



CENTRAL BANK OF NIGERIA

PRESS RELEASE

Banks' Recapitalisation - Shareholders To Take The Final Decision

The Central Bank of Nigeria (CBN) on Thursday, July 15, 2010 held a stakeholders meeting with the Board of Directors, Management and Shareholders of the CBN intervened banks. The meeting, which was chaired by the CBN Governor, Mallam Sanusi Lamido Sanusi was the second in the series of dialogue initiated by the Bank with the stakeholders to engender effective collaboration on the issue of recapitalising the affected banks.

The Governor reassured stakeholders that having secured the depositors' fund with the reform and other measures instituted within the last few months, the focus now is to salvage some value for the shareholders. Mallam Sanusi noted that liquidation and nationalisation are not desired options, stating that he is convinced that fresh injection of capital through strategic partnership remains the best approach to quickly get these banks to safe haven.

The CBN Governor allayed the fears of stakeholders, making it very clear that the CBN would not sell the banks as it is not the business of CBN to do that. The CBN, according to him, only recommended some reputable financial advisers, who, are working with the board and management of these banks to source, and negotiate with any of such investors that can create some value for the affected banks. He emphasized that the process of repackaging the banks is being driven by the boards of the affected banks, some of which have held discussions with the strategic partners without direct involvement of the CBN.

The stakeholders commended the CBN for reaching out to the shareholders and urged that the two options of liquidation and nationalization should not be considered by the CBN. On the issue of on-going litigations against the CBN, it was noted that a few individuals took the action without the consent of the seven zonal shareholders associations and that these few individuals who went to court only did so for personal reasons, adding that such individuals do not represent the opinion of the shareholders.

Stakeholders recommended that the CBN should go for the option that protects both the depositors and the shareholders and promised to consult with other shareholders to withdraw all court cases. They also advised that the new management put in place by the CBN should be communicating with the shareholders regularly.

The Governor reassured the stakeholders that the shareholders would definitely play an important role in the recapitalisation exercise and that the process of giving value to their shares is already assured with the coming on board very soon of the Assets Management

Corporation Of Nigeria, (AMCON). However, he cautioned that should the on-going process to recapitalize the affected banks be frustrated, the CBN would have no other option than to go for liquidation as provided by the existing legal framework.

In conclusion, the Governor reiterated that the CBN will not usurp the rights of shareholders and that the shareholders should be rest-assured that the final decision on the recapitalization of the banks rests with them.

Signed:

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HEAD, CORPORATE COMMUNICATIONS

JULY 15, 2010