

STATEMENT BY PRIME MINISTER OF ANTIGUA AND BARBUDA
THE HONOURABLE BALDWIN SPENCER
on
The Eastern Caribbean Central Bank Assuming Control of the ABI Bank
Issued Friday 22nd July 2011

Fellow citizens and residents of Antigua and Barbuda.

The ABI Bank, as we know, is one of Antigua and Barbuda's indigenous banks and is duly licensed to conduct banking business in Antigua and Barbuda under the Banking Act No. 14 of 2005 of the laws of Antigua and Barbuda. The bank has served the citizens and residents of Antigua and Barbuda for over twenty-one years starting on 1 March 1990 and has done so very well.

In recent times, however, the ABI Bank has been experiencing difficulties in carrying out its normal functions due to an inadequacy of liquid assets and the capacity to manage the institution at this juncture.

The Government of Antigua and Barbuda, the Monetary Council and the Central Bank have been closely monitoring the situation. Accordingly, after careful consultation with the Board of Directors of ABI Bank and the banking community in the Currency Union, it was agreed that in order to ensure the continuity of banking operations, that the ECCB should assume control.

In taking this decision, consideration was given to the continuing impact of the global recession on the economies of the ECCU and in particular Antigua and Barbuda; the fallout from the CLICO/BAICO issue; the Bank of Antigua rescue; and the top priority which is given to financial stability in the Currency Union.

With the assumption of control, the affairs of the bank will be carried out by Central Bank staff, with the support of a dedicated group of bank specialists and the current staff of ABI Bank, who together would give their undivided attention to ensure the continuity of normal banking operations.

The Government of Antigua and Barbuda and the Central Bank continue to work together very closely to ensure that all steps are taken to protect the interest of depositors and creditors of the ABI Bank. As demonstrated in the successful intervention in the Bank of Antigua, with your patience, your faith and your support we can resolve these issues. I therefore appeal to all depositors and creditors to bear with us while we sort out the problems with which the ABI Bank is now faced.

Let me assure you that the Government of Antigua and Barbuda is fully committed to preserve the safety and soundness of the banking system in Antigua and Barbuda and

we are confident that the collective actions taken by the Government and the Central Bank will serve to maintain your confidence in the bank and the financial sector as a whole.

The Government of Antigua and Barbuda pledges its full support to the Central Bank in its efforts to resolve the challenges facing ABI Bank. The Government's commitment to financial sector stability is resolute and firm.

As Prime Minister, I consulted with the Leader of the Opposition, the Hon. Lester Bird and Chairman of the Antigua Labour Party the Hon. Gaston Browne on this development and have received broad support for the intervention in returning normalcy and stability at ABI Bank and in the banking system generally.

I appeal to the citizens and residents of Antigua and Barbuda for your continued support and trust at this time.