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Central Bank of Nigeria

Public Notice

Announcement of the completion of the sale of shares in Polaris Bank to Strategic Capital Investment Limited (SCIL), a new core investor

The Central Bank of Nigeria (CBN) and the Asset Management Company of Nigeria (AMCON) are pleased to announce the completion of a Share Purchase Agreement (SPA) for the acquisition of 100% of the equity in Polaris Bank ('Polaris' or 'the Bank') by Strategic Capital Investment Limited ('SCIL').

Polaris has been operating as a bridge bank since 2018 when the Central Bank of Nigeria intervened to revoke the licence of the former Skye Bank Plc and established Polaris Bank to assume its assets and certain liabilities. As part of the CBN intervention, consideration bonds with a face value of ₦898 billion (future value of ₦1.305 trillion) was injected into the bridge bank through AMCON, to be repaid over a 25-year period. These actions were taken to prevent the imminent collapse of the bank, enable its stabilisation and recovery, protect depositors' fund, prevent job losses and preserve systemic financial stability.

SCIL has paid an upfront consideration of ₦50 billion to acquire 100% of the equity of Polaris Bank and has accepted the terms of the agreement which include the full repayment of the sum of ₦1.305 trillion, being the consideration bonds injected. The CBN thus received an immediate return for the value it has created in Polaris Bank during the stabilisation period, as well as ensuring that all funds originally provided to support the intervention are recovered.

The sale was coordinated by a Divestment Committee (the 'Committee') comprising representatives of the CBN and AMCON, and advised by legal and financial consultants. The Committee conducted a sale process by 'private treaty', as provided in Section 34(5) of the AMCON Act to avoid negative speculations, retain value and preserve financial system stability. In the process, parties who had formally expressed an interest in acquiring Polaris Bank, subsequent to the CBN intervention in 2018, were invited to submit financial and technical proposals. Invitations to submit proposals were sent to 25 pre-qualified interested parties, out of which three (3) parties eventually

submitted final purchase proposals following technical evaluation. All submissions were subject to a rigorous transaction process from which SCIL emerged as the preferred bidder having presented the most comprehensive technical/financial purchase proposal as well as the highest rated growth plans for Polaris Bank.

Commenting on the transaction Mr. Godwin I. Emefiele, Governor of the Central Bank of Nigeria said: *“This sale marks the completion of a landmark intervention in a strategic institution in the Nigerian banking sector by the CBN and AMCON. We commend the outgoing board and management for their vital role since the bridge bank was established; in stabilising the Bank’s operations, its balance sheet and implementing strong governance structures to address the issues that led to the intervention. This process has provided the CBN with an unprecedented opportunity to recover its intervention funds in full and promote financial stability and inclusive growth. We wish SCIL well as they implement growth plans to build the bank from the strong foundations that have been established.”*

This is for the notice of the general public.



Osita Nwanisobi
Director, Corporate Communications
For : Management

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