

**STATEMENT BY THE CHAIRMAN OF THE MONETARY COUNCIL
MINISTERIAL SUB-COMMITTEE ON BANKING
DR THE HONOURABLE KENNY D ANTHONY**

on

The Eastern Caribbean Central Bank Assuming Control of the
Caribbean Commercial Bank (Anguilla) Ltd and the National Bank of Anguilla Ltd
Issued 12 August 2013

Good evening citizens and residents of Anguilla.

As Chairman of the Monetary Council's Ministerial Sub-committee on Banking, I wish to inform you that we have been closely monitoring the challenges being faced by the Caribbean Commercial Bank (Anguilla) Ltd (CCB) and the National Bank of Anguilla Ltd (NBA).

In response to the global crisis which has had a severe impact on the economies of the Eastern Caribbean Currency Union (ECCU) and a knock on effect on our banks, the Monetary Council made innovative institutional arrangements to address the challenges being faced in the banking and insurance sectors. The role of the Banking Sub-committee has been the oversight of the stability, safety and soundness of the banking system.

The Banking Sub-committee reviewed the diagnostics prepared by the Task Force on the ECCU Financial System chaired by the ECCB with the International Monetary Fund (IMF), The World Bank, the Caribbean Development Bank (CDB) and ECCU government representatives as members. This confirmed the deteriorating condition of these two banks which was evident from onsite and offsite examinations conducted by the ECCB.

The Sub-committee was apprised of the fact that large institutional investors, groups of shareholders of the banks, individual directors and sections of the public had been expressing concern about the operations of the banks. The Sub-committee requested the ECCB to broaden the range of discussions to involve not only the Government of Anguilla but the Foreign and Commonwealth Office of the British Government, the UK Department for International Development (DFID), the IMF and The World Bank.

After reviewing the most recent offsite and onsite inspections by the ECCB the Sub-committee took the decision to recommend to the Monetary Council the invocation of Part IIA Article 5B of the ECCB Agreement Act 1983.

The deployment of an experienced group of professionals from the ECCB, the IMF and The World Bank gives the Sub-committee every confidence that the task will be completed successfully. However an important role must be played by the people of Anguilla who must continue to carry out their normal transactions so as not to jeopardise this operation.

The British Government has also signalled its full support for this operation to fulfil the need for a stable banking system in Anguilla and the rest of the Currency Union. They have given tangible support to this initiative through their support of the Task Force and financial assistance through The World Bank.

It is important that the Government of Anguilla, in the spirit of cooperation and on behalf of the people of Anguilla, moves in a timely manner to become a full member of the OECS Economic Union in order to complement its membership in the Currency Union.

The Sub-committee wishes to thank all parties in this endeavour. In particular, I thank you, the people of Anguilla, for listening to me this evening. I urge that you continue to conduct your banking business with your usual calmness and confidence to help us bring this exercise to a successful conclusion.