



CENTRAL BANK
of BELIZE

PRESS RELEASE
FOR IMMEDIATE RELEASE
Central Bank Update on Choice Bank Limited

Belize City, 17 July 2018: The Central Bank of Belize wishes to advise that pursuant to Sections 25 & 27 of the International Banking Act Chapter 267, Revised Edition 2011 of the Substantive Laws of Belize, a bank's licence is revoked by the Minister of Finance on the recommendation from the Central Bank. The Prime Minister who currently holds the post of Minister of Finance has been involved from the onset and continues to be apprised of the situation with Choice Bank Limited.

The Central Bank placed Choice Bank Limited under enhanced supervision in January 2018, after an on-site examination raised concerns over the Choice Bank Limited's governance and operations. The Central Bank implemented time bound corrective actions but Choice Bank Limited remained noncompliant in a number of instances. Choice Bank Limited's prepaid card processor also reported that Choice Bank Limited had failed to properly address AML/CFT compliance issues that dated back more than three years. This resulted in the prepaid card processor's suspension on 02 April 2018 (and eventual termination) of services that supported Choice Bank Limited's prepaid card business. The management of Choice Bank Limited then claimed that this caused a run on the prepaid card balances of the bank and they reacted by suspending customer withdrawal of deposits on 09 April 2018.

Even after the issuance of two sets of preventative measures by the Minister of Finance in May 2018 and June 2018, both of which were aimed at preserving the assets of Choice Bank Limited and safeguarding the interests of its customers and depositors, the Central Bank was dissatisfied with the level of compliance.

When Choice Bank Limited failed to comply with the preventative measures, the Central Bank conducted an unannounced special on-site examination, which commenced on 25 June 2018. The results of the examination confirmed that Choice Bank Limited was not acting in the best interest of depositors and customers and Choice Bank Limited's international banking license was revoked on 29 June 2018.

With the revocation of Choice Bank Limited's international banking licence, the Central Bank appointed a qualified liquidator in accordance with the laws of Belize. The current liquidator, Mr. Cedric Flowers and his team have as a fundamental objective the marshalling of the bank's assets and customers' claims in order to develop a schedule of payments in accordance with the law.

The matter is ongoing and sensitive. As the Central Bank continues with the implementation of actions in accordance with the laws of Belize, former clients of Choice Bank Limited are asked to follow instructions issued by the liquidator. The liquidator will oversee all Choice Bank Limited affairs moving forward and any concerns should be directed to cblliquidator@gmail.com.

The Central Bank of Belize's primary mandate is to promote monetary and financial systems' stability. The framework for achieving this is embedded in the Substantive Laws of Belize. The prudential approach to supervision of the financial system consists of regular on-site examinations as well as consistent off-site surveillance through information and report gathering from those institutions which fall under the Bank's supervisory framework. The actions of the Central Bank, before and during the liquidation process of the said international bank have been in accordance with these laws.

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