

**STATEMENT BY THE GOVERNOR OF THE EASTERN CARIBBEAN  
CENTRAL BANK**

**RE: ABI BANK INTERVENTION**

**22 JULY 2011**

The Eastern Caribbean Central Bank (ECCB), after due consultation with the Monetary Council has been directed 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.

Close monitoring of the bank has revealed difficulties in carrying out its normal functions due to an inadequacy of liquid assets and an inability to meet the statutory reserve requirement.

After consultation with the Government of Antigua and Barbuda, the Board of Directors of ABI Bank and the banking community in the Currency Union, the ECCB recommended to the Monetary Council that in order to restore the Bank to normalcy as quickly as possible, the ECCB should assume control.

The Monetary Council, after extensive deliberations, acted decisively by approving the recommendation which has been implemented as of today 22 July 2011.

In taking the decision, the Monetary Council took into consideration, the following:

- The continuing impact of the global recession
- The CLICO/BAICO issue
- The rescue of the Bank of Antigua, and

- The top priority assigned 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, current ABI Bank staff, with the support of a dedicated group of bank specialists who together would give their undivided attention to the restoration of normality at the ABI Bank.

We ask all depositors and creditors to bear with us while we address the problems with which the ABI bank is now faced.

The role of the ECCB under the powers granted to the Central Bank is to protect depositors and creditors. Let me remind you that through our intervention of the Bank of Antigua no persons lost their deposits and the institution which replaced it is now functioning normally.

On that occasion, I pointed out that banks are not warehouses where your money is permanently stored. The money needs to be lent out so that the bank can earn a sufficient return to pay interest to the depositors, compensate staff and earn a profit.

If demands for money are made by everyone at the same time it will be impossible to meet them all.

We therefore once again crave your indulgence and patience so that in an atmosphere of calm and objectivity we can apply ourselves to the successful resolution of this problem.

Normal banking operations will continue at the various branches of the bank and no disruption of activities is contemplated.

We will therefore proceed to carry out our functions with the utmost professionalism which is expected of us and with the confidence of the public in our ability to do so.

22 July 2011