



CENTRAL BANK OF TRINIDAD & TOBAGO

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Media Release

THE GOVERNMENT OF TRINIDAD & TOBAGO AND THE CENTRAL BANK OF TRINIDAD & TOBAGO MOVE TO PROTECT INVESTORS

In a move to protect the interests of depositors and policyholders, the Minister of Finance, Mrs. Karen Nunez-Tesheira and the Governor of the Central Bank of Trinidad and Tobago today announced that the Government has reached an agreement with the CL Financial Limited Group for the provision of a package of financial support for the group's financial services companies.

The objectives of the agreement between the Government and CL Financial are as follows:

1. To stem the increasingly serious liquidity pressures being faced by the financial services companies within the Group – i.e. CLICO Insurance Company Limited (CLICO), CLICO Investment Bank (CIB), British American Insurance Company Limited (BAICO) and Caribbean Money market Brokers Limited (CMMB);
2. To maintain public confidence in these institutions which constitute a significant part of the country’s financial services industry, and
3. To ensure the continuing stability and integrity of the financial system.

The key elements of the agreement between the Government and CL Financial are as follows:

1. The Central Bank will assume control of CIB under the provisions of Section 44D of the Central Bank Act.
2. The third party liabilities and assets (to meet these liabilities) of CIB will be transferred to First Citizens Bank Limited.
3. CL Financial will sell, liquidate or collateralize its assets and allocate the proceeds to meeting in full all the requirements of

the Statutory Fund for both CLICO and BAICO, thereby protecting in full all its insurance and pension fund clients.

4. The Government will provide funding support to fully back CLICO and BAICO to meet any Statutory Fund deficits that might emerge after the company has made all possible arrangements to place satisfactory levels of cash and other assets into the Statutory Fund in order to ensure the short as well as medium and long term liquidity and stability of CLICO.
5. Specifically, CL Financial will divest itself of all of its 55% holding of Republic Bank Limited and shares in Methanol Holdings Trinidad Limited (MHTL). The Government of Trinidad and Tobago through institutions such as the NIB and First Citizens Bank Limited will gain control of the Republic Bank shares, while the Government will gain control of the MHTL shares.

The Agreement calls for Government's shareholding in Clico, its participation in the Board of Directors and in the Management of the company and a change in the current business model. Ultimately, once CLICO has returned to stability, it will be listed as a public company on the Trinidad and Tobago Stock Exchange.

The Government has taken these steps to assure the investing public in Trinidad and Tobago, including depositors and policy holders of the affected companies of the safety of their investments and the requirements for stability and order in the market place.

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