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CENTRAL BANK OF NIGERIA

Gentlemen of the Press

- 1. You will recall that on 4th July 2016, we took a regulatory action on Skye bank Nigeria PLC. Specifically, this action led to the resignation of 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. At that time the proactive action was informed by unacceptable corporate governance lapses as well as the persistent failure of Skye Bank PLC to meet minimum thresholds in critical prudential and adequacy ratios, which culminated in the bank's permanent presence at the CBN Lending Window.**
- 3. The focus of the action then was to save depositors' funds and to ensure that the bank continued as a going concern, being a systemically important bank. Part of our intention was also to stem the imminent job losses to staff if a liquidation option had been adopted. These objectives have been fully achieved and the bank has been able to meet customer obligations, having curtailed the liquidity haemorrhage and restored depositor confidence.**

Indeed, the bank's performance has improved considerably compared to the pre-July 2016 era.

- 4. The result of our examinations and forensic audit of the bank has, however, revealed that Skye bank requires urgent recapitalisation as it can no longer continue to live on borrowed times with indefinite liquidity support from the CBN. The shareholders of the bank have been unable to recapitalize it.**

- 5. As a responsible and responsive regulator and in consultation with the Nigerian Deposit Insurance Corporation (NDIC), we have decided to establish a bridge bank, Polaris Bank, to assume the assets and liabilities of Skye bank. The strategy is for the Asset Management Company of Nigeria (AMCON) to capitalize the Bridge Bank and begin the process of sourcing investors to buy out AMCON. By this decision, the licence of the defunct Skye Bank is hereby revoked.**
- 6. We wish to assure all depositors that under this arrangement, their deposits shall remain safe and that normal banking services shall continue in the new bank on Monday, 24th September, 2018, to enable customers to transact their businesses seamlessly.**
- 7. Thus, all customers of Skye Bank shall be automatic customers of the new bank and their accounts and records duly purchased by Polaris Bank.**
- 8. Given the good performance of the board and management, the CBN shall retain them. In addition, all employees of Skye Bank shall be absorbed by Polaris Bank under a new contract unless any employee decides to opt out.**
- 9. We wish to assure the general public that the Nigerian banking industry remains safe and resilient and that the CBN will continue to live up to its responsibilities of promoting stability in the banking and financial system.**

Thank you.

**Godwin I. Emefiele, CON
Governor, Central Bank of Nigeria**