

**STATEMENT BY THE CHAIRMAN OF THE ECCB MONETARY COUNCIL
HONOURABLE REUBEN T MEADE, COUNCIL MEMBER FOR MONTSERRAT**
on
The Eastern Caribbean Central Bank Assuming Control of the ABI Bank
Issued 23 July 2011

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.

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

1. The continuing impact of the global recession;
2. The CLICO/BAICO issue;
3. The rescue of the Bank of Antigua; and
4. The top priority assigned to financial stability in the Currency Union.

Accordingly, effective Friday 22 July 2011, the Central Bank is responsible for carrying on the affairs of the institution until further notice.

The Monetary Council has been monitoring the economic and financial situation in the Currency Union with increased emphasis on financial stability since the onset of the global crisis. The ECCU Eight Point Stabilisation and Growth Programme has been the instrument which we have crafted to address this challenge. Points 6, 7 and 8 are policy instruments which have been created to deal with financial stability. Under Point 6 we have recently established a Resolution Trust Corporation to address issues such as

this one. However, the critical factor in cases of this kind is the capacity of all of the various players to work closely together to secure a successful resolution.

In this regard, we would like to encourage the financial and commercial communities in Antigua and Barbuda to support the efforts of the government and the Central Bank to restore a sense of normality to the ABI Bank.

The Central Bank in accordance with the powers conferred on it, will take all the steps within its competence to protect the interests of depositors and creditors of the ABI Bank. We have established a track record in matters of this kind by our successful resolution of the Bank of Antigua. In that case no depositors were deprived of their finances and the successor organisation is functioning normally.

We therefore appeal to all depositors and creditors to be patient while we attend with urgency to this matter.

On behalf of the Monetary Council I take this opportunity to reiterate the very strong commitment of the Council to the maintenance of financial stability in the ECCU and in particular, to ensuring that the banking system operates in a safe and sound manner. The interests of the people of Antigua and Barbuda and the entire ECCU are our primary concern and we will take the necessary steps to protect their interests.

22 July 2011