



STATISTICAL REPORT

Securities Sector Quarterly Review December 2024

MARCH 31, 2024
FINANCIAL SERVICES COMMISSION
39-43 Barbados Avenue, Kingston 5.

Securities Sector Quarterly Review December 2024

1. Market Intermediaries

As at December 31, 2024, there were thirty-four (34) companies licensed as securities dealers. Of these 34 companies, the analysis will concentrate on the twenty-six (26) companies¹ whose primary activity is dealing in securities.

The combined total balance sheet assets as at December 31, 2024, stood at \$976.90 billion, a 1.58 per cent fall when compared to the previous quarter as at September 2024, where assets amounted to \$992.54 billion. The year over year comparison showed an increase of 3.23 per cent where total assets fell from \$946.31 billion as at December 30, 2023.

Aggregate funds under management (FUM) were \$1,779.85 billion as at December 31, 2024, representing a \$13.93 billion or 0.79 per cent uptick from the previous quarter. The year-over-year (y-o-y) comparison saw a 1.91 per cent increase in FUM from the amount seen as at December 30, 2023. (See Table 1).

| Table 1: Selected Indicators of the Core Securities Dealers, December 2023 to December 2024² | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|--|---|
| Selected Indicators | Dec 23 \$'B | Mar 24 \$'B | Jun 24 \$'B | Sep 24 \$'B | Dec 24 \$'B | Quarter over Quarter Dec 24 percentage change | Year over Year Dec 24 percentage change |
| Total Assets | 946.31 | 955.25 | 961.82 | 992.54 | 976.9 | -1.58% | 3.23% |
| Total Liabilities | 800.54 | 810.21 | 817.72 | 843.66 | 832.67 | -1.30% | 4.01% |
| Total Capital | 145.77 | 145.04 | 144.10 | 148.88 | 144.23 | -3.12% | -1.06% |
| Total Repo Liabilities (including COP) ³ | 623.97 | 640.41 | 642.86 | 663.10 | 666.26 | 0.48% | 6.78% |
| FUM ⁴ | 1,746.45 | 1,698.41 | 1,714.55 | 1,765.92 | 1,779.85 | 0.79% | 1.91% |

The aggregate balance sheet capital at the end of the reporting period was \$144.23 billion, representing a decrease of 3.12 per cent from the \$148.88 billion reported for the September 2024 quarter. On a y-o-y basis, there was a 1.06 per cent decline in the total balance sheet capital for securities dealers. (See Table 1)

For the twelve-month period that ended December 2024, there was a \$2.95 billion or 3.45 per cent y-o-y drop in combined total revenues (comprising of interest income and other income). Cumulative total expenses grew by 8.92 per cent over the corresponding period in 2023. Consequently, a combined net profit before tax of \$0.87 billion was seen in the December 2024 quarter, reflecting a 91.71 per cent decline from the comparative period last year. The primary factor driving the rise in non-interest expense and the fall in

¹ These companies are also referred as core securities dealers. Unaudited data.

² The data included in Table 1 excludes a few companies because their data is unavailable at the time of publication. For comparative purposes, data has been revised for all periods in the table.

³ COP: Certificate of Participation

⁴ FUM: Funds under Management

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non-interest income due to a reclassification exercise. Consequently, we see a significant reduction in the net profit before tax year over year.

| Table 2: Selected Profit & Loss Indicators of the Core Securities Dealers, December 2023 to December 2024⁵ | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|--|
| Selected Profit & Loss Indicators | Dec 23 \$'B | Mar 24 \$'B | Jun 24 \$'B | Sep 24 \$'B | Dec 24 \$'B | Year over Year Dec 24 percentage |
| Total Revenue | 85.40 | 22.21 | 43.92 | 58.57 | 82.45 | -3.45% |
| Of Which | | | | | | |
| total Interest Income | 46.87 | 12.67 | 25.70 | 38.78 | 51.92 | 10.77% |
| total non-interest income | 38.53 | 9.54 | 18.22 | 19.79 | 30.53 | -20.76% |
| | | | | | | |
| Total Expense | 74.90 | 20.51 | 41.23 | 59.75 | 81.58 | 8.92% |
| Of Which | | | | | | |
| total Interest Expense | 41.49 | 11.05 | 22.02 | 33.43 | 44.39 | 6.99% |
| total non-interest expense | 33.41 | 9.46 | 19.21 | 26.32 | 37.19 | 11.31% |
| | | | | | | |
| Net Interest Income | 5.38 | 1.62 | 3.68 | 5.35 | 7.53 | 39.96% |
| Net Profit before tax | 10.50 | 1.70 | 2.69 | -1.18 | 0.87 | -91.71% |

The net income after tax for the December 2024 was \$6.13 billion compared to the \$12.16 billion recorded for the corresponding period last year, this resulted in a return on equity of 4.25 per cent compared to the 7.68 in December 2023 (See Table 3).

| Table 3: Selected Prudential Ratios for the Core Securities Dealers⁶ | | | | | | |
|--|--------|--------|--------|--------|--------|---------------|
| Ratio | Dec 23 | Mar 24 | Jun 24 | Sep 24 | Dec 24 | FSC Benchmark |
| Regulatory Capital/Risk Weighted Asset (%) | 22.18 | 21.69 | 21.87 | 21.55 | 21.43 | ≥ 14% |
| Capital/Total Assets (%) | 15.37 | 15.15 | 15.16 | 14.89 | 14.76 | ≥ 6% |
| Return on Equity (%) | 7.68 | 2.64 | 3.81 | 2.90 | 4.25 | N/A |

⁵ The Profit and Loss data included in Table 2 excludes a few companies because their data is unavailable at the time of publication. For comparative purposes, the Balance Sheet data has been revised for all periods in the table.

⁶ The Selected Prudential Ratios has been revised due the unavailable data from the missing companies.

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2. Local Collective Investment Schemes

Currently in Jamaica, there are two (2) types of collective investment schemes (CIS); namely, unit trust and mutual funds. As at December 2024, there were thirteen (13) local registered CIS managers. Of these 13 managers, eleven (11) are operational. Of the 11 that are operational, nine (9) are unit trust managers while two (2) are mutual fund managers. These managers operate twenty (20) funds with a combined total of 77 portfolios. Table 4 displays the aggregate FUM and the portfolio composition for the local CIS industry.

| Table 4: Size & Portfolio Composition of the Local CIS Industry | | | | | | | |
|--|--------------|---------------|---------------|---------------|---------------|---|---|
| Asset Class | Dec | Mar | Jun | Sep | Dec | Quarter over Quarter Dec 24 percentage change | Year over Year Dec 24 percentage change |
| | 2023 | 2024 | 2024 | 2024 | 2024 | | |
| | JMD' B | JMD' B | JMD' B | JMD' B | JMD' B | | |
| (a) Real Estate | 34.32 | 40.3 | 40.79 | 44.82 | 46.18 | 3.03% | 34.56% |
| (b) Equities | 87.22 | 91.58 | 92.23 | 92.8 | 94.64 | 1.98% | 8.50% |
| (c) Fixed Inc. Securities | 193.32 | 201.98 | 200.05 | 199.38 | 215.03 | 7.85% | 11.23% |
| (d) Cash | 11.81 | 13.58 | 11.06 | 13.2 | 14.99 | 13.57% | 26.93% |
| (e) Other assets | 21.93 | 6.15 | 15.55 | 16.92 | 12.27 | -27.50% | -44.07% |
| Total | 348.6 | 353.59 | 359.68 | 367.11 | 383.11 | 4.36% | 9.90% |

3. Exempt Distributions

The FSC's Guidelines for Exempt Distributions (XD Guidelines) facilitate, under certain conditions, the distribution of securities without the need to register a prospectus or an offering document with the FSC. Under the XD Guidelines, issuers of securities are permitted to register both debt and equity securities with the FSC. Table 5 illustrates the total number and value (both in JMD and USD) of instruments registered and issued for the quarters ended December 2023 to December 2024. As seen in Table 5, from December 2023 to December 2024, there has been fluctuations in the registration and issuance of XD instruments, and an uptrend in the value amounts for JMD.

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Table 5: Quarterly Registration & Issued Summary

| Quarterly XD Registration Summary | 23-Dec | 24-Mar | 24-Jun | 24-Sep | 24-Dec |
|--|--------|--------|--------|--------|--------|
| Number of XDs Registered for the Quarter | 38 | 50 | 36 | 34 | 39 |
| Number of Registered Issuers for the quarter | 24 | 27 | 28 | 20 | 23 |
| JMD (in Millions) | 29,126 | 35,824 | 24,447 | 44,688 | 41,139 |
| USD (in Millions) | 72 | 105 | 28 | 2 | 79 |
| Quarterly XD Issued Summary | 23-Dec | 24-Mar | 24-Jun | 24-Sep | 24-Dec |
| Number of XDs Issued for the Quarter | 20 | 16 | 27 | 28 | 28 |
| Number of Issuers for the Quarter | 24 | 7 | 22 | 17 | 25 |
| JMD (in Millions) | 18,286 | 19,811 | 18,240 | 34,850 | 15,696 |
| USD (in Millions) | 28 | 38 | 25 | 33 | 33 |

Table 6 provides information regarding the total number and value (both in JMD and USD) of securities outstanding in each quarter from December 2023 to December 2024. Outstanding XD instruments were primarily debt and denominated in local currency. The XD market continues to show signs of stability and robustness.

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Table 6: Summary of Outstanding Exempt Distributions

| Description | 23-Dec | 24-Mar | 24-Jun | 24-Sep | 24-Dec |
|---|------------|------------|------------|------------|------------|
| Total number of Issues Outstanding | 442 | 441 | 464 | 476 | 496 |
| Debt | 378 | 377 | 397 | 403 | 419 |
| Ordinary/Preference Shares | 64 | 64 | 67 | 73 | 77 |
| Total number of Issuers | 171 | 176 | 178 | 175 | 182 |
| Total number of securities dealers acting as arrangers | 14 | 14 | 14 | 15 | 15 |
| JMD Securities Outstanding (JMD in millions) | | | | | |
| Issued | 453,526 | 457,350 | 450,996 | 455,921 | 463,328 |
| Amount Paid Down | 11,660 | 11,687 | 7,493 | 5,878 | 7,025 |
| Outstanding | 441,866 | 445,662 | 443,503 | 450,043 | 456,303 |
| USD Securities Outstanding (USD in millions) | | | | | |
| Issued | 1,177 | 1,171 | 1,196 | 1,235 | 1,261 |
| Amount Paid Down | 21 | 29 | 34 | 35 | 37 |
| Outstanding | 1,156 | 1,142 | 1,162 | 1,199 | 1,224 |