

THE TEL-AVIV STOCK EXCHANGE LTD REPORTED FOURTH QUARTER AND YEAR 2019 RESULTS

March 24, 2020 (Tel Aviv) -Tel Aviv Stock Exchange Ltd (**TASE:TASE**) today announced its financial results for the year ended December 31, 2019.¹

For the First Time TASE Announces a Dividend Distribution of NIS 8.77 Million (NIS 0.0877 per share) to Its Shareholders.

1. General

1.1 Highlights of TASE's Results for 2019 and Fourth Quarter of 2019

2019 Results:

- TASE revenues amounted to NIS 260 million in the year 2019, an increase of 2% compared to last year.
- Adjusted EBITDA increased in 2019 to NIS 62.9 million compared to NIS 61.5 million in last year, an increase of 2%.
- Adjusted net profit amounted to NIS 21.4 million in 2019, compared to NIS 20.9 million adjusted net profit last year, an increase of 3%.
- As of December 31, 2019, TASE Group has cash balances of NIS 104 million and Israeli government bonds of NIS 205 million. The TASE Group surplus liquidity amounts to NIS 132 million over regulatory liquidity requirements.

Fourth Quarter Results

- TASE revenues amounted to NIS 66.4 million in the fourth quarter of 2019, a decrease of 6% compared to the corresponding quarter last year, mainly because of a decrease in the number of trading days between the quarters.
- Adjusted EBITDA decrease in the fourth quarter of 2019 to NIS 15.1 million compared to NIS 18.7 million in the corresponding quarter last year, a decrease of 19%.
- Adjusted net profit amounted to NIS 3.2 million in the fourth quarter of 2019, compared to NIS 7.0 million adjusted net profit in the corresponding quarter last year, a decrease of 54%.

¹ The Board of Directors of TASE today approved the Condensed Consolidated Financial Statement as of December 31, 2019. The consolidated financial statements of the Company were prepared in accordance with IFRS GAAP. This is an English translation of parts of the information included in the approved financial statements. In the event of any discrepancy between the original Hebrew and the translation to English, the Hebrew version alone will prevail. The consolidated financial statements in the English Version will be published on the website by the end of April.

1.2 Business and Corporate Highlights for the Year 2019

BUSINESS HIGHLIGHTS

- In 2019, capital raising by companies on the Stock Exchange amounted to NIS 13.3 billion, an increase of 100% over 2018. Issuances of government and corporate bonds amounted to NIS 164.7 billion, an increase of 29% over 2018.
- The leading indices increased in 2019. TA-35 rose by 15% and the TA-90 recorded a 40% increase. The average daily trading turnover in shares, including ETFs, in Q1-2019 amounted to approximately NIS 1.1 billion, while in subsequent quarters price hikes drove the trading volume further up, to a daily average volume of NIS 1.3-1.4 billion.
- The leading indices Tel Bond 20 and Tel Bond 40 rose by 8.2% and 6.5%, respectively, in 2019. The daily average trading volume of corporate bonds in 2019 amounted to approximately NIS 0.9 billion, a 16% decrease compared with the volumes in 2018. Trading volumes of government bonds remained stable in 2019: NIS 1.7 billion for NIS government bonds and NIS 0.9 billion for CPI-linked government bonds.
- The daily average trading volume of derivatives amounted to 145 thousand units a day, compared with 196 thousand units in 2018, a decrease of 26%.

CORPORATE HIGHLIGHTS

- On August 1, 2019, the listing of TASE on the Tel Aviv Stock Exchange and its transformation into a public company marked a significant turning point in its activities and an important business milestone.
- In the Trading services, TASE expanded the range of listed securities, introducing dual listed ETFs, dual-listed foreign REITs, R&D partnerships and bonds pay in kinds to trading on the Tel Aviv Stock Exchange.
- In Clearing House services, the Group diversified its services to listed companies, and unlisted companies such as investment institutions and investment funds, and adding pre-listing services and more. Concurrently, TASE is working to complete the establishment of a securities lending platform that is scheduled to start in 2020.
- In the Data Distribution and Connectivity services, TASE launched new services to its members, including co-location services, changed the model for data product distribution and pricing, among others, in order to align it with the technological developments in the market. In addition, TASE is developing APIs that enable the generation and distribution of quality data processing.
- TASE has worked to increase and diversify the composition of its members and to adjust the terms of membership, in order to attract new members to the Stock Exchange and the Clearing Houses. Two TASE remote members (Jefferies and Flow Traders) and one custodial member (Euroclear) joined TASE this year.
- TASE is constantly working to increase the public's participation in trading on the Tel Aviv Stock Exchange. In 2019, it took steps to remove barriers, increase awareness, strengthen familiarity and knowledge and encourage investments by the public in the Tel Aviv Stock Exchange. Within this framework, TASE signed a sponsorship agreement with the Israeli Professional Football League (IPFL) and launched its first media campaign in order to lift the "fear of investment" barrier.

1.3 SUBSEQUENT MATERIAL EVENTS THAT OCCURRED IN 2020

- On March 24, 2020, the Company's Board of Directors decided on the distribution of a dividend in the amount of NIS 8,870 thousand, representing NIS 0.0877 per ordinary share. The record date for entitlement to the dividend is April 1, 2020. The dividend will be paid on April 16, 2020.
- The outbreak of the new coronavirus (COVID-19) in China in January 2020 and its spreading into a "global pandemic" resulted in uncertainty and strong fluctuations in the capital markets, which were exacerbated by its effects on global economic activities (for more information see section 4.4 below).

2. Presented below is information relating to the results for the fourth quarter of 2019 and for the year ended December 31, 2019 NIS, in thousands)

Three Months Ended December 31, 2019 Compared with Three Months Ended December 31, 2018

Statement of Profit or Loss

	Quarter ended		Difference	
	31.12.2019	31.12.2018	Amount	%
Revenue from services	66,416	70,342	(3,926)	(6%)
Expenses	62,867	60,555	2,312	4%
Profit before financing income, net	3,549	9,787	(6,238)	(64%)
Financing income (expenses)	(402)	(758)	356	(47%)
Taxes on income	(317)	(2,023)	1,706	(84%)
Net profit	2,830	7,006	(4,176)	(60%)
%	4.3%	10.0%		

Adjusted net profit and adjusted EBITDA data²

	Quarter ended		Difference	
	31.12.2019	31.12.2018	Amount	%
Adjusted EBITDA for the quarter:				
Profit before financing income, net	3,549	9,787		
Share-based payment expenses	418	-		
Depreciation, amortization and capital losses	11,136	8,955		
Adjusted EBITDA for the quarter	15,103	18,742	(3,639)	(19%)
%	23%	27%		
<i>Adjusted net profit for the quarter:</i>				
net profit	2,830	7,006		
Share-based payment expenses	418	-		
Adjusted net profit	3,248	7,006	(3,758)	(54%)
%	5%	10%		

² Adjusted data for the profit and EBITDA (operating profit before interest, tax, depreciation and amortization): These data are based on the data in the Company's financial statements for the reported periods, after eliminating the effects of certain events and factors, as explained above, that are not typical of the Company's operating activities.

It is hereby clarified that the data presented above are not presented in accordance with generally accepted accounting principles and do not reflect the Company's cash flows from operating activities or its operating profits and net profit and, accordingly do not constitute a substitute to the data in the Company's financial statements regarding the operating profit and/or the net profit. Nevertheless, in the Company's opinion, these data enable a better comparison to be made of the Company's performance in the reported periods.

The revenue in the fourth quarter of 2019 – below is the composition of the quarter’s revenue, compared to the corresponding quarter last year:

	Quarter ended				Difference
	31.12.2019	% of the Company's total revenues	31.12.2018	% of the Company's total revenues	
Revenue from services:					
	26,339	40%	33,493	48%	(21%)
Trading and clearing commissions	Most of the decrease is due to there being 8% fewer trading days in the fourth quarter of 2019 since most of this year’s Jewish High Holidays and Sukkot having fallen in the fourth quarter, a decrease in trading volumes in derivatives on indices (approx. 6%), revenue in respect of prior years from T-bills (Makams) that was recognized in the fourth quarter of 2018 (approx. 6%), and a decrease in revenue from corporate bonds (approx. 2%).				
Listing fees and levies	14,209	22%	14,119	20%	1%
	An increase in annual levies from companies and ETFs was recorded in the quarter, due to a change in the annual levy fee from companies (approx. 5%) and also due to the beginning of collection of annual levies from ETFs (approx. 5%). In the other direction, a decrease in revenues from listing and examination fees was recorded, due to the recognition of revenue from listing fees being deferred to the coming years (approx. 12%).				
Clearing House services	14,184	21%	12,998	18%	9%
	Most of the increase is due to an increase in Clearing House services activity to companies and members, including in respect of new Clearing House services (approx. 4%) and to an increase in the value of the assets managed by the Clearing House in respect of which management fees are collected (approx. 4%).				
Distribution of data and connectivity services	10,688	16%	8,651	12%	24%
	The increase is mainly due to connectivity revenue that was presented net in the corresponding quarter (approx. 17%) and to revenue from new activities such as Global Access Point, Colocation, quote generators and so forth (approx. 6%)				
Other revenue	996	1%	1,081	2%	(8%)
	66,416	100%	70,342	100%	(6%)

- **The expenses in the fourth quarter of 2019** after excluding the effect of share-based payment expenses totaled NIS 62.5 million, compared to the expenses in the corresponding quarter last year that totaled NIS 60.6 million (an increase of approx. 3%). Most of the increase in the expenses is due to growth in depreciation expenses (approx. 4%) (among other reasons, as a result of applying IFRS 16) and marketing expenses (approx. 2%), which was partly offset by a reduction in computer and communications expenses (approx. 3%).
- **Net financing expenses in the fourth quarter of 2019** fell by 47%, compared to the corresponding quarter last year. Financing expenses in the period resulted, among other things, from negative returns on the Company’s investments in held-for-trading financial assets.
- **The net profit in the fourth quarter of 2019** totaled NIS 2.8 million, compared to NIS 7 million in the corresponding quarter last year – a 60% decrease. The reduction in the profit is mainly due to the decrease in revenue from services, as described above, and to an increase in depreciation expenses, which was offset by a decrease in tax expenses.
- **The adjusted EBITDA in the fourth quarter of 2019** totaled NIS 15.1 million, compared to NIS 18.7 million in the corresponding quarter last year. The reduction is due to a decrease in the quarter’s revenue, as explained above. With regard to the effect of IFRS 15, see section 3.2 below.
- **The adjusted net profit in the fourth quarter of 2019** totaled NIS 3.2 million, compared to NIS 7.0 million in the corresponding quarter last year. The reduction in profit is mainly due to a decrease in revenue from services and to an increase in expenses – mainly in respect of depreciation and marketing expenses.

Year ended December 31, 2019 Compared with Year ended December 31, 2018

Statement of Profit or Loss

	Year ended		Difference	
	31.12.2019	31.12.2018	Amount	%
Revenue from services	260,001	255,605	4,396	2%
Expenses	245,841	141,983	103,858	73%
Profit before financing income, net	14,160	113,622	(99,462)	(88%)
Financing income (expenses)	8,969	(1,060)	10,029	
Taxes on income	(5,571)	(26,140)	(20,569)	(79%)
Net profit	17,558	86,422	(68,864)	(80%)
%	6.8%	33.8%		

Adjusted net profit and adjusted EBITDA data³

	Year ended		Year ended	
	31.12.2019	31.12.2019	Amount	%
Adjusted EBITDA for the period:				
Profit before financing income, net	14,160	113,622		
Share-based payment expenses	3,858	-		
Reversal of impairment provision	-	(85,108)		
Depreciation, amortization and capital losses	44,929	32,952		
Adjusted EBITDA for the Year	62,947	61,466	1,481	2%
%	24%	24%		
Adjusted net profit for the period:				
Net profit	17,558	86,422		
Share-based payment expenses	3,858	-		
Reversal of impairment provision, net of tax	-	(65,533)		
Adjusted net profit	21,416	20,889	527	3%
%	8%	8%		

³ Adjusted data for the profit and EBITDA (operating profit before interest, tax, depreciation and amortization): These data are based on the data in the Company's financial statements for the reported periods, after eliminating the effects of certain events and factors, as explained above, that are not typical of the Company's operating activities.

It is hereby clarified that the data presented above are not presented in accordance with generally accepted accounting principles and do not reflect the Company's cash flows from operating activities or its operating profits and net profit and, accordingly do not constitute a substitute to the data in the Company's financial statements regarding the operating profit and/or the net profit. Nevertheless, in the Company's opinion, these data enable a better comparison to be made of the Company's performance in the reported periods.

The revenue in Year ended December 31, 2019 below is the composition of the period's revenue, compared to last year:

	Year ended				Difference
	31.12.2019	% of the Company's total revenues	31.12.2018	% of the Company's total revenues	
Revenue from services:					
Trading and clearing commissions	107,000	41%	119,355	47%	(10%)
	Most of the decrease is due to lower trading volumes in derivatives (approx. 5%), in corporate bonds (approx. 2%) and shares (approx. 1%) and from revenue in respect of prior years from T-bills (Makams) that was recognized in the fourth quarter of 2018 (approx. 1%)				
Listing fees and levies	54,678	21%	46,525	18%	18%
	Most of the increase is due to the beginning of collection of annual levies from ETFs at the end of 2018 (approx. 9%), to the change in annual levy fees from companies (approx. 5%) and also from growth in the Nominee Company's activities, levies from new members, etc. (approx. 2%)				
Clearing House services	52,331	20%	49,605	19%	5%
	Most of the increase is due to an increase in ongoing Clearing House activity, in services provided to members, funds and companies (approx. 5%).				
Distribution of data and connectivity services	42,419	16%	34,954	14%	21%
	The increase is mainly due to connectivity revenue that was presented net in the corresponding period (approx. 18% and to revenue from new activities such as Global Access Point, Colocation, quote generators and so forth (approx. 2%)				
Other revenue	3,573	2%	5,166	2%	(31%)
	Most of the reduction results from the decrease in revenue from the Analysis Project due to the termination of the project for some of the companies (approx. 22%)				
	260,001	100%	255,605	100%	2%

- **The expenses in 2019** after excluding the effect of share-based payment expenses totaled NIS 242 million, compared to the expenses in 2018 that totaled NIS 227.1 million after excluding the effect of the impairment reversal (an increase of approx. 7%). Most of the increase in the expenses is due to growth in depreciation expenses (approx. 5%) (among other reasons, as a result of applying IFRS 16), employee benefit expenses (approx. 3%) and marketing expenses (approx. 1%), which was partly offset by a reduction in computer and communications expenses (approx. 3%).
- **Financing income in 2019** – the transition to financing income in 2019 is due to a positive 4.8% return (resulting from a downturn in the interest curve on government bonds) on the Company's investments in the held-for-trading financial assets, compared to a negative 0.7% return in 2018.
- **The net profit in 2019** totaled NIS 17.6 million, compared to NIS 86.4 million in 2018 – an 80% decrease. The reduction in the profit is mainly due to the impairment reversal of NIS 65.5 million, net of tax, in the corresponding period and to an increase in the period, compared to the corresponding period, in depreciation expenses, marketing expenses, employee benefit expenses and share-based payment expenses, which were largely offset by an increase in revenue from services and financing income in the period.
- **The adjusted EBITDA in 2019** totaled NIS 62.9 million, compared to NIS 61.5 million in 2018. Most of the increase is due to the initial application in 2019 of IFRS16, the effect of whose application is that the expenses in respect of leases in an amount of NIS 8.4 million are included, starting from 2019, under depreciation expenses. This was offset by a decrease in employee benefit expenses and marketing expenses. With regard to the effect of IFRS 15, see section 3.2 below.
- **The adjusted net profit in 2019** totaled NIS 21.4 million, compared to NIS 20.9 million in 2018. The increase is mainly due to an increase in revenue from services and financing income, which was partly offset by an increase in depreciation expenses, employee benefit expenses and marketing expenses.

Presented below is information relating to the financial position as of December 31, 2019 (NIS, in thousands):

	As of		Difference	
	31.12.2019	31.12.2018	Amount	%
Cash and cash equivalents and short-term financial assets	308,892	238,180	70,712	30%
Other current assets	20,362	21,913	(1,551)	(7%)
Property and equipment and intangible assets	457,543	442,031	15,512	4%
Other non-current assets	18,363	12,961	5,402	42%
Total assets (*)	805,160	715,085	90,075	13%
Current liabilities	81,876	64,721	17,155	27%
Non-current liabilities	124,577	90,471	34,106	38%
Total liabilities (*)	206,453	155,192	51,261	33%
Total equity	598,707	559,893	38,814	7%
Ratio of equity to total assets	74%	78%		
Surplus equity over regulatory requirements in NIS millions	282	264	17	7%
Surplus liquidity over regulatory requirements in NIS millions	132	99	33	33%

(*) The total assets and liabilities as of December 31, 2019 and December 31, 2018, include a balance of assets/liabilities in respect of open derivative positions amounting to NIS 351,742 thousand and NIS 895,401 thousand, respectively, which – for reasons of convenience in analyzing the financial position – has been offset against each other.

- The total assets as of December 31, 2019 amounted to NIS 805.2 million, a 13% increase compared to December 31, 2018. Most of the increase is due to an increase in cash from operating activities and financing activities (with regard to proceeds from listing the Company's shares and to proceeds within the framework of the Securities Law (Amendment No. 63), 2017 with regard to the TASE ownership restructuring ("the TASE Restructuring") see section 3.1 below and to growth in property and equipment resulting from an increase in right-of-use assets following the application of IFRS 16 with effect from January 1, 2019.
- The total liabilities as of December 31, 2019 amounted to NIS 206.5 million, a 33% increase compared to December 31, 2018. Most of the increase is due to lease liabilities following the application of IFRS 16 with effect from January 1, 2019 and from an increase in actuarial liabilities for long-term employee benefits due to a decrease in the discount rate.

Presented below is Cash flows for the three ended December 31, 2019 (NIS, in millions):

Item		Data for the three months ended December 31		Explanations of the Company for the inter-half-year change
		2019	2018	
Net cash from operating activities	Adjusted EBITDA	15.1	18.7	From 2019, following the application of IFRS 16, expenses in respect of leases are included under depreciation expenses and had a NIS 2.1 million effect in the period. Lease payments are included under financing activities.
	Changes in working capital	11.1	4.3	
	Financing and tax	(0.9)	(1.4)	The increase is due mainly to an increase in trade payables, offset by a reduction in revenue in the quarter.
	Total	25.3	21.6	
Net cash from (for) investing activities	Investments in property and equipment and in intangible assets and capitalized payroll costs	(9.5)	(8.8)	
	Acquisition of financial assets, net	12.2	(1.5)	The increase is mainly due to the realization of securities in the fourth quarter of 2019, in accordance with the policy for the investment of the Company's monetary reserves.
	Total	2.7	(10.3)	
Net cash from financing activities	Proceeds from shareholders within the framework of listing the Company's shares and the Ownership Restructuring	7.2	-	Proceeds received in the fourth quarter of 2019 within the framework of the secondary offering and the initial listing of the shares within the framework of implementing the TASE Restructuring, in an amount of NIS 7.2 million.
	Lease payments	(2.5)	-	Lease payments resulting from the initial application of IFRS 16 – for further details, see section 3.1.
	Total	4.7	-	
Total increase in cash and cash equivalents		32.7	11.3	

Presented below is Cash flows for the year ended December 31, 2019 (NIS, in millions):

Item		Data for the Year ended December 31,			Explanations of the Company for the inter-half-year change
		2019	2018	2017	
Net cash from operating activities	Adjusted EBITDA	62.9	61.5	46.1	From 2019, following the application of IFRS 16, expenses in respect of leases led to a NIS 8.4 million increase in EBITDA, which was offset by an increase in employee benefit expenses and marketing expenses. The change in operating activities is due mainly to growth in working capital, mainly as a result of an increase in deferred income from listing fees and levies and in the timing of payments to suppliers and other creditors. The increase in 2018, compared to 2017, is due mainly to an increase in EBITDA, as a result of growth in income and growth in working capital primarily due to the timing of benefit payments to the Company's employees.
	Changes in working capital	12.4	6.1	(10.5)	
	Financing and tax	5.8	3.7	5.9	
	Total	81.1	71.3	41.5	
Net cash used in investing activities	Investments in property and equipment and in intangible assets	(33.9)	(52.4)	(20.2)	In 2018, the Company made investments, in addition to the replacement of existing assets, in computer infrastructures and communications, following under investment in 2016-2017. In addition, in 2018, the Company began implementing the strategic plan that was adopted during 2017. Also in 2018, the Company began developing two material projects: colocation, which began operating during June 2019, and a central securities lending pool, which is expected to be completed in 2020.
	Acquisition of financial assets at fair value	(17.0)	(2.6)	(15.2)	In 2019 and 2017, NIS 11.5 million, net was deposited in managed portfolios.
	Total	(50.9)	(55.0)	(35.4)	
Net cash from financing activities	Proceeds from shareholders within the framework of listing the Company's shares and the Ownership Restructuring	29.4	9.9	-	Proceeds received in 2019 within the framework of the secondary offering and the initial listing of the shares, in an amount of NIS 15.5 million, and proceeds from the sale of shares within the framework of implementing the TASE Restructuring, in an amount of NIS 13.8 million (2018 – NIS 9.9 million as a result of implementing the TASE Restructuring) – for further details, see section 4.1.
	Lease payments	(9.7)	-	-	Lease payments resulting from the initial application of IFRS 16 – for further details, see section 3.1.
	Total	19.7	9.9	-	
Total increase in cash and cash equivalents		49.9	26.2	6.1	

3. Presentation and Reclassification of Financial Statements

3.1 Initial Application of a New Accounting Standard, IFRS 16 “Leases”

International Financial Reporting Standard No. 16 “Leases” (“IFRS 16”) has led to operating leases being included within the framework of the financial statements, with effect from January 1, 2019, according to a similar accounting treatment as that applied to finance leases.

3.2 Effect of Applying Accounting Standard IFRS 15 From the Beginning of 2018

In 2019, revenue from listing fees and levies fell by NIS 5.7 million due to the deferral of revenue as a result of applying IFRS 15. The operating profit fell correspondingly by NIS 5.7 million and the net profit fell by NIS 4.4 million (representing approx. 20% of the net profit before the deferral of the aforesaid revenue). In 2018, revenue from listing fees and levies fell by NIS 2.7 million due to the deferral of revenue as a result of applying IFRS 15. The operating profit fell correspondingly by NIS 2.7 million and the net profit fell by NIS 2.1 million. The inter-year increase in the amount of revenue deferred is due to the increase in listing fees from the issuance of shares and bonds, primarily in the fourth quarter of the year.

In the fourth quarter of 2019, the revenue fell by NIS 3 million. The operating profit fell correspondingly by NIS 3 million and the net profit fell by NIS 2.3 million (representing approx. 45% of the net profit before the deferral of the aforesaid revenue). In the fourth quarter of 2018, the revenue fell by NIS 0.7 million. The operating profit fell correspondingly by NIS 0.7 million and the net profit fell by NIS 0.5 million.

3.3 Reclassification

The Company has reclassified revenue from connectivity (revenue from communication lines and hosting and connectivity services) from “Other revenue” to “Distribution of data and connectivity services”. Additionally, revenue from members’ levies has been reclassified from “Other revenue” to “Listing fees and levies”.

The new classification more appropriately reflects the composition of the Company’s revenues, based on the types of services that it provides. The new classification does not have a material effect on the comparative figures in the statement of profit or loss for periods prior to 2019. Accordingly, the revenues for such periods have not been reclassified.

3.4 Seasonality

The Company’s revenues from trading and clearing are affected, among other things, by the number of trading and clearing days. In 2019, there were 59 trading days in the fourth quarter, compared to 64 in the corresponding quarter last year – an 8% decrease. The number of trading days is affected by when exactly the Jewish High Holidays and Sukkot fall: in 2018, most of them fell in the third quarter (in September), while this year most of them fell in the fourth quarter (in October). In the year of 2019, there were 244 trading days, compared to 245 trading days in the last year – a 0.4% decrease.

4. Events at the reporting date and thereafter

4.1 On August 1, 2019, upon closing the secondary offer process of the Company’s shares and their listing on the Tel-Aviv Stock Exchange, the Company received its share of the net surplus consideration from the secondary offer process proceeds in an amount of NIS 15.5 million.

During the second half of 2019, the Company’s shareholders disposed of 2.8 million shares that had been held by them prior to the TASE Restructuring Law taking effect and the Company received the surplus consideration, in accordance with Section 41(l)(2) of the Securities Law (Amendment No. 63), 2017, in an amount of NIS 13.8 million.

These amounts have been carried directly to the Company’s equity and have increased its liquidity reserves and equity by NIS 29.3 million.

4.2 On January 13, 2020, the Company signed an Amendment Letter for the reduction of the Company’s credit facility, which had been granted to it by a banking corporation, with effect from December 31, 2019. As a result, the aforesaid credit facility was reduced from NIS 50 million, to a credit facility in the amount of NIS 30 million. To date, the Company has not utilized the credit facility (whose term runs through December 31, 2020).

4.3 On March 24, 2020, the Company’s Board of Directors decided on the distribution of a dividend in the amount of NIS 8,770 thousand, representing NIS 0.0877 per ordinary share. The record date for entitlement to the dividend is April 1, 2020. The dividend will be paid on April 16, 2020.

4.4 Outbreak of the coronavirus and its effects on the markets and on the business of the Company

General

The year 2020 opened with price rises in the Tel Aviv Stock Exchange, in line with the trend in 2019, however these lasted for only a month. The outbreak of the new coronavirus in China in January 2020 and its spreading into a “global pandemic” resulted in uncertainty and strong fluctuations in the capital markets, which were exacerbated by its effects on global economic activities. Travel restrictions that were imposed by numerous countries, in an effort to stem the spread of the virus, first affected tourism, hotels and aviation sectors, and the energy, oil and gas companies that suffered from the drop in oil and gas prices. The subsequent broadening of internal restrictions in Israel and prohibition of gatherings adversely affected the leisure and entertainment sector, restaurants and venues, alongside a negative impact on banks, insurance companies, exporters and more. The concern for a downturn as a result of the spreading of the virus and the measures taken by other countries had adversely affected their economies, leading the Federal Reserve to announce, on March 3, 2020, a 0.5% reduction in the interest rate – the highest reduction since the 2008 Crisis, to a level of 1.0%-1.25%. The 10-year yield on U.S. Treasury bonds reached a record-low of 0.5%. Additionally, the President of the United States declared a state of national emergency and federal aid of US\$ 50 billion, including the implementation of tax cuts by the end of 2019. On March 15, 2020, the Federal Reserve announced further measures – reduction of the interest rate by 1% to 0%-0.25% and a pledge to purchase securities in an amount of US\$ 700 billion in order to infuse funds into the market. Subsequently, the Federal Reserve opened reduced-rate credit lines for some 15 central banks worldwide.

The European Central Bank (ECB) announced its intention to reduce the interest rate from 0% to a negative 0.1% and implement supplementary measures. The European Commission authorized EU Member States to implement widespread budgetary incentives. The Bank of England cut the interest rate by 0.5% to 0.25%, the lowest historical level, and announced the offering of economic incentives (with a value of EUR 30 billion) by way of extension of loans to businesses and tax cuts alongside a five-year investment program (EUR 170 billion) to stimulate growth.

The growing uncertainty surrounding the implications of the spread of the virus on global economy resulted in a sharp drop of prices in stock exchanges worldwide, including Tel Aviv. The reductions that began in February persisted and even became more pronounced in March 2020, this on the backdrop of the spread of the virus in Israel and the Government’s announcement of broader restrictions. The price reductions were accompanied by strong trading turnovers, whereas capital-raising that was on the rise in the share and bond markets during the first two months of the year, all but stopped in March 2020.

On March 15, 2020, the Bank of Israel announced that it will carry out open market operations and will purchase in the secondary market government bonds of various types and maturities in the necessary quantities needed to ensure the smooth functioning of the government bond market and will also offer repo transactions to financial institutions with government bonds as collateral. The aim of these measures is to moderate the abnormal volatility and to increase the liquidity in the financial markets where the various financial institutions, businesses and households are operating. The Bank of Israel further announced that it will offer repo transactions (NIS-Dollar) to financial institutions in an amount of US\$ 15 billion.

The Share Market

The first quarter of 2020 was characterized by fluctuations in the share indices: the year opened with price rises in most of the leading indices in the share market. TA-35 rose by close to 0.5% in January 2020. In February 2020, the worldwide spread of the coronavirus and its declaration as a “global pandemic” by the World Health Organization, combined with its encroachment on global economy, caused price drops in capital markets around the world, including Tel Aviv. TA-35 dropped by close to 5.3%, compared with an average decline of 9% in leading stock exchanges around the world. In March 2020, prices plunged further, causing the TA-35 to drop by close to 23% in the first three weeks of March 2020 and steep price drops in all share indices, most notably the oil and gas shares that plummeted at an average rate of 43%.

In the first quarter of 2020, the trading turnovers grew, reaching a daily volume of NIS 2.1 billion in share trading – 64% higher than the average turnover in 2019. The increase was gradual – from a daily NIS 1.7 billion in January 2020 to a daily NIS 3.3 billion in the first three weeks of March 2020.

Capital-raising was strong in the first two months of 2020, with close to NIS 3.5 billion, but came to near complete stop in March 2020. Total capital raised in the first quarter of 2020 is estimated at almost triple the amount raised in the corresponding period in 2019. Since the beginning of the year, 3 new share companies were listed – two new issuers and a new dual-listed company.

The Bond Market

On the backdrop of the coronavirus outbreak and the growing uncertainty in the capital markets, the first two months of 2020 were characterized by an average rise of 2% in the prices of government bonds and stability in the corporate bonds, similarly to the 10-year U.S. Treasury bonds, whose yield to maturity dropped to 0.5% on March 9, 2020, compared with 1.9% at the end of 2019.

In March 2020, price plunges reached the bond market. The prices of government bonds decreased at an average rate of 6% in the first three weeks of March (corresponding to the 0.9% increase in the yield to maturity of the 10-year U.S. Treasury bonds at the end of the third week of March), while the prices of corporate bonds dropped by close to 12% in the first three weeks of March.

The daily trading turnover of government bonds amounted to NIS 2.5 billion in the first two months of 2020, then exploded in the first three weeks of March 2020, reaching colossal amounts of NIS 7.6 billion a day. The Company estimates that the trading turnover of government bonds for the full the first quarter of 2020 will be 56% higher than the average turnover in 2019.

The daily trading turnover of corporate bonds amounted to NIS 0.7 billion in the first two months of 2020, skyrocketing to a daily NIS 1.9 billion in the first three weeks of March 2020. The Company estimates that the trading turnover of corporate bonds for the full the first quarter of 2020 will be 53% higher than the average turnover in 2019. In the first two months of 2020, close to NIS 13.7 billion was raised on the corporate bonds market, but in March 2020 the capital raising came to a halt, totaling close to NIS 0.5 billion. The Company expects that the capital raising in the full the first quarter of 2020 will be 7% lower than that in the corresponding period in 2019.

Mutual Funds and ETFs

Redemption of mutual funds by the public increased as the crisis deepened, and in the first three weeks of March 2020 monumental net redemptions of close to NIS 35 billion were recorded – mostly (approximately NIS 25 billion) funds that invest in Israeli bonds. ETFs recorded net redemptions of NIS 3.5 billion in the first three weeks of March 2020 – the vast majority of which (approximately NIS 3 billion) in funds that invest in share indices overseas.

The Derivatives Market

The price drops in the share market on the Tel Aviv Stock Exchange in February 2020 were accompanied by strong turnovers in the derivatives market that resulted from the rising uncertainty and the growing volatility in trading. The trading turnover of options on the TA-35 Index in the first quarter of 2020 exceeded the average turnover in 2019 by 23%. The volatility index, VTA-35, rose from 10 points to 25 points in the first two months of 2020, reaching a whopping 87 points in mid-March 2020, settling at 68 points at the end of the third week of March.

Possible Implications for the Business of the Company

To the date of the Report, the significant short-term negative effects of the pandemic on the operating results of the Company cannot be estimated, as, in principle, the Company is not directly affected by the prices of the securities, but rather by the trading and clearing turnovers of securities and derivatives (which, as described above, reached record highs in March 2020). To the date of the Report, the Company has an operational and technological solution in place that facilitates the operation of TASE and the Clearing House with a significantly lower number of employees that are required to be present at the sites of the Company for the operation of the core trading and clearing systems. It should be noted that the restrictions recently imposed by virtue of the Emergency Regulations do not categorically prohibit the opening of workplaces, but rather stipulate various limitations that are primarily designed to reduce the number of employees in the workplaces and to encourage remote work, in both the public and the private sectors. Nevertheless, to the date of the Report, the Regulations exempt a number of employers, including those operating in the capital market, such as the Company (alongside banks, Stock Exchange members, fund managers, rating firms and more).

The Company's Group has liquid balances of approximately NIS 309 million, of which, as of December 31, 2019, NIS 205 million is managed in portfolios of tradable securities, consisting of Israeli government bonds. As of the date of the Report, the effects of the coronavirus crisis on trading in the Tel Aviv Stock Exchange and the decline in prices of securities resulted in a decrease of NIS 6 million in the total market value of said portfolios. It should be noted that, barring a further change by March 31, 2020, this amount will be recorded as a financing expense in the Company's consolidated interim financial statements as of March 31, 2020.

Moreover, the perseverance and exacerbation of this unprecedented global crisis could also adversely affect business and economic operations in Israel and worldwide, including the volumes of the investment and trading in securities, in a manner and to an extent that, at this stage, cannot be estimated and quantified by the Company. Nevertheless, it is not unreasonable to assume that the current uncertainty will lead to reduced volumes of activity in the primary market (both equity and debt) that will in turn entail a decline in revenues from examination and listing fees in respect of new securities. Furthermore, it is likely that an ongoing erosion in the prices of listed securities could impact the revenues of the Group from custodial services, to some extent, as these are derived from the value of the securities held, and if price levels are not corrected by the end of the year, this could adversely impact the volume of fees from companies in 2021, which are derived from the value of the securities listed as of December 2020. Additionally, persisting uncertainty, in general, and in the capital market, in particular, could defer the Company's launching of new products or services until the smoke clears. Finally, it should be noted that in the aftermath of the crisis recovery will be gradual. At this stage, the volumes of trading and capital-raising in the recovery period cannot be estimated, as these depend, among others, on the volatility of the markets and the pace at which the public return to invest, directly or indirectly, in securities that are listed on TASE.

The assessments of the Company regarding the possible implications of the spreading of the coronavirus constitute forward-looking information, within its definition in the Securities Law, 1968. This information is based, among others, on assessments and estimates of the Company as of the date of the Report, which are based on publications on this topic in Israel and worldwide and on publications by the relevant authorities. Naturally, among others in view of the exceptional and unprecedented scope of this crisis, the realization of such assessments is uncertain and is not in the control of the Company.

5. Information relating to the results for the fourth quarter of 2019 and for the year ended December 31, 2019 NIS, in thousands)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)

	December 31,	
	2019	2018
Assets		
Current assets		
Cash and cash equivalents	103,928	54,363
Financial assets at fair value through profit or loss	204,964	183,817
Trade receivables	13,776	15,325
Other receivables	6,373	3,797
Current tax assets	213	2,791
	329,254	260,093
Assets derived from clearing operations in respect to open derivative positions	351,742	895,401
Total current assets	680,996	1,155,494
Non-current assets		
Cash restricted as to use	541	538
Other long-term receivables	3,761	-
Property and equipment, net	345,176	336,079
Intangible assets, net	112,367	105,952
Deferred tax assets	14,061	12,423
Total non-current assets	475,906	454,992
Total assets	1,156,902	1,610,486

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)

	December 31,	
	2019	2018
Liabilities and Equity		
Current liabilities		
Trade payables	15,376	15,272
Short-term liabilities for employee benefits	33,121	28,751
Other payables	3,301	3,495
Current maturities of lease liabilities	9,728	-
Current tax liabilities	970	-
Deferred income from listing fees and levies	19,380	17,203
	<u>81,876</u>	<u>64,721</u>
Liabilities derived from clearing operations in respect to open derivative positions	<u>351,742</u>	<u>895,401</u>
Total current liabilities	<u>433,618</u>	<u>960,122</u>
Non-current liabilities		
Non-current liabilities for employee benefits	37,565	19,522
Lease liabilities	12,553	-
Deferred income from listing fees and levies	73,918	70,411
Other liabilities	541	538
Total non-current liabilities	<u>124,577</u>	<u>90,471</u>
Equity		
Remeasurement reserve of net liabilities in respect to defined benefit	(16,905)	(4,331)
Capital reserve in respect to share-based payment transactions	31,238	27,380
Other capital reserves	43,079	13,107
Retained earnings	541,295	523,737
Total equity	<u>598,707</u>	<u>559,893</u>
Total liabilities and equity	<u>1,156,902</u>	<u>1,610,486</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(NIS, in thousands)

	Year ended December 31,		
	2019	2018	2017
Revenue from services:			
Trading and clearing commissions	107,000	119,355	115,568
Listing fees and levies	54,678	46,525	39,737
Clearing House services	52,331	49,605	44,542
Distribution of data and connectivity services	42,419	34,954	36,640
Other revenue	3,573	5,166	5,937
Total revenue from services	260,001	255,605	242,424
Cost of revenue:			
Employee benefits expenses	132,973	129,270	128,698
Expenses in respect to share-based payments	3,858	-	27,380
Computer and communications expenses	23,819	26,024	25,598
Property taxes and building maintenance expenses	12,602	12,994	12,559
General and administrative expenses	9,122	8,829	7,817
Marketing expenses	7,858	5,452	5,547
Fee to the Israel Securities Authority	10,680	10,506	10,476
Operating expenses for nominee company	-	448	5,655
Depreciation and amortization	43,571	32,672	29,597
Reversal of impairment provision	-	(85,108)	-
Other expenses	1,358	896	290
Total costs	245,841	141,983	253,617
Profit before financing income, net	14,160	113,622	(11,193)
Financing income	9,975	(899)	1,900
Financing expenses	1,006	161	331
Total financing income (expenses), net	8,969	(1,060)	1,569
Profit before taxes on income	23,129	112,562	(9,624)
Taxes on income	5,571	26,140	4,646
Profit for the period	17,558	86,422	(14,270)
Basic earnings per share (NIS)	0.176	0.864	0.149
Diluted earnings per share (NIS)	0.174	0.864	0.149

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (NIS in thousands)

	Year ended December 31, 2019				
	Capital reserve in respect to share-based payment transactions	Remeasurement reserve of net liability in respect to defined benefit	Other capital reserves	Retained earnings	Total
Balance at January 1, 2019	27,380	(4,331)	13,107	523,737	559,893
Profit for the period	-	-	-	17,558	17,558
Other comprehensive loss for the period	-	(12,574)	-	-	(12,574)
Total comprehensive income (loss) for the period	-	(12,574)	-	17,558	4,984
Share-based payment	3,858	-	-	-	3,858
Company's share in the first-time listing of the shares	-	-	16,190	-	16,190
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	-	13,782	-	13,782
Balance at December 31, 2019	31,238	(16,905)	43,079	541,295	598,707

CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands)

	Year ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	17,558	86,422
Expenses in respect of share-based payments	3,858	-
Tax expenses recognized in profit or loss	5,571	26,140
Net financing expenses (income) recognized in profit or loss	(8,969)	1,060
Depreciation and amortization	43,571	32,672
Reversal of impairment provision	-	(85,108)
Loss (gain) from disposal of property and equipment and intangible assets	1,358	280
	<u>62,947</u>	<u>61,466</u>
Changes in asset and liability items:		
Decrease (increase) in trade receivables and other receivables	(607)	(1,408)
Decrease (increase) in receivables in respect to open derivative positions	543,659	844,169
Decrease in trade payables and other payables	1,176	(3,282)
Increase (decrease) in deferred income from listing fees and levies	5,726	2,660
Decrease in payables in respect to open derivative positions	(543,659)	(844,169)
Increase (decrease) in liabilities for employee benefits	6,083	8,084
	<u>75,325</u>	<u>67,520</u>
Interest received	6,110	5,058
Interest paid	(637)	(154)
Tax receipts (payments) - operating activities	332	(1,171)
	<u>5,805</u>	<u>3,733</u>
Net cash provided by operating activities	<u>81,130</u>	<u>71,253</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands, cont'd)

	Year ended December 31,	
	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	(6,416)	(20,388)
Proceeds from the disposal of property and equipment	192	41
Acquisitions of intangible assets	(11,850)	(14,962)
Refund for overpaid development levies	-	1,788
Payments in respect to costs capitalized to property and equipment and to intangible assets	(15,838)	(18,892)
Acquisition of financial assets at fair value through profit or loss, net	(17,032)	(2,633)
Net cash used in investing activities	(50,944)	(55,046)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Lease payments	(9,739)	-
Company's share in the first-time listing of the shares	15,600	-
Receipts from shareholders within the framework of implementing the ownership restructuring, net	13,782	9,907
Net cash provided by (used in) financing activities	19,643	9,907
Net increase (decrease) in cash and cash equivalents	49,829	26,114
Cash and cash equivalents, beginning of the period	54,363	28,095
Effect of changes in exchange rates on cash balances held in foreign currency	(264)	154
Cash and cash equivalents, end of the period	103,928	54,363
<u>APPENDIX A – NON-CASH ACTIVITIES:</u>		
Acquisition of property and equipment and intangible assets, under short-term credit	4,320	5,630
Increase in right-of-use assets and lease liabilities as a result of new leases	5,372	-
Refund for overpaid development levies in accordance with a compromise agreement validated as a ruling (net of expenses)	2,256	-

Quarterly statements of profit or loss for 2019 and for the fourth quarter of 2018 (NIS, in thousands)

Item	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	2019	Oct-Dec 2018
<i>Number of trading days</i>	63	60	62	59	244	245
Revenue from services:						
Trading and clearing commissions	26,553	25,915	28,193	26,339	107,000	33,493
Listing fees and levies*	13,483	13,478	13,508	14,209	54,678	14,119
Clearing House services	12,351	12,878	12,918	14,184	52,331	12,998
Distribution of data and connectivity services	11,639	9,670	10,422	10,688	42,419	8,651
Other revenue	601	969	1,007	996	3,573	1,081
Total revenue from services	64,627	62,910	66,048	66,416	260,001	70,342
Cost of revenue						
Expenses in respect of employee benefits, net	33,536	32,051	33,088	34,298	132,973	34,303
Share-based payment expenses	-	3,008	432	418	3,858	-
Computer and communication expenses	5,736	5,615	6,320	6,148	23,819	7,787
Property taxes and building maintenance expenses	3,023	3,076	3,075	3,428	12,602	3,596
General and administrative expenses	1,747	2,431	2,153	2,791	9,122	2,427
Marketing expenses	3,736	434	1,746	1,942	7,858	972
Fee to the Israel Securities Authority	2,658	2,658	2,658	2,706	10,680	2,624
Depreciation and amortization expenses	10,606	11,099	10,809	11,057	43,571	8,923
Other expenses	694	579	6	79	1,358	(77)
Total cost of revenue	61,736	60,951	60,287	62,867	245,841	60,555
Profit before financing income (expenses), net	2,891	1,959	5,761	3,549	14,160	9,787
Financing income	4,266	2,472	3,286	(49)	9,975	(720)
Financing expenses	246	186	221	353	1,006	38
Total financing income (expenses), net	4,020	2,286	3,065	(402)	8,969	(758)
Profit before taxes on income	6,911	4,245	8,826	3,147	23,129	9,029
Taxes on income	1,494	1,739	2,021	317	5,571	2,023
Net profit	5,417	2,506	6,805	2,830	17,558	7,006

ABOUT TASE

The Company, including by means of the companies consolidated in its financial statements (collectively, “the Group”), is engaged in the area of securities trading and securities clearing .

Within this framework, the Group is engaged in setting rules regarding the TASE companies, rules for listing securities on TASE (including the obligations that apply to companies whose securities are listed) and rules regarding trading on TASE. The Group operates trading systems and provides clearing services for both listed and non-listed securities. In addition, the Group operates a derivatives clearing house that writes derivatives that are traded on TASE, clears them and serves as a central counterparty for transactions in them. The Group provides central counterparty (CCP) services for transactions in securities and derivatives that are executed on TASE and also provides central securities depository (CSD) services for securities. The Group engages in calculating security indices, in authorizing the use of indices for the creation of financial instruments that track the indices, and in distributing TASE trading data. In addition, since January 2018, the Group has operated a nominee company as defined in the Securities Law (securities traded on TASE are registered in the nominee company’s name). The Company has one area of activity that is reported as a business segment in the Company’s consolidated financial statements – trading and clearing transactions in securities

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Appendix – Transactional Metrics

	Year Ended December 31,		Quarter Ended December 31,	
	2019	2018	2019	2018
Number of trading days	244	245	59	64
SHARES				
Shares (ex. ETN / ETFs)	820	703	820	703
ETN / ETFs on share indices	64	60	64	60
Market value (in NIS billions)	884	763	884	763
Shares (ex. ETN / ETFs)	1,081	1,124	1,200	1,164
ETN / ETFs on share indices	219	470	231	1,016
Average daily turnover (in NIS millions)	1,300	1,594	1,431	2,180
Average commissions	0.0102%	0.0090%	0.0099%	0.0065%
Revenue (in NIS thousands)	32,434	33,976	8,389	9,124
BONDS				
Government bonds -Unlinked	316	248	316	248
Government bonds -Linked	216	236	216	236
Corporate bonds	411	380	411	380
Bonds (ex. ETN / ETFs)	943	864	943	864
ETN / ETFs on bond indices	29	27	29	27
Market value (in NIS billions)	972	891	972	891
Government bonds - Unlinked ADV (in NIS millions)	1,722	1,741	1,541	1,794
Government bonds - Linked ADV (in NIS millions)	897	907	824	831
Corporate bonds ADV excluding ETNs (in NIS millions)	798	899	898	923
ETN / ETFs on bond indices	95	160	103	241
Average daily turnover (in NIS millions)	3,512	3,706	3,366	3,788
Government bonds Unlinked - Average commissions	0.0019%	0.0019%	0.0019%	0.0019%
Government bonds Linked - Average commissions	0.0029%	0.0029%	0.0029%	0.0028%
Corporate bonds - Average commissions	0.0069%	0.0069%	0.0068%	0.0067%
Government bonds (in NIS thousands)	8,052	8,106	1,752	2,159
Government bonds (in NIS thousands)	6,367	6,431	1,414	1,515
Corporate bonds (in NIS thousands)	15,116	17,998	4,000	4,992
Other (MTS) (in NIS thousands)	187	281	28	56
Revenue (in NIS thousands)	29,722	32,816	7,195	8,722

Appendix -Transactional Metrics (Cont'd)

	Year Ended December 31,		Quarter Ended December 31,	
	2019	2018	2019	2018
TREASURY BILLS				
Market value (in NIS billions)	120	108	120	108
Treasury bills ADV (in NIS millions)	413	431	421	638
Average commissions	0.0026%	0.0034%	0.0025%	0.0068%
Revenue (in NIS thousands)	2,581	3,622	617	2,786
MUTUAL FUNDS				
Market value (in NIS billions)	259	220	259	220
Average daily value of creation / redemptions (in NIS millions)	883	960	907	1,038
Average commissions	0.0110%	0.0102%	0.0109%	0.0094%
Revenue (in NIS thousands)	23,716	23,900	5,849	6,276
DERIVATIVES				
Options on indices	97	134	85	141
Derivatives on FX	45	59	54	51
Derivatives on single shares	3	3	3	2
Total derivative contracts (in '000 units)	145	196	142	194
Options on indices - Average commissions	0.580	0.580	0.580	0.580
Derivatives on FX -Average commissions	0.360	0.360	0.360	0.360
Derivatives on single shares- Average commissions	1.000	1.000	1.000	1.000
Revenue (in NIS thousands)	18,547	25,042	4,289	6,586
Total revenue from Trading and clearing commissions	107,000	119,355	26,339	33,494

Appendix – Non-Transactional Metrics (Cont'd)

	Year Ended December 31,		Quarter Ended December 31,	
	2019	2018	2019	2018
LISTING FEES AND LEVIES				
Weighted avg. number of companies / funds				
Companies	541	563	531	551
Mutual funds and ETNs / ETFs	2,132	1,511	2,119	1,479
Avg. revenue from levies (in NIS thousands)				
Companies	19	13	5	3
Mutual funds	7	7	2	2
Revenue from annual levies from: (in NIS thousands)				
Companies	10,198	7,236	2,520	1,799
Mutual funds & ETFs	15,339	11,033	3,826	3,115
Nominee Company	2,530	1,883	823	610
Issuance volume and swap transactions (in NIS millions)				
Shares and bonds	91,415	74,661	34,151	17,504
Government bonds	86,115	59,709	18,192	17,103
Short term T-bills	131,684	137,712	35,948	47,850
Number of issuances				
Tel Aviv public offerings	60	64	17	14
New offerings	7	11	1	2
New dual-listed companies	3	3	-	2
Issuance volume and funding				
IPOs (in NIS millions)	3,206	1,844	500	173
New offerings (in NIS millions)	1,728	7,196	120	241
Corporate bonds Number of issuances (total)	160	142	43	31
Corporate bonds Number of issuances (new)	4	13	1	1
Average revenue from examination and listing fees				
Shares and bonds	0.0229%	0.0227%	0.0214%	0.0376%
Government bonds	0.0035%	0.0040%	0.0036%	0.0040%
Revenue from examination and listing fees (in NIS thousands)				
Examination fees	5,416	7,985	1,331	1,525
Listing of shares & bonds	20,958	16,922	7,310	6,577
Listing of government bonds	3,045	2,388	660	684
Listing of T-bills	922	964	252	335
Annual levies and handling fees from member	1,208	-	868	-
Other	746	774	344	138
Effect of IFRS on Listing Fees	(5,684)	(2,660)	(3,726)	(665)
Total revenue from Listing fees and levies	54,677	46,525	14,208	14,119

	Year Ended December 31,		Quarter Ended December 31,	
	2019	2018	2019	2018
CLEARING HOUSE SERVICES				
Market value of assets (in NIS billions)	2,639	2,310	2,639	2,310
Avg. commissions on custodian fees	0.00105%	0.00105%	0.00106%	0.00105%
Revenue from: (in NIS thousands)				
Custodian fees	26,534	26,435	6,970	6,501
Clearing House services for members / company events	21,160	18,907	6,039	5,472
Other	4,636	4,263	1,175	1,024
Total revenue from Clearing House services	52,331	49,605	14,184	12,997

	Year Ended December 31,		Quarter Ended December 31,	
	2019	2018	2019	2018
DISTRIBUTION OF DATA AND CONNECTIVITY SERVICES:				
Average number of data terminals				
Domestic business clients	7,274	8,073	7,335	8,093
Domestic private clients	6,489	-	4,426	-
Overseas	4,886	4,745	4,987	4,844
Quote generator	245	-	254	-
Revenue from data terminals and data (in NIS thousands)				
Domestic business clients	15,528	17,438	3,779	4,428
Domestic private clients	2,726	-	393	-
Overseas	6,270	6,148	1,574	1,579
Quote generator	1,430	-	353	-
Usage based	5,793	8,342	1,668	2,119
Indices and data	3,019	3,026	857	525
connectivity services	7,654	-	2,065	-
Total revenue from Distribution of data and connectivity services	42,419	34,954	10,688	8,651

Presented below are details regarding the speed of trading in Israel in the reported period:

Turnover Speed

	Year Ended December 31,		% change	Quarter Ended December 31,		% change
	2019	2018		2019	2018	
Turnover Speed						
Shares ⁽¹⁾	35.2%	36.3%	(3%)	36.4%	39.6%	(8%)
Corporate bonds ⁽¹⁾⁽²⁾	54.9%	64.8%	(15%)	58.8%	76.8%	(23%)
Government bonds Unlinked ⁽³⁾	128.4%	135.8%	(5%)	110.0%	137.2%	(20%)
Government bonds Linked ⁽⁴⁾	79.8%	84.4%	(5%)	73.1%	76.5%	(4%)
Treasury bills	61.3%	61.9%	(1%)	56.2%	95.3%	(41%)

(1) Turnover velocity includes the ETFs / ETFs traded.

(2) Turnover velocity doesn't include the corporate bond traded in institutional succession.

(3) Including shekel fixed- interest shekel bonds "Sahar" and short-term government bonds.

(4) Including index-linked bonds, and variable- interest shekel bonds - "Gilon".