



CENTRAL BANK OF NIGERIA

PRESS RELEASE

CECILIA IBRU JAILED, FORFEITS ASSETS...CBN VINDICATED

A Nigerian High Court presided over by Justice Dan Abutu in Lagos on Friday 8th, October 2010 found Mrs. Cecilia Ibru, the former Managing Director of Oceanic Bank Plc guilty on a three counts charge of giving loans beyond her credit limits, giving wrong accounts and giving out loans of ₦20bn without due process and subsequently jailed her for 18 months. Mrs Ibru has also voluntarily forfeited assets worth ₦191.4bn.

This judgment is a vindication of the report of the CBN/NDIC examiners that found serious infractions against her which led to her removal as the Managing Director of the bank by the Governor, Central Bank of Nigeria, Mallam Sanusi Lamido Sanusi, on August 14, 2009.

It will be recalled that the actions of the CBN in removing the Managing Directors of the eight affected banks had drawn criticisms and allegations of regional, religious and even personal agenda all aimed at eroding the integrity of the banking reforms. This decision by a Court of competent jurisdiction, and the magnitude of the recovery made has put a lie to all those claims.

The assets forfeited by Mrs. Ibru, include 94 choice properties around the world (USA, Dubai and Nigeria) and shares in 100 Companies, 80 of which are listed on the Nigeria Stock Exchange, while 20 of them are non-listed, all valued at the sum of ₦191.4bn. However, CBN will undertake a valuation of the assets especially foreign properties being aware that values crash during recession.

Prior to the Court order by Justice Dan Abutu, Mrs Ibru admitted to all the allegations against her but by the provisions of the settlement agreement entered into by the two parties, she pleaded guilty to 3 of the 27 charges against her. She is expected to spend 6 months behind bars as the sentences on the 3 count charges run concurrently.

According to the order of the Court, the assets are forfeited to Assets Management Corporation of Nigeria (AMCON) which was set up to assist the recapitalization of

the CBN intervened Banks. With this, it is clear that Oceanic Bank will soon be in the position to return to the CBN the ₦100bn injected into the bank and also get adequately recapitalized and thus survive the banking crisis. This is expected to be the trend with the other banks in similar situation like Oceanic bank.

It is worth noting that this development is unprecedented in the history of banking in Nigeria. Infact, according to Dr. K. Ajayi (SAN), "in the history of criminal Justice Administration in Nigeria, nothing like this has been recorded since amalgamation in 1914".

(Signed)

M. M. Abdullahi

Head Corporate Communications

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