



CENTRAL BANK OF NIGERIA

PRESS STATEMENT

RE-COURT DISMISSES CBN'S SUIT

The Central Bank of Nigeria, (CBN) wishes to correct the misrepresentation that appeared in a section of the print media on the 16th and 17th June, 2011 with the above caption. The various reports which were all identical in content and style created the impression that the ruling was just delivered a few days ago, whereas it actually took place on Friday, 15th April, 2011 and since then there had been further development in favour of the CBN stance on similar suits.

To set the records straight, Hon Justice Tsoho sitting at the Federal High Court, Lagos on 15th April, 2011 had dismissed the Preliminary Objection canvassed by the CBN challenging the jurisdiction of the Court to entertain the suit, No FH/L/CS/1286/09 instituted by the alleged shareholders of Afribank Plc.

The suit instituted by the shareholders was essentially to set aside the CBN decision of 14th August, 2009 which among others removed the Managing Director/Chief Executive Officer as well as the Executive Directors of Afribank Plc. The shareholders also sought to restrain the CBN and CAC from giving effect to any resolution of the current Board of Directors of the bank as constituted.

In response to the 15th April ruling, the CBN immediately filed a Notice of Appeal at the Court of Appeal, Lagos against same. The Bank further filed a motion for stay of proceedings at the lower Court pending the determination of the appeal.

The application for stay of proceeding came up for hearing at the lower Court on 9th June, 2011, but this could not be heard due to the Court's impending vacation. The matter was subsequently adjourned to 26th September, 2011 for hearing of the CBN's application for stay of proceedings. For the avoidance of doubt, NO ruling has subsequently been given on the case.

It is obvious that, reporting a court ruling that took place in April 2011, in June 2011, is a deliberate attempt to mislead the public especially in the context of the recent High Court rulings in favour of the CBN in two similar cases on Bank PHB and Intercontinental Bank which will no doubt pave the way for their smooth recapitalization.

The general public and indeed all stakeholders should therefore be properly guided by the facts of the case on the ground.

(Signed)

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