

STATEMENT BY THE CHAIRMAN OF THE MONETARY COUNCIL MINISTERIAL
SUB-COMMITTEE ON BANKING, DR THE HONOURABLE DENZIL DOUGLAS

On

The Eastern Caribbean Central Bank Assuming Control of the ABI Bank

Issued 23 July 2011

Citizens of Antigua and Barbuda, people of the Eastern Caribbean Currency Union, as Chairman of the Ministerial Subcommittee of the Monetary Council on Banking, I wish to inform you that we have been closely monitoring the challenges that the ABI Bank has been facing in carrying out its functions and the danger this could pose to the banking system of Antigua and Barbuda and the entire Currency Union.

The Eastern Caribbean Central Bank (ECCB), after due consultation with the Monetary Council has been directed by the Council to exercise the powers conferred on it by Part IIA, Article 5B of the ECCB Agreement Act 1983 and has assumed control of the ABI Bank effective 22 July 2011.

This decision was taken after extensive discussions with the Government of Antigua and Barbuda and after having considered the following:

- The on-going effects of the global recession;
- The fallout from the CLICO/BAICO issue;
- The successful rescue of the Bank of Antigua; and
- The critical importance of financial stability in the Currency Union.

We face some very serious challenges at this time and the Monetary Council has established several institutional arrangements to address these issues in the financial system.

It is for this reason that a Sub-Committee on Banking was set up, given the critical importance of the banking sector in the commercial and economic life of our countries.

We have been able to focus our attention on this sector by using international best practices of stress testing and asset valuation to gain a comprehensive understanding of the risks and vulnerabilities of this sector. It is through these methodologies that we have been able to detect the situation at the ABI Bank and have decided to act to resolve the matter.

We appeal to all persons who do business with the ABI Bank to have patience and understanding as we go about the task of applying the necessary remedies to this case. Let me reassure you that the preservation of the indigenous banking sector in Antigua and Barbuda and by extension, the Currency Union, is one of our highest priorities.

We are confident that the collective action taken by the Government of Antigua and Barbuda, the Monetary Council, and the Central Bank will serve to successfully resolve the situation at the ABI Bank and hasten its return to normalcy.