



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

For immediate release

July 16th, 2022

MEDIA RELEASE

Senator Mark's Wild Accusations in *Express* Article of July 15th, 2022 Designed to Damage National Asset

The Minister of Finance notes with concern yet another assault of unsubstantiated claims from Senator Wade Mark against First Citizens Bank in the *Trinidad Express* of July 15th, 2022, and notes the coincidence of the timing of his false and misleading allegations at the exact same time as the Bank's latest Public Offering.

Out of an abundance of concern for the reputation of a valuable state asset, the Minister feels constrained to point out the following flaws in the *Express*' narrative, and Senator Mark's frenzied words.

According to the article, "the majority of Cornerstone's assets were based on shares in Barita Investments Ltd" and Senator Mark said, "one would not be able to use it as collateral to secure a loan."

Both Senator Mark and the *Express* are ignoring that in the normal course of business, banks consider all forms of collateral for loans. This could INCLUDE shares in companies listed on Stock Exchanges which could be the Trinidad Stock Exchange or any other public stock exchange. These securities are valuable, marketable and can readily be converted into cash. In most cases shares can more easily be converted into cash than trying to sell a car, property



(868) 612-9700



(868) 612-1869



comm.finance@gov.tt



www.finance.gov.tt

or machinery. Barita shares are listed on the Jamaica Stock Exchange a recognised and well-regulated regional stock exchange. Standard practice within the banking industry could require collateral in the form of shares to have a margin of up to 50% above the loan amount.

The article also asserts that “Directors and other relevant stakeholders in Cornerstone remained unknown...” However, a brief perusal of Barita Investments Limited’s latest annual report, which is available on the Jamaica Stock Exchange website, pages 16 to 27 to be precise, provides substantial information on Cornerstone that Senator Mark alleges is “unknown”.

The article then shifts from undermining Cornerstone, Barita’s majority shareholder, and begins to wage a direct attack on FCB’s profitability, despite the plethora of public evidence that supports the bank’s integrity and outstanding performance not just locally, but in the western hemisphere. It is noteworthy that the same First Citizens Bank 2021 was named Bank of the Year in Trinidad and Tobago by Latin Finance and the 2021 Bank of the Year Trinidad and Tobago by Banker Magazine.

Senator Mark, however, through the *Express*, in trying to respond to statements made by the Minister of Finance about his previous outburst, erroneously states, “FCB had earned US\$ 13.7million from the transaction but said there was no evidence of this “.... “He is talking about unrealised capital gains” “You can’t take this to a bank” “That is monopoly money.”

A business reporter, analyst or commentator worth his/her salt knows that the International Accounting Standard IFRS 9, requires financial institutions to value their assets including Shares and Bonds at current market prices. For a share listed on a stock exchange this is done based on the last traded price on the stock exchange. **Recording these changes in value is a recognised international accounting standard requirement.** In other words, using a house as an example, when applying for a loan the bank looks at the current value of the house, not the price at which it was purchased. The same method is applied to shares.

In another wild swipe at the APO, Senator Mark claims, “the present APO offered an employee share ownership plan at five percent of available shares and asked “where are the

individual employees?” “Mark said no definitions had been given in the offering for individual investors who were being offered 55 percent of shares but did not have to come from T&T. They could come from Poland, Mars...”

Senator Mark knows only too well that Employees of First Citizens are included in the “Individual investor” bucket for allocation, along with all members of the public. In accordance with the policy of promoting the widest possible participation in share ownership, this category has been allocated the **highest** percentage allocation of 55% of the offer.

In addition, the offer of shares is registered ONLY with the Trinidad and Tobago Securities Exchange Commission and HAS NOT been registered in any other jurisdiction outside of Trinidad and Tobago.

However, in the event a foreign national has:

- a) a Stock Brokerage Account in Trinidad and Tobago and
- b) they are interested and contact a Trinidad and Tobago registered Stockbroker; they are able to apply for shares and
- c) once the application satisfies the requisite requirements as stated in the Prospectus; will be allocated within the appropriate category alongside any other valid application.

The Minister hopes that these additional facts, all publicly available, will properly inform Senator Mark about Cornerstone, Barita and First Citizens Bank and that the Senator will stop trying to irresponsibly undermine a valuable national asset, for no good reason, and instead will change his approach to support an important local financial institution.

- END -

The Honourable Colm Imbert M.P.
Minister of Finance