



## CENTRAL BANK OF NIGERIA

### **PRESS RELEASE**

#### **CENTRAL BANK OF NIGERIA MAKES BOARD AND MANAGEMENT CHANGES AT SKYE BANK PLC**

1. The Central Bank of Nigeria (CBN) would like to inform the general public of its decision to effect changes in key personnel on the Board and Management of Skye Bank PLC with effect from today Monday, 4<sup>th</sup> July 2016. Specifically, these changes relate to the Chairman, all Non-Executive Directors on the Board as well as the Managing Director, Deputy Managing Director, and the two longest-serving Executive Directors on the Management Team.

2. These proactive moves have become unavoidable in view of the persistent failure of Skye Bank PLC to meet minimum thresholds in critical prudential and adequacy ratios, which has culminated in the bank's permanent presence at the CBN Lending Window. In particular, Skye Bank's Liquidity and Non-performing loan Ratios have been

below and above the required thresholds, respectively, for quite a while.

3. To correct the anomalies in the bank, the CBN had several meetings with the management and board of Skye bank as part of our strategy of close engagement whenever a bank's financial or governance situation poses potential threats to the overall stability of our financial system. Despite the expectation of relevant regulators, market watchers, financial analysts and interested stakeholders that Skye Bank should be doing much better than it is right now, we have seen about the opposite in reality.

Given the aforementioned issues and the fact that Skye bank is a Domestic Systemically Important Bank (SIB) with significant interconnectedness, the CBN would be failing in its duties if it does not take immediate action to nip the steadily declining health of the bank in the bud and correct the situation. In view of the long grace period allowed the bank to correct the situation, we came to the conclusion that, although the existing board had done its best to steer the ship it had come to a realization that it would be unable to bring the bank out of its present precarious situation. Fortunately, and in the overall interest of the bank, the

Chairman and some board members have decided to resign their appointments from the bank.

4. Consequently, by virtue of the powers vested in the Governor of the CBN, we have decided to reconstitute the Board and Management of the bank, and appoint new members with the sole responsibility of ensuring the speedy restoration of the health of the bank.

5. To this effect, the Chairman of the Board, all other Non-Executive Directors, the Independent Director, the Managing Director, the Deputy Managing Director and two longest serving Executive Directors have voluntarily resigned their appointments with immediate effect. In their place, we have selected industry experts and people of high integrity whom we believe can turn the bank around. In this regard, we have selected Alh. M. K. Ahmad to be the new Chairman while Mr. Adetokunbo Abiru would be the new Managing Director. The more recent executive directors will be allowed to remain to ensure continuity and a smooth transition.

6. As some of you may know, Alh. M. K. Ahmad is a seasoned public sector executive with over 35 years of distinguished experience spanning the public sector and the financial services industry. He served as the pioneer Director General and Chief Executive Officer of the National Pension

Commission (PENCOM). He was also a pioneer staff of the Nigeria Deposit Insurance Company (NDIC) where he rose to become a Director. He has also served on the Board of various companies and committees including banks and not-for-profit organizations. Similarly, Mr. Abiru is a seasoned accountant and banker and was until recently an Executive Director in First Bank PLC. He was also Lagos State Commissioner of Finance from 2011 to 2013. Mr. Abiru is a Fellow of the Institute of Chartered Accountants of Nigeria.

7. It will be recalled that the medium-term vision of the CBN, which was unveiled in June 2014, indicated that the bank would proactively manage potential threats to financial stability, maintain zero tolerance on practices that undermine the health of financial institutions, and create a strong governance regime that is conducive for financial intermediation, innovative finance and inclusiveness. It is in furtherance of these commitments that the CBN has made the changes and assures the incoming Board and Management of its unflinching support during this transition period.

It is important to reiterate the fact that Skye Bank is not in distress and remains a healthy bank in the system. The CBN

hereby assures depositors, shareholders and all relevant stakeholders that there is no reason for concern or panic as we seek their continued cooperation at this time.

8. It is our expectation that the shareholders and remaining Executive Directors will work seamlessly with the new team to ensure that the fortunes of the bank are restored in the shortest possible time.

A handwritten signature in black ink, appearing to read 'Isaac Okorafor', with a large, stylized flourish at the end.

**Isaac Okorafor**  
Ag. Director, Corporate Communications