring Directors are eligible for nomination for re-election by their respective shareholder classes.

Directors’ Interests
As at 31 March 2019, no Director held a beneficial or other interest in the issued capital of the Company.

At no time during, or at the end of the financial year, did any Director have a material interest in any contract or arrangement in relation to the business of the Company or its subsidiaries, other than the Managing Director’s contract of employment.

Financial Results
The Company recorded a net profit of $1.3 million on a consolidated basis for the year ended 31 March 2019.

Dividends
The Directors are pleased to recommend, for the first time in the history of the Group, the payment of dividends amounting to $500,000, being 51.4 cents a share, for the year ended 31st March 2019.
Share Capital
The issued and outstanding capital of the Company is comprised entirely of 972,581 common shares. At 31 March 2018, 27,419 shares remained available from the initial offering of 1,000,000 shares.

The following shareholders held 5% or more of the issued capital of the company, at 31 March 2019:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Caribbean Central Bank</td>
<td>30.85</td>
</tr>
<tr>
<td>National Insurance Services, St Vincent and the Grenadines</td>
<td>15.42</td>
</tr>
<tr>
<td>Antigua Commercial Bank Ltd</td>
<td>7.97</td>
</tr>
<tr>
<td>Bank of St Vincent and the Grenadines Ltd</td>
<td>5.14</td>
</tr>
</tbody>
</table>

Auditors
The auditors, KPMG, Chartered Accountants, retire at the AGM of the Company. KPMG, being eligible, offer themselves for re-appointment.

The Directors being satisfied with their performance, propose the re-appointment of KPMG as auditors for the financial year ending 31 March 2020.
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<th>Section</th>
<th>Pages</th>
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</thead>
<tbody>
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<td>Consolidated Statement of Financial Position</td>
<td>36</td>
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<tr>
<td>Consolidated Statement of Profit or Loss and Other Comprehensive Income</td>
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<td>Consolidated Statement of Changes in Shareholders’ Equity</td>
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<tr>
<td>Consolidated Statement of Cash Flows</td>
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<td>40 - 64</td>
</tr>
</tbody>
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INDEPENDENT AUDITORS’ REPORT

To the Shareholders of

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Eastern Caribbean Securities Exchange Limited and its Subsidiary Companies (“the Group”), which comprise the consolidated statement of financial position as at March 31, 2019, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
INDEPENDENT AUDITORS’ REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors’ report thereon. The annual report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS, 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.
INDEPENDENT AUDITORS’ REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Auditors’ 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 auditors’ 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 skepticism 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 auditors’ 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 auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
INDEPENDENT AUDITORS’ REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS
SUBSIDIARY COMPANIES

Auditors’ Responsibilities for the Audit of the Consolidated Financial
Statements, continued

- 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.

Chartered Accountants
July 24, 2019

St. John’s, Antigua
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Financial Position

March 31, 2019

(Expressed in Eastern Caribbean Dollars)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>$36,443,446</td>
<td>90,555,298</td>
</tr>
<tr>
<td>Accounts receivable and other assets</td>
<td>8</td>
<td>600,968</td>
<td>759,740</td>
</tr>
<tr>
<td>Investments</td>
<td>9</td>
<td>6,036,118</td>
<td>7,957,560</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>43,082,532</td>
<td>99,272,598</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>10</td>
<td>203,060</td>
<td>347,776</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>1,104,755</td>
<td>1,394,899</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td></td>
<td>1,307,815</td>
<td>1,742,675</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>$44,390,347</td>
<td>101,015,273</td>
</tr>
</tbody>
</table>

| Liabilities and Shareholders’ Equity  |       |              |              |
| **Current Liabilities**               |       |              |              |
| Accounts payable and accruals         | 12    | $29,690,843  | 87,782,750   |
| Gratuity payable                     | 13    | 131,808      | -            |
| Due to Eastern Caribbean Central Bank| 15    | 2,874,845    | -            |
| **Total Current Liabilities**        |       | 32,697,496   | 87,782,750   |
| **Non-current Liabilities**          |       |              |              |
| Gratuity payable                     | 13    | -            | 72,712       |
| Retirement Saving Fund               | 14    | 1,039,527    | 930,332      |
| Due to Eastern Caribbean Central Bank| 15    | -            | 2,874,845    |
| **Total Non-current Liabilities**    |       | 1,039,527    | 3,877,889    |
| **Total Liabilities**                |       | 33,737,023   | 91,660,639   |

| Shareholders’ Equity                  |       |              |              |
| Share capital                         | 17    | 9,725,810    | 9,725,810    |
| Accumulated Surplus/(Deficit)         |       | 927,514      | (371,176)    |
| **Total Shareholders’ Equity**        |       | 10,653,324   | 9,354,634    |

| **Total Liabilities and Shareholders’ Equity** |       | $44,390,347 | 101,015,273 |

Approved for issue by the Board of Directors on July 24, 2019 and signed on its behalf by:

Mr. Timothy N. J. Antoine  
Chairman

Mr. Trevor E. Blake  
Managing Director

The accompanying notes form an integral part of these financial statements.
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2019

*(Expressed in Eastern Caribbean Dollars)*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listing and registry income</td>
<td>$2,539,338</td>
<td>$2,594,151</td>
</tr>
<tr>
<td>Primary market income</td>
<td>1,110,519</td>
<td>1,104,802</td>
</tr>
<tr>
<td>Membership and trading income</td>
<td>442,970</td>
<td>601,528</td>
</tr>
<tr>
<td>Interest income</td>
<td>282,876</td>
<td>218,244</td>
</tr>
<tr>
<td>Other income</td>
<td>20</td>
<td>215,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,591,403</td>
</tr>
<tr>
<td><strong>General and Administrative Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation costs</td>
<td>1,712,291</td>
<td>1,810,277</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>672,361</td>
<td>632,630</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>442,120</td>
<td>433,676</td>
</tr>
<tr>
<td>Software maintenance</td>
<td>289,275</td>
<td>343,006</td>
</tr>
<tr>
<td>Staff training</td>
<td>3,333</td>
<td>12,436</td>
</tr>
<tr>
<td>Legal and professional costs</td>
<td>107,935</td>
<td>49,731</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>53,701</td>
<td>72,817</td>
</tr>
<tr>
<td>Recovery of expected credit losses on financial assets</td>
<td>9</td>
<td>(5,192)</td>
</tr>
<tr>
<td>Bad debt</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,275,824</td>
</tr>
<tr>
<td><strong>Net Profit, being Total Comprehensive Income for the Year</strong></td>
<td>$1,315,579</td>
<td>$1,196,985</td>
</tr>
<tr>
<td><strong>Earnings per Share</strong></td>
<td>18</td>
<td>$1.35</td>
</tr>
</tbody>
</table>

*The accompanying notes form an integral part of these financial statements.*
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Shareholders’ Equity

Year ended March 31, 2019

(Expressed in Eastern Caribbean Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Share Capital</th>
<th>Accumulated Surplus/(Deficit)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at March 31, 2017</strong></td>
<td>$ 9,725,810</td>
<td>(1,568,161)</td>
<td>8,157,649</td>
</tr>
<tr>
<td>Net profit, being total comprehensive income for the year</td>
<td>-</td>
<td>1,196,985</td>
<td>1,196,985</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2018</strong></td>
<td>9,725,810</td>
<td>(371,176)</td>
<td>9,354,634</td>
</tr>
<tr>
<td>Impact of IFRS 9 implementation</td>
<td>-</td>
<td>(16,889)</td>
<td>(16,889)</td>
</tr>
<tr>
<td><strong>Revised balance as at April 1, 2018</strong></td>
<td>9,725,810</td>
<td>(388,065)</td>
<td>9,337,745</td>
</tr>
<tr>
<td>Net profit, being total comprehensive income for the year</td>
<td>-</td>
<td>1,315,579</td>
<td>1,315,579</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2019</strong></td>
<td>$ 9,725,810</td>
<td>927,514</td>
<td>10,653,324</td>
</tr>
</tbody>
</table>

*The accompanying notes form an integral part of these financial statements.*
### EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Cash Flows

Year ended March 31, 2019

*(Expressed in Eastern Caribbean Dollars)*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>$1,315,579</td>
<td>1,196,985</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>10,11</td>
<td>442,120</td>
</tr>
<tr>
<td>Interest income</td>
<td>(282,876)</td>
<td>(218,244)</td>
</tr>
<tr>
<td>Recovery of allowance for credit losses on financial assets</td>
<td>9</td>
<td>(5,192)</td>
</tr>
<tr>
<td>Bad debt</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit before changes in working capital</strong></td>
<td></td>
<td>1,469,631</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and other assets</td>
<td>128,767</td>
<td>103,222</td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>(58,091,907)</td>
<td>63,250,696</td>
</tr>
<tr>
<td>Gratuity payable</td>
<td>59,096</td>
<td>58,649</td>
</tr>
<tr>
<td>Retirement saving fund</td>
<td>109,195</td>
<td>106,310</td>
</tr>
<tr>
<td><strong>Net cash (used in)/from operating activities</strong></td>
<td>(56,325,218)</td>
<td>64,973,257</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>10</td>
<td>(7,260)</td>
</tr>
<tr>
<td>Maturity/(Purchase) of investments</td>
<td>1,907,745</td>
<td>(1,002,227)</td>
</tr>
<tr>
<td>Interest received</td>
<td>312,881</td>
<td>222,015</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) investing activities</strong></td>
<td>2,213,366</td>
<td>(818,723)</td>
</tr>
<tr>
<td><strong>(Decrease) increase in cash and cash equivalents during the year</strong></td>
<td>(54,111,852)</td>
<td>64,154,534</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>90,555,298</td>
<td>26,400,764</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>$36,443,446</td>
<td>90,555,298</td>
</tr>
<tr>
<td><strong>Comprised as follows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>$36,443,404</td>
<td>90,555,274</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>42</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$36,443,446</td>
<td>90,555,298</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
1. Incorporation and Principal Activity

The Eastern Caribbean Securities Exchange Limited (“ECSE”) was incorporated as a public limited company on May 8, 2001 under the provisions of the Companies Act (No. 22 of 1996) of the laws of St. Christopher and Nevis.

The ECSE carries on business as a regional securities exchange and facilitates the buying and selling of financial products, including corporate and government securities for the member territories of the Eastern Caribbean Currency Union.

The registered office is situated at Bird Rock, Basseterre, St. Kitts.

These consolidated financial statements comprise the ECSE and its subsidiaries (“the Group”). The ECSE's subsidiaries and their activities are as follows:

- **The Eastern Caribbean Central Securities Registry Limited:**
  The Eastern Caribbean Central Securities Registry Limited (“ECCSR”) was incorporated as a public limited company on August 2, 2001 under the provisions of the Companies Act (No. 22 of 1996) of the laws of Saint Christopher and Nevis. It is a wholly-owned subsidiary of Eastern Caribbean Securities Exchange Limited.

  The ECCSR electronically maintains the records of securities on behalf of issuers, which may include listed and non-listed public companies, government related entities, private companies, and individual security holders within the region.

  In May 2019, the ECSE commenced the process of winding up the Eastern Caribbean Central Securities Registry Limited and continuing its securities registry operations under the Eastern Caribbean Central Securities Depository Limited.

- **The Eastern Caribbean Central Securities Depository Limited:**
  The Eastern Caribbean Central Securities Depository Limited (“ECCSD”) was incorporated as a public limited company on August 2, 2001 under the provisions of the Companies Act (No. 22 of 1996) of the laws of Saint Christopher and Nevis. It is a wholly-owned subsidiary of Eastern Caribbean Securities Exchange Limited.

  The principal activity of the ECCSD is the provision of central securities depository services, including the post-trade clearing and settling of securities market transactions and other ancillary securities market activities.

2. Basis of Preparation

(a) **Statement of Compliance:**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all periods presented except as otherwise stated and are set out below.
2. **Basis of Preparation (cont’d)**

   (a) **Statement of Compliance (cont’d):**
   The financial statements of the ECCSR as included in these consolidated financial statements have been prepared on a current value basis given that the Company intends to liquidate within the next twelve months. The change in the basis of accounting for this entity did not result in different measurements from those under a going concern basis of accounting.

   The consolidated financial statements were authorised for issue by the Board of Directors on July 24, 2019.

   (b) **Basis of Measurement:**
   These consolidated financial statements have been prepared on the historical cost basis.

   (c) **Functional and Presentation Currency:**
   The consolidated financial statements are presented in Eastern Caribbean Dollars, which is the Group’s functional currency, rounded to the nearest dollar.

   (d) **Use of Accounting Estimates and Judgments:**
   In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. **Significant Accounting Policies**

   The significant accounting policies adopted in the preparation of these consolidated financial statements are as follows:

   (a) **Basis of Consolidation:**
   These financial statements consolidate those of the Group as of March 31, 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the relevant activities of the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All subsidiaries have a reporting date of March 31 and follow consistent accounting policies.

   On the loss of control, the Group derecognises the assets and liabilities of a subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

   All intra-group transactions, balances, income and expenses, and any unrealised gains arising from those transactions are eliminated on consolidation.
3. Significant Accounting Policies (cont’d)

(b) Cash and Cash Equivalents:
Cash and cash equivalents include cash on hand, cash at banks and restricted amounts held by third party financial institutions with an original maturity date of three months or less. Cash and cash equivalents are carried at amortised cost.

(c) Accounts Receivable:
Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Loss allowance for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the credit losses that result from all possible default events over the expected life of the financial asset. As at March 31, 2019, the Group is expected to collect all of its accounts receivable.

(d) Plant and Equipment:
Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognised in profit or loss.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual values using the straight-line method, and is generally recognised in profit or loss.

Depreciation is provided on the straight line basis using rates estimated to write off the depreciable cost of the assets over their expected useful lives as follows:

<table>
<thead>
<tr>
<th>Plant Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Fittings</td>
<td>4 years</td>
</tr>
<tr>
<td>Computer Equipment - Hardware</td>
<td>5 years</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
3. Significant Accounting Policies (cont’d)

(e) Intangible Assets:
Intangible assets are identifiable non-monetary assets without physical substance. These are measured at cost less accumulated amortisation and any accumulated impairment losses.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Capitalised costs are amortised on the straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date.

The estimated useful lives of computer software range from five (5) to seven (7) years.

(f) Accounts Payable and Accruals:
Accounts payable and accruals are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

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

(h) Revenue:
The Group principally derives its revenue from the rendering of services. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. It is measured at the fair value of consideration received or receivable excluding trade discounts. The Group’s revenue is recognised at a point in time.

Revenue is recognised on the accrual basis when the services have been provided.

Interest income is reported on the accrual basis using the effective interest method.

(i) Taxation:
By letter dated May 27, 2003, the Group was granted a ten (10) year tax holiday (Corporation and other taxes).

On May 24, 2012, the Group made application for a further ten (10) year tax holiday.

The matter is still before the Government of St. Christopher and Nevis.
4. Changes in accounting policies

(a) New standards, amendments and interpretations mandatory for the first time for the financial year

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning January 1, 2018 and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the consolidated financial statements except IFRS 9 as disclosed below.

**IFRS 9 Financial Instruments**

In 2014, the IASB issued IFRS 9, *Financial Instruments* replacing IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets, a forward-looking ‘expected credit loss’ model (“ECL model”) for assessing the impairment of financial assets and a new general hedge accounting model. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and has therefore been applied by the Group from April 1, 2018.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Group has used the exemption not to restate comparative information for prior periods with respect to classification and measurement including impairment requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at April 1, 2018. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The main impact of IFRS 9 has been an increase in expected credit losses on the Group’s investments and additional disclosures related to IFRS 9.
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements (cont’d)

March 31, 2019

(Expressed in Eastern Caribbean Dollars)

4. Changes in accounting policies (cont’d)

(a) New standards, amendments and interpretations mandatory for the first time for the financial year (cont’d)

The table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group’s financial assets and financial liabilities as at April 1, 2018. The effect of adopting IFRS 9 on the carrying amounts of financial assets at April 1, 2018 relates solely to the new impairment requirements.

<table>
<thead>
<tr>
<th></th>
<th>Classification under IAS 39</th>
<th>Classification under IFRS 9</th>
<th>Carrying Amount under IAS 39</th>
<th>Carrying Amount under IFRS 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>90,555,298</td>
<td>90,555,298</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>550,322</td>
<td>550,322</td>
</tr>
<tr>
<td>Investments</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>7,940,671</td>
<td>7,957,560</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td>99,063,180</td>
<td>99,046,291</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gratuity payable</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>72,712</td>
<td>72,712</td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>87,782,750</td>
<td>87,782,750</td>
</tr>
<tr>
<td>Retirement saving fund</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>930,332</td>
<td>930,332</td>
</tr>
<tr>
<td>Due to Eastern Caribbean</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
<td>2,874,845</td>
<td>2,874,845</td>
</tr>
<tr>
<td>Central Bank</td>
<td></td>
<td></td>
<td>91,660,639</td>
<td>91,660,639</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td></td>
<td></td>
<td>91,660,639</td>
<td>91,660,639</td>
</tr>
</tbody>
</table>

As shown above the only impact is the reclassification of the financial assets from the loans and receivables and held to maturity categories to amortised cost.
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements (cont’d)

March 31, 2019

(Expressed in Eastern Caribbean Dollars)

4. Changes in accounting policies (cont’d)

(a) New standards, amendments and interpretations mandatory for the first time for the financial year, (cont’d)

The impact on the measurement of these financial assets under IAS 39 as at March 31, 2018 compared to the measurement under IFRS 9 as at April 1, 2018 is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>IAS 39 carrying amount</th>
<th>Re-classification</th>
<th>Re-measurement</th>
<th>IFRS 9 carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2018</td>
<td></td>
<td></td>
<td>April 1, 2018</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$90,555,298</td>
<td>-</td>
<td>-</td>
<td>$90,555,298</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$550,322</td>
<td>-</td>
<td>-</td>
<td>$550,322</td>
</tr>
<tr>
<td>Investments</td>
<td>$7,957,560</td>
<td>-</td>
<td>(16,889)</td>
<td>$7,940,671</td>
</tr>
<tr>
<td></td>
<td>$99,063,180</td>
<td>-</td>
<td>(16,889)</td>
<td>$99,046,291</td>
</tr>
</tbody>
</table>

IFRS 15 Revenue from Contracts with Customers

On April 1, 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers as issued in May 2014. IFRS 15 defines principles for recognising revenue and is applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases continues to fall outside the scope of IFRS 15 and is regulated by the other applicable standards (e.g., IFRS 9 and IFRS 16 Leases).

Revenue under IFRS 15 must be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers.

The adoption of IFRS 15 did not impact the timing or amount of income from contracts with customers and the related assets and liabilities recognised by the Group.
4. Changes in accounting policies (cont’d)

(b) Standards, amendments and interpretations issued but not yet effective

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group are as follows:

- IFRS 16 Leases – effective January 1, 2019
- IFRIC 23 Uncertainty over Income Tax Treatments – effective January 1, 2019
- Annual improvements to IFRS Standards 2015 – 2017 Cycle various standards – effective January 1, 2019
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation – effective January 1, 2019
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement – effective January 1, 2019
- Amendments to IFRS 3 - Definition of a Business – effective January 1, 2020
- Amendments to References to Conceptual Framework in IFRS Standards – effective January 1, 2020
- Amendments to IAS 1 and IAS 8 - Definition of Material - effective January 1, 2020

None of these are expected to have a significant effect on the consolidated financial statements of the Group in the period of adoption. Further information on IFRS 16 is provided below.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group is assessing the expected impact of this standard on its 2020 financial statements.
5. Financial Instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, for which transaction costs are recognised in profit or loss as incurred. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Non-derivative financial assets – Classification and subsequent measurement - Policy applicable from April 1, 2018

The Group classifies its financial assets into the amortized cost category.

Financial assets measured at amortised cost

The Group’s non-derivative financial assets measured at amortised cost comprise cash and cash equivalents, accounts receivable, term deposits, sovereign debt securities and due from related companies. The Group measures these assets at amortised cost as its business model is to hold them to collect contractual cash flows and the contractual terms give rise to the receipt of principal and interest on specified dates. These financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified and measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprise of accounts payable and other liabilities.
5. **Financial Instruments (cont’d)**

*Non-derivative financial assets – Classification and subsequent measurement - Policy applicable from April 1, 2018 (cont’d)*

**Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected).

**Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)**

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group’s claim to cash flows from specified assets; and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The objective of ECSE’s business model is to hold financial assets to collect the contractual cash flows rather than sell the instrument prior to its contractual maturity to realise its fair value changes and the related cash flows meet the SPPI criterion. It can therefore be determined that financial assets will be measured at amortised cost (net of any write down for impairment).
5. **Financial Instruments (cont’d)**

*Non-derivative financial assets – Impairment - Policy applicable from April 1, 2018*

Effective April 1, 2018 and thereafter, the Group recognizes loss allowances for expected credit losses (ECL) on its financial assets measured at amortised cost. At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition (Stage 2) or if there is objective evidence of impairment (Stage 3). If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses (Stage 1).

The ECL allowance associated with financial assets measured at amortised cost are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the assets.

*Significant increase in credit risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and credit risk assessment. The ECL model applied to financial assets requires judgment, assumptions and estimations on changes in credit risks, forecasts of future economic conditions and historical information on the credit quality of the financial asset. Consideration of how changes in economic factors affect ECLs are determined on a probability weighted basis. The Group considers as a backstop that significant increase in credit risk occurs when a receivable is more than 30 days past due and that there is a significant increase in credit risk when the investment grade of sovereign/corporate debt has been downgraded to below investment grade or when there has been a downgrade of more than one notch outside of the current grade e.g. from CariAAA to CariB or CariC.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months.

*Definition of default*

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
5. **Financial Instruments** (cont’d)

Non-derivative financial assets – Impairment - Policy applicable from April 1, 2018 (cont’d)

**Definition of default (cont’d)**

- high probability of the borrower entering a phase of bankruptcy or a financial reorganization;
- measurable decrease in the estimated future cash flows from the receivable or the underlying assets that secure the receivable; and
- The restructuring of a receivable or advance by the Group on terms that the Group would not consider otherwise.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For CDs and investments, the Group considers that a default has occurred and classifies the financial asset as credit impaired when the counterparty fails to pay principal and/or interest when payment falls due.

In addition, a receivable that is overdue for 90 days or more is considered credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Group considers the following when assessing whether sovereign debt is credit-impaired:

- The market’s assessment of credit worthiness as reflected in the yields;
- The rating agencies’ assessment of creditworthiness;
- The country’s ability to access the capital markets for new debt issuance; and
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

Classification and Subsequent Measurement and Impairment of Financial Assets - Policy applicable before April 1, 2018

Financial assets are classified into the following categories upon initial recognition:

- Loans and receivables
- Held-to-maturity investments
5. Financial Instruments (cont’d)

Classification and Subsequent Measurement and Impairment of Financial Assets - Policy applicable before April 1, 2018 (cont’d)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which is described below.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables:
Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. The Group's cash and cash equivalents and accounts receivable fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific party will default.

Held-to-maturity investments:
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Group has the intention and ability to hold them until maturity. The Group currently holds investments with maturities in excess of 90 days designated into this category.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes in the carrying amount of the investment, including impairment losses, are recognised in the consolidated statement of profit or loss and other comprehensive income.

Classification and subsequent measurement of Financial Liabilities:
The Group's financial liabilities include Due to Eastern Caribbean Central Bank, accounts payable and accruals, provisions and the pension fund. These are measured at amortised cost.

The Group does not engage in any significant transactions which are speculative in nature.

(i) Interest Rate Risk Exposure:
The Group does not have any significant exposure to interest rate risk.

(ii) Credit Risk Exposure:
Credit risk arises from the possibility that counterparties may default on their obligations to the Group. The maximum credit risk exposure of financial assets recognised in the consolidated statement of financial position is represented by the carrying amounts of the financial assets.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group’s performance to developments affecting a particular industry or geographical location.

Maximum exposure

Credit risk exposures relating to on-balance sheet assets are as follows:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>3,082,918</td>
<td>3,015,000</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>2,955,200</td>
<td>4,942,560</td>
</tr>
<tr>
<td>Cash resources</td>
<td>36,443,404</td>
<td>90,555,274</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>317,413</td>
<td>550,322</td>
</tr>
</tbody>
</table>

(iii) Fair Value:
Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, many of the financial instruments lack an available trading market and, therefore, it is not possible to determine independently the estimated fair values. The fair values of financial instruments are considered to approximate their book values.

All non-financial instruments are excluded from fair value disclosure and, accordingly, the total fair value amounts cannot be aggregated to determine the underlying value of the Group.
### 6. Financial Risk Management (cont’d):

**(iv) Liquidity Risk:**
In order to manage liquidity risks, management seeks to maintain sufficient levels of cash and cash equivalents to meet reasonable expectations of its short term obligations.

The table below analyses the Group’s financial assets into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Due within 1 Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended March 31, 2019</strong></td>
<td>$36,443,446</td>
<td>36,443,446</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$6,038,118</td>
<td>6,038,118</td>
</tr>
<tr>
<td>Investments</td>
<td>317,413</td>
<td>317,413</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$42,798,977</td>
<td>42,798,977</td>
</tr>
</tbody>
</table>

**Year ended March 31, 2018**

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Due within 1 Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$90,555,298</td>
<td>90,555,298</td>
</tr>
<tr>
<td>Investments</td>
<td>7,957,560</td>
<td>7,957,560</td>
</tr>
<tr>
<td>Accounts receivable and other assets</td>
<td>550,322</td>
<td>550,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$99,063,180</td>
<td>99,063,180</td>
</tr>
</tbody>
</table>
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements (cont’d)

March 31, 2019

(Expressed in Eastern Caribbean Dollars)

6. Financial Risk Management (cont’d):

(iv) Liquidity Risk (cont’d):

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Due within 1 Year</th>
<th>1 Year to 5 Years</th>
<th>Over 5 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended March 31, 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>$29,690,843</td>
<td>-</td>
<td>-</td>
<td>29,690,843</td>
</tr>
<tr>
<td>Due to Eastern Caribbean Central Bank</td>
<td>2,874,845</td>
<td>-</td>
<td>-</td>
<td>2,874,845</td>
</tr>
<tr>
<td>Retirement Saving Fund</td>
<td>-</td>
<td>1,039,527</td>
<td>-</td>
<td>1,039,527</td>
</tr>
<tr>
<td>Gratuity payable</td>
<td>131,808</td>
<td>-</td>
<td>-</td>
<td>131,808</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,697,496</strong></td>
<td><strong>1,039,527</strong></td>
<td>-</td>
<td><strong>33,737,023</strong></td>
</tr>
<tr>
<td>Year ended March 31, 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>$87,782,750</td>
<td>-</td>
<td>-</td>
<td>87,782,750</td>
</tr>
<tr>
<td>Due to Eastern Caribbean Central Bank</td>
<td>-</td>
<td>-</td>
<td>2,874,845</td>
<td>2,874,845</td>
</tr>
<tr>
<td>Retirement Saving Fund</td>
<td>-</td>
<td>930,332</td>
<td>-</td>
<td>930,332</td>
</tr>
<tr>
<td>Gratuity payable</td>
<td>-</td>
<td>72,712</td>
<td>-</td>
<td>72,712</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$87,782,750</strong></td>
<td><strong>1,003,044</strong></td>
<td><strong>2,874,845</strong></td>
<td><strong>91,660,639</strong></td>
</tr>
</tbody>
</table>

(v) Capital Management:

The Group’s policy is to maintain a strong capital base to encourage investor, creditor and market confidence, and to sustain future development of the Group. There were no changes to the way in which the Group managed its capital during the year.
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements (cont’d)

March 31, 2019

(Expressed in Eastern Caribbean Dollars)

7. **Cash and Cash Equivalents**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash with commercial banks</td>
<td>$36,443,404</td>
<td>$90,555,274</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>42</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$36,443,446</td>
<td>$90,555,298</td>
</tr>
</tbody>
</table>

Cash with Commercial Banks mainly consist of:

(i) Unclaimed securities holders' dividends, interest and maturity payments in the amount of $25,449,649 (2018: $83,715,144).

(ii) Funds held in escrow in the amount of $3,626,619 (2018: $3,591,040) representing securities holders' dividends, interest and maturity payments which are withheld for charged/pledged accounts and/or at the request of the Court.

(iii) Included in the cash balance is an amount of $1,039,527 (2018: $930,332) which is set aside for the establishment of the ECSE Pension Fund. (See Note 14).

8. **Accounts Receivable and Other Assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$270,744</td>
<td>$473,648</td>
</tr>
<tr>
<td>Prepayments</td>
<td>$283,555</td>
<td>$209,418</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>$46,669</td>
<td>$76,674</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$600,968</td>
<td>$759,740</td>
</tr>
</tbody>
</table>

During the year ended March 31, 2019, the Company wrote off receivables valued Nil (2018: $41,963).

As at March 31, 2019, the aging of accounts receivable was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$270,744</td>
<td>$473,648</td>
</tr>
<tr>
<td>Neither Past Due nor Impaired</td>
<td>$220,297</td>
<td>$173,472</td>
</tr>
<tr>
<td>Past Due but not Impaired</td>
<td>$40,427</td>
<td>$228,901</td>
</tr>
<tr>
<td>Over 90 days</td>
<td>$10,020</td>
<td>$71,275</td>
</tr>
</tbody>
</table>
9. Investments

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Certificates of Deposit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,082,918</td>
<td>3,015,000</td>
</tr>
<tr>
<td>Treasury Bill DMB160519 @ 1.99%</td>
<td>995,038</td>
<td>985,262</td>
</tr>
<tr>
<td>Treasury Bill LCB150419 @ 2.750%</td>
<td>986,438</td>
<td>985,421</td>
</tr>
<tr>
<td>Treasury Bill LCB220719 @ 2.956%</td>
<td>985,421</td>
<td>983,033</td>
</tr>
<tr>
<td>Treasury Bill LCB140618 @ 2.48%</td>
<td>-</td>
<td>993,806</td>
</tr>
<tr>
<td>Treasury Bill VCB40618 @ 1.99%</td>
<td>-</td>
<td>995,038</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>6,049,815</td>
<td>7,957,560</td>
</tr>
<tr>
<td><strong>Less: Expected credit loss allowance</strong></td>
<td>(11,697)</td>
<td>-</td>
</tr>
<tr>
<td><strong>$</strong></td>
<td>$6,038,118</td>
<td>7,957,560</td>
</tr>
</tbody>
</table>

**Certificates of Deposit:**
The certificates of deposit are held with various licensed commercial banks within the Organisation of Eastern Caribbean States and earn interest at rates varying from 1.0% to 3.00% per annum (2018: 1.50% to 3.00%) per annum.

**Treasury Bills:**
The treasury bills represent investment in the Government of Dominica's 91-day Treasury bill, DMB160519 at 1.99% maturing on 16 May 2019 and Government of Saint Lucia’s 180-day Treasury bill: LCB150419 at 2.75% maturing on 15 April 2019, LCB220719 at 2.956% maturing on 22 July 2019.

The movement in expected credit loss allowance is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Impact of IFRS 9</td>
<td>16,889</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at beginning of year (adjusted)</strong></td>
<td>16,889</td>
<td>-</td>
</tr>
<tr>
<td>Recovery of expected credit loss allowance</td>
<td>(5,192)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>$11,697</td>
<td>-</td>
</tr>
</tbody>
</table>

The reduction in the expected credit loss allowance was due to the maturity of two Treasury Bills LCB140618 and VCB40618 during the year.
9. **Investments (cont’d)**

The Group’s investment portfolio as at March 31, 2019 are in the following staging categories.

<table>
<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>3,082,918</td>
<td>-</td>
<td>-</td>
<td>3,082,918</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>2,966,897</td>
<td>-</td>
<td>-</td>
<td>2,966,897</td>
</tr>
<tr>
<td>Gross investments</td>
<td>6,049,815</td>
<td>-</td>
<td>-</td>
<td>6,049,815</td>
</tr>
<tr>
<td>Less: ECL allowance</td>
<td>(11,697)</td>
<td>-</td>
<td>-</td>
<td>(11,697)</td>
</tr>
<tr>
<td>$</td>
<td>6,038,118</td>
<td>-</td>
<td>-</td>
<td>6,038,118</td>
</tr>
</tbody>
</table>
## 10. Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>Motor Vehicles</th>
<th>Computer Equipment</th>
<th>Furniture and Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At March 31, 2017</td>
<td>$245,000</td>
<td>913,315</td>
<td>74,344</td>
<td>1,232,659</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>35,877</td>
<td>2,634</td>
<td>38,511</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(295,597)</td>
<td>(23,570)</td>
<td>(319,167)</td>
</tr>
<tr>
<td><strong>At March 31, 2018</strong></td>
<td>245,000</td>
<td>653,595</td>
<td>53,408</td>
<td>952,003</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>7,260</td>
<td>-</td>
<td>7,260</td>
</tr>
<tr>
<td><strong>At March 31, 2019</strong></td>
<td>$245,000</td>
<td>660,855</td>
<td>53,408</td>
<td>959,263</td>
</tr>
</tbody>
</table>

### Depreciation:

<table>
<thead>
<tr>
<th></th>
<th>Motor Vehicles</th>
<th>Computer Equipment</th>
<th>Furniture and Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At March 31, 2017</td>
<td>$61,967</td>
<td>633,674</td>
<td>74,109</td>
<td>769,750</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>48,999</td>
<td>104,190</td>
<td>455</td>
<td>153,644</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(295,597)</td>
<td>(23,570)</td>
<td>(319,167)</td>
</tr>
<tr>
<td><strong>At March 31, 2018</strong></td>
<td>110,966</td>
<td>442,267</td>
<td>50,994</td>
<td>604,227</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>49,000</td>
<td>102,318</td>
<td>658</td>
<td>151,976</td>
</tr>
<tr>
<td><strong>At March 31, 2019</strong></td>
<td>$159,966</td>
<td>544,585</td>
<td>51,652</td>
<td>756,203</td>
</tr>
</tbody>
</table>

### Net Book Value:

<table>
<thead>
<tr>
<th></th>
<th>Motor Vehicles</th>
<th>Computer Equipment</th>
<th>Furniture and Fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At March 31, 2019</strong></td>
<td>$85,034</td>
<td>116,270</td>
<td>1,756</td>
<td>203,060</td>
</tr>
<tr>
<td><strong>At March 31, 2018</strong></td>
<td>$134,034</td>
<td>211,328</td>
<td>2,414</td>
<td>347,776</td>
</tr>
</tbody>
</table>
11. Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Computer Software:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost at beginning of year</td>
<td>$1,915,895</td>
<td>4,345,576</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(2,429,681)</td>
</tr>
<tr>
<td><strong>Cost at end of year</strong></td>
<td>1,915,895</td>
<td>1,915,895</td>
</tr>
<tr>
<td>Accumulated amortisation – beginning of the year</td>
<td>520,996</td>
<td>2,670,645</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>290,144</td>
<td>280,032</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(2,429,681)</td>
</tr>
<tr>
<td>Accumulated amortisation – end of the year</td>
<td>811,140</td>
<td>520,996</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td>$1,104,755</td>
<td>1,394,899</td>
</tr>
</tbody>
</table>

12. Accounts Payable and Accruals

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclaimed dividends, interest and maturity payments</td>
<td>7 (i) $25,449,649</td>
<td>83,715,144</td>
</tr>
<tr>
<td>Escrow liability</td>
<td>7 (ii) 3,626,619</td>
<td>3,591,040</td>
</tr>
<tr>
<td>Deferred income</td>
<td>271,474</td>
<td>173,312</td>
</tr>
<tr>
<td>Holiday pay accrual</td>
<td>207,372</td>
<td>205,580</td>
</tr>
<tr>
<td>Accruals</td>
<td>109,867</td>
<td>79,143</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>25,862</td>
<td>18,531</td>
</tr>
<tr>
<td><strong>$29,690,843</strong></td>
<td><strong>87,782,750</strong></td>
<td></td>
</tr>
</tbody>
</table>
13. Gratuity payable

Gratuity payable relate to amounts payable to employees on completion of their contract of service to the Group. The current amount of $131,808 (2018: non-current - $72,712) has been provided to date.

14. Retirement Saving Fund

Included in the cash balance of $36,443,404 (2018: $90,555,274) is an amount of $1,039,527 (2018: $930,332), (See Note 7). This amount is held pending the establishment of the ECSE Pension Fund at which time the amount will be transferred.

15. Related Party Balances and Transactions

(a) Due to Eastern Caribbean Central Bank
The amount of $2,874,845 (2018: $2,874,845) represent advances made by the Eastern Caribbean Central Bank to finance the establishment costs of the Group (See Note 16).

(b) Key Management Personnel Compensation
The salaries, fees and benefits paid to key management personnel of the Group during the year amounted to $773,080 (2018: $797,659). The following is an analysis of these amounts:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and other short-term employee benefits</td>
<td>$683,818</td>
<td>709,983</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>89,262</td>
<td>87,676</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$773,080</strong></td>
<td><strong>797,659</strong></td>
</tr>
</tbody>
</table>

During the year under review, the Eastern Caribbean Central Bank provided certain professional and other services at no cost to the Group.

16. Additional Financial Support

The Eastern Caribbean Central Bank gave the following undertaking and guarantee in respect of the Group:

Guarantee cover in the event of a budgeted shortfall in respect of the Group for the fiscal year ending March 31, 2020, but not to exceed $2,000,000.

The above undertaking and guarantee will be reviewed at March 31, 2020 and is irrevocable before this date.
17. Share Capital

Authorised:
5,000,000 Ordinary Shares of $10 each

Subscribed Capital:

<table>
<thead>
<tr>
<th>Class</th>
<th>No. of Shares Issued at March 31, 2018</th>
<th>Shares Issued During the Year</th>
<th>No. of Shares Issued at March 31, 2019</th>
<th>Nominal Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>300,000</td>
<td>-</td>
<td>300,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Class B</td>
<td>287,500</td>
<td>-</td>
<td>287,500</td>
<td>2,875,000</td>
</tr>
<tr>
<td>Class C</td>
<td>370,081</td>
<td>-</td>
<td>370,081</td>
<td>3,700,810</td>
</tr>
<tr>
<td>Class D</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>972,581</td>
<td>-</td>
<td>972,581</td>
<td>9,725,810</td>
</tr>
</tbody>
</table>

The classes are divided as follows:

Class A    Eastern Caribbean Central Bank;
Class B    Social Security Schemes, National Insurance Boards, Government owned or controlled institutions other than Government owned or controlled financial intermediaries;
Class C    Financial institutions;
Class D    Persons or institutions not covered in classes A to C.
17. Share Capital (cont’d)

Class Rights

a) Other than the Eastern Caribbean Central Bank (Class A) no single shareholder shall hold, whether beneficially or otherwise, more than 20% of the issued share capital of the Group.

b) i Classes holding 50% or more of the issued capital are allowed to nominate three (3) directors.

ii Classes holding between 20% and 49% of the issued capital are allowed to nominate two (2) directors.

iii Classes holding less than 20% of the issued capital are allowed to nominate one (1) director.

18. Earnings Per Share

The calculation of basic earnings per share is based on the following data:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>$1,315,579</td>
<td>$1,196,985</td>
</tr>
<tr>
<td>Number of Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average number of Ordinary shares</td>
<td>972,581</td>
<td>972,581</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>$1.35</td>
<td>1.23</td>
</tr>
</tbody>
</table>

19. Contingent Liabilities and Capital Commitments

The Group had no capital commitments as at March 31, 2019 (2018: nil).

20. Other Income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seminars and workshops</td>
<td>$215,700</td>
<td>74,796</td>
</tr>
</tbody>
</table>
21. Subsequent Events

i. In April 2019, the ECSE arrived at an agreement with the Eastern Caribbean Central Bank (ECCB) regarding a long outstanding payable. Under this agreement, the ECCB agreed to write-off 50 per cent of the total amount due, which amounted to $1,437,423. The ECSE in turn agreed to issue 27,419 additional ordinary shares together with 116,323 redeemable cumulative preference shares to the ECCB in consideration of the remaining balance due to the ECCB. The additional ordinary and preference shares were issued on June 21 and June 25, 2019 respectively.

ii. On May 7, 2019, the Eastern Caribbean Securities Exchange Limited, in its capacity as sole shareholder passed a special resolution to summarily wind up the Eastern Caribbean Central Securities Registry Limited and continue its securities registry operations under the Eastern Caribbean Central Depository Ltd. The process of winding up has commenced.
### LISTED SECURITIES AT 31 MARCH 2019

<table>
<thead>
<tr>
<th>ISSUER</th>
<th>TRADING SYMBOL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
<td></td>
</tr>
<tr>
<td>Bank of St. Vincent and the Grenadines Limited</td>
<td>BOSV</td>
</tr>
<tr>
<td>Cable &amp; Wireless St Kitts &amp; Nevis Limited</td>
<td>CWKN</td>
</tr>
<tr>
<td>Dominica Electricity Services Limited</td>
<td>DES</td>
</tr>
<tr>
<td>East Caribbean Financial Holding Company Limited</td>
<td>ECFH</td>
</tr>
<tr>
<td>Grenada Co-operative Bank Limited</td>
<td>GCBL</td>
</tr>
<tr>
<td>Grenada Electricity Services Limited</td>
<td>GESL</td>
</tr>
<tr>
<td>Grenreal Property Corporation Limited</td>
<td>GPCL</td>
</tr>
<tr>
<td>Republic Bank (Grenada) Limited</td>
<td>RBGL</td>
</tr>
<tr>
<td>S L Horsford and Company Limited</td>
<td>SLH</td>
</tr>
<tr>
<td>St Kitts-Nevis-Anguilla National Bank Limited</td>
<td>SKNB</td>
</tr>
<tr>
<td>St Kitts Nevis Anguilla Trading and Development Company Limited</td>
<td>TDC</td>
</tr>
<tr>
<td>St Lucia Electricity Services Limited</td>
<td>SLES</td>
</tr>
<tr>
<td>The Bank of Nevis Limited</td>
<td>BON</td>
</tr>
</tbody>
</table>
Corporate Debt

ISSUER
Eastern Caribbean Home Mortgage Bank

ISSUES:
(Holding Symbols)
HMB040419; HMB010619; HMB040719; HMB280919; HMB221019;
HMB261119; HMB281219; HMB300120

Sovereign Debt

ISSUER
Antigua and Barbuda

ISSUES:
(Holding Symbols)
AGB030519; AGB200519; AGB030619; AGG050619; AGB190719;
AGB240819; AGN140919; AGN031019; AGB261019; AGB141119;
AGN271119; AGB110320; AGN220320; FAG070720; FAG070121;
AGG100721; FAG071221; FAN030822; FAG100923; FAG100724;
FAG150626; AGG0327AA; AGG100428; FAG100828; AGG151228;
AGG151029; AGG151229; AGG300740

ISSUER
The Commonwealth of Dominica

ISSUES:
(Holding Symbols)
DMB160519; DMG050719; DMG050220; DMG051122; DMG200624;
DMG300634

ISSUER
Grenada

ISSUES:
(Holding Symbols)
GDB140619; GDB240719; GDB151019; GDB041219; GDN090220;
GDG1530AA

ISSUER
The Federation of St Kitts and Nevis

ISSUES:
(Holding Symbols)
FKG200432; KNG450457
ISSUER: Saint Lucia

ISSUES: (Trading Symbols)
LCB050419; LCB150419; LCB260619; LCB270619; FLG070719;
LCB220719; LCB070819; LCN250819; LCG071019; LCN141019;
LCG061019; LCG061119; FLG061119; LCG0611AA; LCG0611AB;
LCN240220; LCN0220AA; LCG080320; LCG070320; LCN010620;
LCN0620AA; LCN031020; FLCN031220; LCN041220; LCN0412AA;
LCN100421; FLG050521; LCG080721; LCN290721; LCG060821;
LCG080921; LCG060921; LCN011121; FLG061221; FLG060222;
FLG0602AA; LCG100322; FLG060322; FLG100722; LCG071022;
LCG101222; FLG040123; LCG100223; LCG100623; LCG100224;
LCG100524; LCG080924; FLG071024; FLG1024AA; FLG071124;
LCG101124; LCG071124; LCG1124AA; LCG060325; LCG070425;
LCG100725; LCG100226; LCG080826; LCG100926; FLG081226;
LCG101027; LCG1027AA; LCG100128; LCG1028AA; LCG100828;
LCG150729

ISSUER: St Vincent and the Grenadines

ISSUES: (Trading Symbols)
VCB120419; VCB090519; VCB130619; VCN110919; VCN030720;
VCG070821; VCG100422; VCG100323; VCG070623; VCG0724AA;
VCG070524; VCG080225; VCG070625; VCG070725; VCG0725AA;
VCG100826; FVG100826; VCG081126; VCG101128; FVG101228
## MEMBER INTERMEDIARIES AT 31 MARCH 2019

<table>
<thead>
<tr>
<th>INTERMEDIARY</th>
<th>LOCATION</th>
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<tr>
<td>Bank of Saint Lucia</td>
<td>Saint Lucia</td>
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<tr>
<td>Bank of St Vincent and the Grenadines Limited</td>
<td>St Vincent and the Grenadines</td>
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<td>First Citizens Investment Services Limited</td>
<td>Saint Lucia/St Vincent and the Grenadines/Trinidad and Tobago</td>
</tr>
<tr>
<td>Grenada Co-operative Bank Limited</td>
<td>Grenada</td>
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<tr>
<td>St Kitts-Nevis-Anguilla National Bank Limited</td>
<td>St Kitts and Nevis</td>
</tr>
<tr>
<td>The Bank of Nevis Limited</td>
<td>St Kitts and Nevis</td>
</tr>
</tbody>
</table>
Eastern Caribbean Securities Exchange Ltd.
P O Box 94
Basseterre, ST KITTS
www.ecseonline.com