

May 4, 2006

Press Briefing on the Conclusion of the Acquisition of Assets and Assumption of Liabilities of AllStates Trust Bank, Plc (in-liquidation)

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This is to update the Nigerian public on the recent developments in respect of the winding up of the banks whose licenses were revoked on January 16, 2006. As you may be aware, NDIC has obtained court order to liquidate four banks (AllStates; Lead; Assurance; and Trade banks) with provisional orders for Afex and Fortune Banks. A group of eight banks (which call themselves the Alliance Bank group) has gone to court to challenge the revocation of their license (although one of them--- Afex Bank --- has dissociated itself from the lawsuit. NDIC/CBN Liquidation Task Force has completed actions and negotiations on the AllStates Trust Bank.

Under the Purchase and Assumption model of liquidation (intended to fast track the process) bids were invited for Allstates Trust Bank after the preliminary verification of the state of affairs of the bank. Five banks submitted bids and upon analysis, Ecobank's bid emerged as the best (with Afribank as second and reserve bidder).

Consequently, we wish to announce that Ecobank Plc has won the bid, and will assume the private sector deposit liabilities of AllStates Trust Bank, plc (in-liquidation).

The following lines of actions have been approved:

1. Ecobank to start immediately to reconcile the deposit register prepared by NDIC with mandate documents; commence depositor verification, and conversion of AllStates Trust Bank depositors into Ecobank depositors by issuing new cheque books and Passbooks as necessary so that the depositors can resume their normal banking activities.
2. Ecobank has undertaken that it has the manpower, branch network, relevant payment resources, knowledge of local market and commercial bank experience to serve the depositors in all the 65 branches.
3. Ecobank has assured us that depositors can go to the various branches of AllStates Trust Bank where they had accounts for verification and issuance of new cheque books/passbooks as from May 11, 2006.

Conclusion:

Despite the observed three weeks 'delay' beyond the 90 days (from January 16, 2006), the current exercise is definitely the fastest depositors' resolution in any failed bank anywhere that we know. With the progress in the case of AllStates Trust Bank, the others that are not involved in litigation will follow very soon. The depositors should please bear with us.

The CBN will soon begin to advertise/publicise the real facts as well as names of all the Directors and Management Staff of each of the failed banks that are now in court. Nigerians have recently been inundated with media campaigns and frivolous litigations designed to delay the payment of depositors and use blackmail to hide the facts. We will soon begin to publish the facts so that Nigerians will know how these banks were run and who the Directors and Management Staff that ran the banks down were.