

## CORRESPONDENCE

The Editorial Board,  
Journal of African Law.

Gentlemen,

Our attention has been drawn to an article on "The Bank Customer and Banking Law in Nigeria" credited to Mr. E. O. Oloyede and published in the Spring and Autumn 1975 series of your journal, Vol. 19, Nos. 1 and 2 (p. 68). In paragraph 3 of the said article, the author referred to the powers of the Central Bank of Nigeria to curb the granting of unsecured loans by commercial banks in the country, and by way of illustration, added a footnote as follows:

"It must have been under this section that the Central Bank assumed control of the African Continental Bank and appointed one of its officers as Chairman of the Board of Directors".

Since yours is an academic journal, we would imagine that your audience would prefer to be fed with facts rather than assumptions. Consequently, we would like to point out that Mr. Oloyede's footnote has no relevance whatsoever to reality. The true position is that following the demonetization of "Biafran currency" by the Federal Military Government at the end of the Nigerian civil war, the African Continental Bank which operated heavily in the rebel sector and had a lot of monetary assets there, suffered a severe financial set-back. In order to assist the Bank resuscitate its operations and meet its financial obligations, the Federal Military Government granted a long-term loan to the Bank. A condition of this loan was that the Government would appoint two Directors to the Board of the Bank during the currency of the loan. One of such Directors was to be the Chairman of the Board. Until recently, these appointments were made from staff of the Federal Ministry of Finance and the Central Bank of Nigeria. The Chairman had, since this agreement, and until recently, been the member of the Board from the Federal Ministry of Finance, except for one brief interval when, following the resignation of the then Chairman, the member of the Board, from the Central Bank of Nigeria, was Chairman.

In the context of the article, the footnote created the impression that the action of the Federal Military Government was punitive or corrective, and was in exercise of the powers conferred on the Central Bank of Nigeria to arrest mismanagement in banks. This impression is incorrect as the presence of the Federal Government nominees on the Board of the African Continental Bank terminates as soon as the long-term loan is fully repaid. The Central Bank of Nigeria has never assumed control of the African Continental Bank Limited.

We hope you will be good enough to publish this correction in order to give your readers the true facts of the case and also redress the harm which the unfortunate presumption of Mr. Oloyede must have done to the image of this Bank.

Yours faithfully,

B. A. AKUZAOKU,  
*Commercial Manager,  
African Continental Bank Ltd.*