

**MEDIA RELEASE**

July 20, 2020

**CariCRIS reaffirms 'good creditworthiness' ratings for  
Bourse Securities Limited**

*CariA-* (Regional Scale Foreign Currency)  
*CariA-* (Regional Scale Local Currency)  
*ttA-* (Trinidad and Tobago National Scale)

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the Corporate Credit Ratings of *CariA-* (Foreign and Local Currency) on the regional rating scale, and *ttA-* on the Trinidad and Tobago (T&T) national scale of Bourse Securities Limited (BSL or the Company). These ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in T&T and the wider Caribbean is **good**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on our expectation that over the next 12 to 15 months, BSL's earnings metrics (ROA and ROE) will continue to remain favourable when compared to its regional peers. Additionally, the implementation of sound risk management, liquidity, and capital measures by BSL over the years is expected to insulate the Company from the large negative impact of the coronavirus pandemic (COVID-19) on markets and economies.

The ratings of BSL reflect the Company's good financial performance underpinned by income diversity and improved efficiency levels in 2019. Asset quality also remained good and continues to be supported by a diverse investment portfolio. Also contributing to the credit ratings is the Company's healthy risk-adjusted capitalisation level reflected in strong capital adequacy ratio and coverage of total assets. Further, Bourse's sound asset-liability management (ALM) practices contribute to an overall good liquidity profile while risk management practices continue to support strategic objectives. These supporting factors, however, are tempered by the fact that BSL's funding base remains concentrated on a select number of institutional investors, which could subject the Company to potential refinancing risks, should these investors require repayment of the associated liabilities at short notice. However, these potential refinancing risks have been addressed by the Company through the establishment of binding fixed term liability maturities for such institutional investor to avoid bunching. In addition, the Company has in place a cap on aggregate maturities for any particular time period.

## Rating Sensitivity Factors

### Factors that could lead to an improvement in the ratings and/or Outlook include:

- Improving business conditions over the next 12-15 months, resulting in ROA of above 3% and ROE of above 8%
- Diversification of funding base towards more diverse and stable sources where less than 50% of funding is derived from BSL's top 10 clients over the next 2 years

### Factors that could lead to a lowering of the ratings and/or Outlook include:

- A deterioration in the credit rating of the sovereign over the next 12-15 months leading to increased liquidity pressures
- Increasing liquidity pressure leading to funding withdrawals from its top 3 institutional investors

### About the Company:

Bourse Securities Limited (BSL) was founded in 1995 in Trinidad and Tobago (T&T) and is privately owned. BSL is a registered broker-dealer, underwriter and investment advisor registered with the Trinidad and Tobago Securities and Exchange Commission (TTSEC). The Company offers a range of products and services, including mutual fund management, securities brokerage, securities underwriting, wealth management, investment advisory services as well as the provision of short-term fixed return investment products such as repurchase agreements. BSL has three (3) branches across T&T, with locations in Chaguanas, Port of Spain and San Fernando.

BSL's suite of products includes TTD and USD Mutual Funds including its flagship SavInvest India Asia Fund (SIAF), SavInvest Individual and Group Retirement Funds, and Repurchase Agreements. BSL also extends the service of Bond Brokerage and Wealth and Portfolio Management.

The Company currently holds four (4) wholly-owned subsidiaries namely: Bourse Brokers Limited (BBL), a member of the Trinidad and Tobago Stock Exchange (TTSE), the stockbroking arm of the business and Bourse International Asset Management (BIAM), an international business corporation (IBC) domiciled in St. Lucia primarily focused on the management of the group's investment portfolio, Windsor Investments Limited incorporated in St. Lucia on

CariCRIS ID: 03600000000



Caribbean Information &  
Credit Rating Services Limited

December 27, 2018 and Alkene Development Company of Trinidad & Tobago which was incorporated in Trinidad & Tobago. In 2019, Vanalta, the real estate arm of the Group was sold. *For more information on BSL's ratings, please visit [www.caricris.com](http://www.caricris.com) or contact:*

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