

RATING RELEASE

June 26, 2023

**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 Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the Corporate Credit Ratings assigned to Bourse Securities Limited (BSL or the Company) of *CariA* (Foreign and Local Currency) on the regional rating scale, and *ttA* on the Trinidad and Tobago (T&T) national scale. 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 assigned a **stable** outlook on the ratings. The stable outlook is based on our expectation of the Company's continued profitability and strong capitalisation over the next 12-15 months, even under our stress scenarios.

The ratings of BSL reflect the Company's good financial performance underpinned by good income diversity and efficiency levels, notwithstanding some deterioration. Also supporting BSL's ratings is the Company's comfortable risk-adjusted capitalisation level, reflected in strong capital adequacy ratios and good coverage of total assets. The Company's asset quality remains good and continues to be underpinned by a diverse investment portfolio, supported by sound risk management and asset-liability management (ALM) practices. These have contributed positively to BSL's overall good liquidity profile. These rating strengths are tempered by the Company's high reliance on institutional funding to support its business activities. Notwithstanding this concentration, which is characteristic of BSL's business model, the risk remains well managed.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the ratings and/or outlook include:

- Improving business conditions and company performance resulting in an increase in Profit after Tax (PAT) by 15% sustained for 3 financial periods
- An increase in net interest spread to at least 2% sustained for 3 financial periods
- An increase in Tangible Net Worth (TNW) by 15% sustained for 3 financial periods
- Further reduction in its funding concentration risk such that less than 40% of BSL's funding is derived from its top 10 clients sustained for 2 financial periods

Factors that could, individually or collectively, 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
- Funding withdrawals from its top 3 institutional investors

About the Company:

Bourse Securities Limited (BSL or the Company) is a privately owned company, founded in 1995 in Trinidad and Tobago (T&T). 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 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) and the stockbroking arm of the business, Bourse International Asset Management Limited (BIAM) - an international business corporation (IBC) domiciled in St. Lucia primarily focused on asset management, Windsor Investments Limited incorporated in St. Lucia in December 2018 and

CariCRIS ID: 03600000000



Caribbean Information &
Credit Rating Services Limited

Alkene Development Company of Trinidad & Tobago (ADCOTT) which focuses on project facilitation and financing for specific products derived from the petrochemical sector.

For more information on BSL's ratings, please visit www.caricris.com or contact:

Ms. Kathryn Budhooam
Senior Manager, Rating Operations, Strategic Planning
and Brand Development
Mobile: 1-868-706-6510
E-mail: kbudhooam@caricris.com

OR Mr. Keith Hamlet
Manager, Ratings
Mobile: 1-868-487-8356
E-mail: khamlet@caricris.com

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