

ANSWERS TO SOME OF YOUR QUESTIONS ON THE GOVERNMENT'S RESCUE OF CL FINANCIAL

This is the first in a series the Government of Trinidad and Tobago and the Central Bank have organized to provide you with ongoing information.

Additionally, we have established a hotline (623-0241 from 9:00am to 4:00pm (Monday - Friday) which you are invited to call for information. You can also email your queries to us at: info@central-bank.org.tt. you can expect a response within 12 hours.

Q. What is the status of Clico Investment Bank's (CIB) employees?

A. CIB's employees are expected to report to work on Monday morning as usual. As a priority, the Central Bank will conduct an assessment of the human resource requirements during this transition period and will advise employees accordingly.

Q. I'm a retiree with a deposit at CIB ... what happens to my money now?

A. Your deposit is safe. Under the terms of the agreement between the Government of Trinidad and Tobago and CL Financial, the Central Bank under the Central Bank Act will transfer assets and liabilities that are approved by the Central Bank to First Citizens Bank.

Q. I'm a proud CLICO policyholder ... CLICO insured my parents, now my wife and myself ... what happens to my policy now?

A. CLICO continues to be a company of which we can feel proud – its achievements are many. As the Minister of Finance Karen Nunez Tesheira indicated in her statement: "...substantial steps have been taken to protect the depositors and other liability holders of the group, especially life insurance clients and pension fund beneficiaries...I wish to reiterate this Government's commitment to ensure that depositors' assets will not be at risk."

Q. What's going to happen to my shares in Republic Bank?

A. Nothing. You continue to keep your shares. They will continue to hold their value. The shares in Republic Bank held by CL Financial are now under the control of the Central Bank and the Government. Your shares will continue to reflect the superior performance of the Bank and we expect will continue to grow in value.

Q. Is my money safe in Republic now?

A. Definitely – as safe as it has always been. The issues that have affected CIB, CLICO, CMMB and British American, have had no impact whatsoever on Republic Bank.

Q. When the first investment bank failed in the US, it was the beginning of the end ... can we expect other insurance companies and financial institutions to run into trouble?

A. Certainly not. The Governor of the Central Bank Ewart Williams stressed the strength of the Trinidad and Tobago financial system. He said that: “the banking system now boasts of an average capital adequacy level of 18 percent, compared with the recommended 8 percent. “ He made the point that the banking sector is extremely liquid- with the exception of CIB.

Q. I bank at First Citizens and I've watched them grow into a profitable bank ... will taking over CIB and CMMB affect their profitability?

A. No. The Bank will not be impaired in any way and will not suffer any loss. FCB's Chief Executive Officer Larry Howai noted at Friday's media conference that the Bank has a strong balance sheet, with management capability and a proven track record in handling transitions such as this.

Q. When will I be able to access my CIB deposit from First Citizens?

A First Citizens is working closely with the Central Bank at finalizing the administrative arrangements to ensure that the transition is seamless for you – the CIB depositor. Details will be provided to you shortly.

Q. We all know of at least one business that has failed ... why have the Central Bank and the Government made this extraordinary effort to save the CL Financial Group.

A. CL Financial is an extraordinary company with financial interests spanning several industries. The wide scope of coverage and the sheer size of the Group means that should one of the financial entities in the Group fail, this event could have implications locally and regionally. By intervening so quickly, the Central Bank and the Government have sought to place depositors' assets out of risk.

