

Mr. Arthur Lok Jack, Chairman, Guardian Holdings Limited,

Mr. Giri Jadege, Senior Manager, International Finance Corporation (Latin America and The Caribbean Basin),

Ladies and Gentlemen.

Let me first congratulate the International Finance Corporation in their historic investment of US\$75 million in Guardian Holdings Limited. This expression of international investor confidence by the private sector arm of the World Bank is a clear indication of the belief in the Trinidad and Tobago financial sector.

This injection of US\$75 million or TT\$472 million will further strengthen the capital base of Guardian Holdings Limited and will not only improve the Group's competitive strength, but more importantly, improve the risk outlook in the insurance sector by having the International Finance Corporation as a thirteen percent (13%) equity shareholder in the organization.

On the question of risk in the financial sector, this Government has sought to remove decisively the systemic and solvency risk that CLICO represented to the economy. Unlike bailout packages recently announced in Europe which have addressed and focused on liquidity concerns and have not solved solvency issues, the offer by this Government to the short-term depositors of CLICO balances the debt situation, the fiscal challenges and our commitment to protect the capital of deposit holders. Compared to Greece, where a spiraling debt to G.D.P. ratio has forced the country to seek financial support from the International Monetary Fund (I.M.F.) and the European Union's (E.U.) supranational European Financial Stabilization Mechanism (E.S.F.M.).

Similarly, Ireland has also tapped the same facilities in addition to bilateral aid from the United Kingdom, Sweden and Denmark because of a combination of an excess of deficit borrowing and the collapse of its major banks.

Additionally, European governments have embarked upon significant budget cuts and belt-tightening thereby provoking mass protest and political backlash.

It is in this context we must be reminded of the mature approach of our solution to CLICO. It has attracted much public criticism from interest groups, but remain the most fiscal and viable approach.

I expect that the Government will begin offering to those short-term policy holders of approximately fourteen thousand (14,000) who are owed TT\$75,000.00 and below before the end of the year.

In the New Year, as we continue the audit and verification process, we will begin offering payments to those who are owed in excess of TT\$75,000.00. Because of this Government solution to the CLICO issue, the traditional policy holders like life, health and pension contracts representing some 250,000 persons will now be backed by a Statutory Fund that will be in full compliance with Trinidad and Tobago's regulatory

requirements. Soon legitimate and other measures will be put in place to make bail out by the taxpayer to failed financial institutions.

I expect by the first quarter of 2011 that a recommendation will be made by the Board of Directors on the way forward for a new CLICO whether as an independent entity, offered for sale, or merged with a strong financial partner.

Since this Government has embarked upon handling the CLICO crisis, I have been meeting with several international bodies such as Goldman Sachs, Morgan Stanley and CitiGroup who are desirous in assisting in light of their growing confidence in the economy.

Concerning the development of the local financial capital market, the Government is now engaged with the International Finance Corporation in developing a pipeline of companies that will form the basis for several public offerings in 2011. It is expected that this development will provide

the catalyst and injection that is badly needed for trading activity that is at historic lows despite the abundance of liquidity in the system.

Let me end by assuring you that the Government of the Republic of Trinidad and Tobago (GORTT) is charting a unique course for development where the private sector, local and foreign companies will be critical partners. The Government will not deviate from its promise to be the catalyst for economic growth and development as we implement measures to open new economic space through our growth pole, firmly anchored around our budget and fiscal regime that is fully supportive of private sector initiatives in Trinidad and Tobago.

Congratulations to the Guardian, a major financial conglomerate in our country for continuing to reflect the confidence in our future and soliciting the support of the International Finance Corporation (I.F.C.) in their expansion plans.

Ladies and Gentlemen, I thank you!

December 1<sup>st</sup>, 2010

