

MEDIA RELEASE

July 7, 2021

Bourse gets 'positive outlook'

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**.

The ratings of BSL reflect the Company's good financial performance, underpinned by income diversity and efficiency levels. 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. This has also contributed to an overall strong liquidity profile. These rating strengths are tempered by the Company's concentrated funding base. The Company's prevailing business model remains aligned to institutional funding, though greater focus has been made to increase non-institutional funding sources.

CariCRIS has also assigned a **positive** outlook on the ratings. The positive outlook is based on the Company's good financial performance and its continued strong capitalisation over the past year, notwithstanding the strained macroeconomic conditions, locally and globally. The favourable outlook also reflects the considerable progress made in reducing its funding concentration risk over the past 3 years. With continued favourable outturns in these areas over the next 12 to 15 months, we would likely upgrade the Company's ratings.

Rating Sensitivity Factors

Factors that could, individually or collectively, 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%
- Management of its funding concentration risk such that less than 50% of its funding is derived from BSL's top 10 clients over the next 12-15 months

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) 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) and the stockbroking arm of the business, Bourse International Asset Management (BIAM) - an international business corporation (IBC) domiciled in St. Lucia primarily focused on asset management, Windsor Investments Limited incorporated in St. Lucia on December 27, 2018 and Alkene Development Company of Trinidad & Tobago (ADCOTT), with a focus on research and development.

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

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