

## **NDIC'S 2006 DEPOSITORS' PROTECTION AWARENESS WEEK**

### GOOD NEWS TO DEPOSITORS FROM NDIC

The Nigeria Deposit Insurance Corporation (NDIC) is dedicating 20<sup>th</sup> – 24<sup>th</sup> November 2006 to mark its Second Depositors' Protection Awareness Week. To this end, the Corporation has lined up a number of activities which include a Press Conference; a Novelty Match; a Public Lecture; and Book Presentation.

The NDIC wishes to once again inform all depositors of banks in liquidation (other than the depositors of the 14 banks closed in 2006) who have not yet come forward for their claims to go to the agent banks nearest to them and collect their deposits. Names of agent banks and other details are available in NDIC offices in Abuja, Lagos, Kano, Benin and Enugu.

The Corporation also wishes to use this opportunity to correct the wrong impression that it pays 50,000.00 only to every depositor irrespective of his/her deposit in a closed bank. In addition to the proposal of upward review of the insured amount from N50,000.00 to N200,000.00 that has received the blessing of the National Assembly, the Corporation has declared 100% dividend in favour of depositors of 11 of the 34 closed banks. In other words, depositors in the 11 banks have got all their money back. The banks are:

1. ABC Merchant Bank Limited;
2. Alpha Merchant Bank Plc;
3. Amicable Bank of Nigeria Limited;
4. Continental Merchant Bank Plc;
5. ICON Limited (Merchant Bankers);
6. Kapital Merchant Bank Limited;
7. Nigeria Merchant Bank Limited;
8. Pan African Bank Limited;
9. Premier Commercial Bank Limited;
10. Rims Merchant Bank Limited;
11. Merchant Bank of Africa Limited; and

Furthermore, shareholders and general creditors of some banks had also been paid liquidation dividends. They are the shareholders of:

- a. Nigeria Merchant Bank Limited;
- b. Pan African Limited;
- c. Alpha Merchant Bank Plc; and
- d. Amicable Bank Plc.

It would be recalled that the operating licenses of fourteen (14) banks that had negative shareholders' funds and could not find merger partners/acquirers were revoked by the Central Bank of Nigeria (CBN) on January 16, 2006. Of the 14 banks, the Corporation had obtained court orders to serve as Liquidator for the following eight banks:

1. Allstates Trust Bank;
2. Lead Bank;
3. Trade Bank;
4. Assurance Bank;
5. City Express Bank;
6. Metropolitan Bank;
7. Hallmark Bank; and
8. African Express Bank.

The Corporation had also obtained court orders to serve as provisional liquidator for the following banks:

1. Fortune International Bank;
2. Gulf Bank; and
3. Eagle Bank.

The owners of the remaining 3 closed banks are currently challenging the revocation of their licenses in court, thereby frustrating the process of paying the affected depositors by the Corporation. The banks are:

1. SGBN;
2. Liberty Bank; and
3. Triumph Bank.

In view of the failure resolution option being adopted [i.e, Purchase and Assumption (P&A)], the deposits of all private depositors of the defunct

Allstate Trust Bank Plc had been fully transferred to Ecobank Plc that assumed the deposit liabilities and acquired some of the closed bank's assets. Also, the deposits of all private depositors of the defunct Lead and Assurance banks had been fully transferred to Afribank Nigeria Plc that assumed the deposit liabilities and acquired some of the assets of the 2 closed banks. The private depositors of the affected banks would have access to their deposits in full and would enjoy continuity of banking services. For the other five (5) banks - Trade, City Express, Metropolitan, City Express and Assurance – their P & A transaction process had commenced.

NDIC continues to work diligently to protect the interest of depositors.