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THE PRESIDENT AND COMMANDER IN CHIEF
FEDERAL REPUBLIC OF NIGERIA
Aso Rock Villa,
Abuja

Your Excellency Sir,

FRAUDULENT TAKE-OVER OF INTERCONTINENTAL BANK PLC BY DR. BUKOLA SARAKI; MALAM LAMIDO SANUSI & MAHMOUD LAIALABI AND FRAUDULENT WRITE OFF OF N40BILLION LOANS

1. About four and a half years ago, Dr Bukola Saraki requested that we merge his bank Societe Generale with Intercontinental Bank (IB) Plc. We conducted a due diligence exercise and noticed =N=30bn negative capital – so the board of IB Plc turned it down. Dr. Saraki was very unhappy.
2. When time came for the renewal of Gov. Soludo's appointment as CBN Gov. Dr. Saraki blocked it with late President Yar'Adua and brought him Lamido Sanusi. Being my customer, Dr Saraki confirmed this personally to me.
3. Lamido Sanusi was appointed CBN Gov on 4th June 2009, and on the 18th June, – after just two weeks in office - he sent CBN examiners to five banks including IB Plc. This was quite unusual, as the CBN had just completed a comprehensive examination of IB Plc as part of normal protocol. The result of this was very good.
4. The new examination ordered by Sanusi finished in mid-July, and we were expecting their report. Suddenly, the examiners returned claiming that several accounts, which they had verified and agreed with us as "performing", were now re-classified "non-performing".

5. Despite these manipulations, IB Plc's ratios were alright. Unusually, the CBN examiners returned on four separate visits to re-classify even more accounts as "non-performing". These even included what we regarded as our best accounts.
6. This prompted me to ask some of the examiners what was really going on. They confided that the new Governor was bent on removing certain bank CEOs, and wanted to show that IB Plc was too exposed to bad loans. They said he formed a team in CBN reporting to him directly. Each completed examination report was turned down if it was not damning enough and they were ordered to go back until they achieved certain ratios.
7. One of the examiners showed me a report on IB Plc, which was favourable. This had been rejected by the CBN Governor, as it did not justify or warrant my removal.
8. Quite disturbed by this development, I decided to speak to Dr. Bukola Saraki, since he recommended Mallam Lamido Sanusi's appointment. He told me that the CBN Governor was unhappy with myself and Mrs. Ibru (of Oceanic Bank) because according to him, we had contributed ₦6bn to the Senate to block Lamido Sanusi's confirmation as CBN Governor. I refuted this allegation telling Dr. Saraki that my religion would never allow me to do such a thing, as no human can undo what God has ordered in Heaven.
9. I immediately booked an appointment to see Lamido Sanusi in the CBN and questioned him regarding the ₦6bn Senate bribery allegation. He said he had put that behind him, as "not all king makers in council will support the choice of a new Emir". I once again re-iterated my innocence, based on my religion, that the God I serve will never permit me to try to block someone else's good fortune.
10. Later, I mentioned to Alhaji Aliko Dangote the strange repeated CBN examinations and the allegation by Lamido Sanusi. He promised to speak to him and ask him about the matter.
11. Surprisingly, Alhaji Dangote returned to say Lamido Sanusi revealed that he was told of the alleged bribe by Dr. Saraki, and that I even lobbied him i.e Dr. Saraki to be the CBN Governor.
12. Apparently, it was Dr. Bukola Saraki inciting Sanusi against me, as a way of removing me and taking over IB Plc.

13. It has now become evident that both Dr. Saraki & Mallam Sanusi used the opportunity of the worldwide financial crisis of 2008-2009 to jump into certain banking institutions and take them over. The crisis had been acknowledged and was being well-managed by Professor Chukwuma Soludo, the former CBN Governor. The ENTIRE industry was affected, as others worldwide. The Nigerian economy was hit by four economic catastrophes namely:

- a) The oil price drop from \$147 per barrel to \$30. All oil importers refused to sell in a hurry at this new low price, so banks had to give them time for the price to improve.
- b) The worldwide stock market collapsed and this led all foreign investors in the Nigerian stock exchange to hurriedly sell their shares. This further depreciated the Nigerian stock exchange index, also having an adverse effect on the banking industry.
- c) The CBN, in response to crashing oil price, devalued the Naira by 40%. This meant importers with unsettled bills had to source more Naira to buy Dollar, and thus, put a strain on bank customers and the loan portfolio of the banks.
- d) The sudden devaluation of the Naira by 40% caused a panic among overseas banks that had dollar placements with Nigerian banks. They immediately gave notice and withdrew their funds. IB Plc lost \$1.2bn in this way.

Rather than the new CBN Governor to perform the role of 'lender of last resort', he used the crisis to take over banks for his mentor. All these banks had prominent Nigerians waiting to buy them at "knock-down" or "give-away" prices. However, the noise from the media has altered the equation.

14. On the 14th of August 2009, without any discussion, Mallam Sanusi issued me a letter of removal as CEO of IB Plc. He also removed all executive directors of the bank with armed police men.
15. The letter said that based on the examination he ordered on the 18th June 2009, it is in the public interest for the CBN to intervene by taking over the bank.
16. Till today, no report of the examination has been made available to me, the management, or the Board of the bank. We had no opportunity to

learn how the CBN came to its decision, nor were given an opportunity to respond to the examination report, as is the usual process.

17. My removal by Mallam Sanusi was done in flagrant disregard of the legal provisions regarding the removal of bank directors (i.e. Section 35 of the Banks and Other Financial Institutions Act, Cap. B4 Laws of the Federation, 2004) as there was no lawful special examination ordered into the affairs of Intercontinental Bank Plc, as required by Law. Since no order for special examination of the bank's affairs was signed by Mallam Sanusi, as required of him by the law of this Country, his order for my removal is, improper and unlawful.
18. The follow-up of CBN examination of May 2010, now says there is a =N= 95bn loan over-provision, which means IB Plc was deliberately marked-down previously.
19. Two lorry loads of police were sent to IB Plc to remove me. It was like a bad movie, a big surprise that a person can be driven away from a business he had started and nurtured for over 21 years in one hour. And without any opportunity to contest it.
20. I was surprised that the next morning (Saturday), all the papers carried personal interviews with Mallam Sanusi, in which he accused all the CEOs of various misdeeds. This showed that it was pre-planned and well-rehearsed.
21. On the evening of 19th August, I received a call that Mallam Sanusi, under the powers that the late President had delegated to him, had ordered the EFCC, the Police and the SSS to arrest me. I also learned that two lorry loads of personnel were en route. I hurriedly left the house, though I could not believe that all this had transpired in the last 72 hours.
22. I then recalled a professional disagreement with Mallam Sanusi while he was CEO of First Bank. Back then, I had discovered that his staff members were de-marketing IB Plc and I wrote to him concerning this.
23. My immediate conclusion was that Dr. Saraki and Mallam Sanusi wanted to take-over IB Plc by fraudulent means, and that if I went into their custody, it could result in my death, in order to silence any opposition to their plans.
24. Mr. Mahmoud Lai Alabi was appointed by the CBN as the new CEO of IB Plc. Mr. Alabi is an employee of Dr. Saraki as chairman of Songa Farms and several development funds in the state. On resuming, his first task was to

write off Dr. Saraki's loans to the tune of =N= 8.115bn. He also wrote off loans totalling =N= 32bn to friends of Dr. Saraki and Mallam Sanusi. All this, in a bank that they were meant to be rescuing.

All these written-off loans had been classified as "good" and "performing" by the CBN examiners, and had been secured with properties in Ikoyi (Lagos) Victoria Island (Lagos) and Abuja. The CBN examination report of May 2010 complained about this massive loan or "cash gift" to Dr. Saraki. The examiners also wondered why the property title documents were returned to Dr. Saraki.

Next, he recruited former Societe Generale staff as Executive Directors and loan managers (for example, Mr. Gbenga Alade). Mr. Alabi proceeded to sack the entire senior management of IB Plc and replaced them with former Societe Generale staff. It is clear, from these actions, that I was removed to smooth the take-over of IB Plc for Dr. Saraki.

25. As at the time the shareholders appointed management was ousted by Mallam Lamido Sanusi. IB Plc was not owing CBN one kobo on the discount window. Also IB Plc had Inter-Bank takings of =N=73 Billion. However, as at today under the CBN appointed management, IB Plc is now owing the CBN =N=100 Billion and owing other Banks =N=300Billion, making a total deficit of =N=400 Billion after the purported intervention by the CBN.

26. It is rather curious that:

- a) All the banks are yet to receive any examination report from the CBN to show areas of deficiencies.
- b) The CEO and entire senior management were removed without the Board or shareholders being informed.
- c) Without any criminal charges or reports, the CEOs were arrested and locked up - to prevent them from speaking to the media.
- d) It was after locking them up that the EFCC started searching for possible offences (in my case, it took 4 months of searching for any offence to pin on me).

- e) Mr. Alabi, the new CEO of Intercontinental Bank Plc, is an employee of Dr. Saraki (chairman of Songa Farms in Kwara). In fact, Dr. Saraki is running IB Plc by proxy.
- f) Within two months of his appointment to IB Plc, Mr. Alabi wrote off =N=8.115bn of Dr. Saraki's loans - the companies are Limkers, Dicetrade, Skyview Properties, and Joy Petroleum.
- g) The Executive Director of risk management brought into IB Plc (Mr. Gbenga Alade) is a former Societe Generale staff member.
- h) As each of the senior management of IB Plc was being terminated, Mr. Alabi was recruiting and replacing them with former Societe General staff, in order to complete the take-over.
- i) Dr. Saraki has now used his political power to take-over IB Plc after his failed peaceful merger attempts.
- j) Mallam Sanusi claims to have injected =N=100 bn, (which is less than 10% of the IB Plc's value), and as such now owns it 100%. This is a bank with a balance sheet of =N=1.6trillion, 330 branches; 2 foreign subsidiaries; 10 well-established subsidiaries; 12,000 members of staff; and paid-up capital of =N=230bn. Where is the justice?
- k) When Mallam Sanusi initially injected =N=100bn into IB Plc, he wrote to the Board that it was a seven-year loan (copy attached). Why is he now trying desperately to sell the bank within a year of the loan?

27 I am appealing to Mr. President Sir to institute an independent investigation into the "so-called" banking reform of Mallam Sanusi and the fraudulent =N=40bn loan write-off.

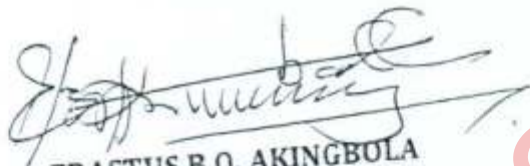
28. I am also appealing to this government, which believes in the rule of law, to reverse the fraudulent take-over of Intercontinental Bank Plc and return it to its Board, management and shareholders. Mallam Sanusi sold =N=1Trillion Bank for =N=50Billion to Access Bank.

29 All the allegations against the banks' CEOs should be independently investigated. It is curious to first send off all management staff before accusing of wrong doing.

30. Even with the deliberate damage being done to the banks and their stock prices on a daily basis, if we are given six to nine months, the banks will be restructured to the normal, favourable and fair positions.
31. I am using this opportunity to thank Mr. President for his just, humane and God fearing way in which he has piloted the nation. I also appreciate in advance all that Mr. President will do to ensure that i receive justice in this matter and i pray that God will give our President wisdom, good health and long life to move this nation to his lofty dream.

I thank you Sir.

Yours faithfully



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