

This document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

*FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 19*



**Offer for Subscription  
of  
2,231,599,145  
Ordinary shares of 50 Kobo each  
at  
₦14.00 per share**

**Payable in full on Application**

**APPLICATION LIST OPENS: Monday, 14 January, 2008  
APPLICATION LIST CLOSES: Wednesday, 20 February, 2008**

**Issuing Houses:**



**VETIVA**  
CAPITAL MANAGEMENT LIMITED  
RC: 485600



**FBN Capital**  
RC: 446599



**Sterling Capital**  
Sterling Capital Markets Limited RC 499243

This Prospectus and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act Cap 124 Laws of the Federation of Nigeria 2004 to issue a Prospectus which contains false or misleading information. Clearance and registration of this Prospectus and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

**This Prospectus is dated Tuesday, 8 January, 2008**

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## DEFINITIONS

Name	Abbreviation	Description
Basel II Accords		Basel II is the second of the Basel Accords. They are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision.
Corporate Affairs Commission	CAC	The FGN agency that administers the Companies and Allied Matters Act Cap C20, LFN 2004 with regards to the formation, incorporation, registration, management and winding up of companies
Central Bank of Nigeria	CBN	The apex body that is charged with the responsibility of regulating banks and monetary policy in Nigeria
Compound Annual Growth Rate	CAGR	Year-on-year growth of an investment over a specified period, if it grows steadily on a compounding basis
Dividend per Share	DPS	Amount of dividend allocated to each 50 Kobo share outstanding
Dividend Yield	DY	A component of total return on a stock that shows how much a company pays out in dividends each year relative to its share price.
Earnings Per Share	EPS	Amount of profit allocated to each 50 Kobo of share outstanding
Earnings Yield	EY	The EPS for the most recent 12 months divided by market price per share
Issuing Houses		Vetiva Capital Management Limited; FBN Capital Limited; Greenwich Trust Limited and Sterling Capital Markets Limited
Global Depository Receipts	GDR	A negotiable certificate held in the bank of one country representing a specific number of shares of a stock traded on an exchange of another country. The shares are held by a foreign branch of an international bank.
NEEDS		National Economic Empowerment and Development Strategy
Skye Bank Plc	"Skye Bank" or "the Bank"	The Issuer
Price Earnings Ratio	P/E Ratio	Amount investors are willing to pay per unit of earnings
Profit After Tax	PAT	Net Income after paying corporate tax before paying out dividends
Profit Before Tax	PBT	Net income (after deducting operating expenses and non-cash expenses such as amortisation and depreciation) before paying any corporate tax
Securities & Exchange Commission	SEC or the Commission	Apex regulatory institution of the Nigerian capital market.
The Nigerian Stock Exchange	NSE or the Exchange	Self Regulatory Organisation
Central Securities Clearing System	CSCS	Automated settlement system of The NSE

**ABRIDGED TIMETABLE**

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Date	Activity	Responsibility
14/01/2008	Applications List Opens	Issuing Houses
20/02/2008	Applications List Closes	Issuing Houses
05/03/2008	Receiving Agents Make Returns	Issuing Houses/Registrars
05/03/2008	Lift Technical Suspension On Existing Shares	Stockbrokers/NSE
02/04/2008	Forward Allotment Proposal And Draft Newspaper Announcement to SEC/CBN	Issuing Houses
16/04/2008	Receive SEC Approval Of Allotment	Issuing Houses
17/04/2008	Pay net Proceeds Of The offer To Skye Bank	Issuing Houses
17/04/2008	Allotment Announcement	Issuing Houses
17/04/2008	Return Excess/Rejected Application Monies	Issuing Houses/Registrars
07/05/2008	Distribute Share Certificates	Registrars
07/05/2008	Forward Declaration of Compliance to the NSE	Stock Brokers
12/05/2008	Listing Of The Newly Issued Shares Of Skye Bank On The Floor Of The Nigerian Stock Exchange	Stock Brokers
13/05/2008	Forward Summary of Post Completion Report To SEC	Issuing Houses

## THE OFFER

A copy of this Prospectus and the documents specified herein has been delivered to the Securities and Exchange Commission ("the Commission") for clearance and registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act Cap 124 Laws of the Federation of Nigeria 2004, the Rules and Regulations of the Commission and the Listing Requirements of The Nigerian Stock Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to the public with regard to the Offer for Subscription of 2,231,599,145 ordinary shares of 50 Kobo each of Skye Bank Plc by Vetiva Capital Management Limited, FBN Capital Limited, Greenwich Trust Limited and Sterling Capital Markets Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 2,231,599,145 ordinary shares of 50 Kobo each now being offered for Subscription and the 1,500,608,958 ordinary shares of 50 Kobo each concurrently offered by way of rights.

The Directors of Skye Bank Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.



**VETIVA**  
CAPITAL MANAGEMENT LIMITED  
RC: 485600



**FBN Capital**  
RC: 446599



**GREENWICH**  
TRUST LIMITED  
RC: 189502



**Sterling Capital**  
Sterling Capital Markets Limited RC 499243

on behalf of



RC: 142191

Offer for Subscription

and are authorised to receive applications for

**2,231,599,145 of 50 Kobo each**

**at**

**₦14.00 per Share**

**Payable in full on Application**

The Application List for the shares now being offered will open on Monday, 14 January, 2008 and close on Wednesday, 20 February, 2008

**SHARE CAPITAL AND RESERVES OF THE GROUP AS AT 30 SEPTEMBER 2007  
(EXTRACTED FROM THE REPORTING ACCOUNTANTS' REPORT)**

		₦'Millions
<b>AUTHORISED:</b>	25,000,000,000 ordinary shares of 50 Kobo each	12,500
<b>ISSUED AND FULLY PAID:</b>	7,503,044,788 ordinary shares of 50 Kobo each	3,752
<b>RESERVES:</b>		
<b>SHARE PREMIUM</b>		5,551
<b>OTHER RESERVES</b>		<u>19,872</u>
<b>SHAREHOLDERS' FUNDS:</b>		<b><u>29,175</u></b>

**INDEBTEDNESS:** As at 30 September, 2007, the Bank had a long term borrowing of ₦27.175 billion and contingent liabilities approximately ₦70.379 billion comprising acceptances, bonds, guarantees and other obligations for the account of customers as at that date



## SUMMARY OF THE OFFER

This summary draws attention to information contained in the Prospectus; it does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including the financial statements and related notes in this Prospectus.

- 1. ISSUER:** Skye Bank Plc ("Skye Bank " or "the Bank")
- 2. ISSUING HOUSES:** Vetiva Capital Management Limited ("Vetiva")  
FBN Capital Limited ("FBN Capital")  
Greenwich Trust Limited ("Greenwich Trust")  
Sterling Capital Markets Limited ("Sterling Capital")
- 3. SHARE CAPITAL:**  
Authorised: ₦12,500,000,000.00 comprising 25,000,000,000 ordinary shares of 50 Kobo each  
  
Issued and fully paid: ₦3,751,522,394.00 comprising 7,503,044,788 ordinary shares of 50 Kobo  
  
Now being offered: 2,231,599,145 ordinary shares of 50 Kobo each at ₦14.00 per Share.
- 4. PURPOSE:** The Total Offer is being undertaken as part of the long-term strategic plan to strengthen the position of the Bank, and put it in a good position to surmount the challenges of the evolving banking industry, both locally and globally.
- 5. USE OF PROCEEDS:** The bank is expected to raise ₦50,000,000,005.00 through the issuance of 3,732,208,103 new shares made up of a Rights Issue of 1,500,608,958 and an Offer for Subscription of 2,231,599,145 ordinary shares of 50 kobo each at ₦12.50 and ₦14.00 per share respectively.
- The estimated net proceeds of ₦47,913,441,975.11 from the total Offer, after deduction of Total Offer costs of ₦2,086,558,030.00 (or 4.17% of the gross Offer proceeds) will be used to deepen Skye Bank's retail infrastructure in Nigeria, strengthen subsidiaries' capital base to support business growth, expand Skye Bank's capital network of branches and fund its working capital requirements.
- | Utilisation                             | Amount(N)                | %              | Estimated Completion Period |
|---|--------------------------|----------------|-----------------------------|
| Branch Development <sup>1</sup>         | 10,972,178,212.30        | 22.90%         | 36 Months                   |
| Investment in Subsidiaries <sup>2</sup> | 15,476,041,757.96        | 32.30%         | 24 Months                   |
| Information Technology Infrastructure   | 4,120,556,009.86         | 8.60%          | 24 Months                   |
| Working Capital                         | 17,344,665,994.99        | 36.20%         | Continuous                  |
| <b>TOTAL</b>                            | <b>47,913,441,975.11</b> | <b>100.00%</b> |                             |
- <sup>1</sup> Abia(2), Akwa Ibom(1), Adamawa(1), Anambra(1), Bauchi(1), Benue(1), Borno(1), Cross River(1), Delta(1), Ebonyi(1), Edo(1), Ekiti(1), Enugu(1), Gombe(1), Imo(1), Jigawa(1), Kaduna(2), Kano(1), Kastina(1), Kebbi(1), Kwara(2), Lagos(21), Nassarawa(1), Niger(2), Ogun(1), Ondo(1), Osun(1), Oyo(4), Plateau(1), Taraba(1), Yobe(1), Zamfara(1).
- <sup>2</sup> Law Union & Rock Insurance Plc, Skye Financial Services Limited, Skye Trustees Limited, Skye Mortgages Limited and APEX Integrated Technical Limited.
- 6. METHOD OF OFFER:** Offer for Subscription
- 7. UNITS OF SALE:** A minimum of 1,000 units and multiples of 100 thereafter
- 8. OFFER PRICE:** ₦ 14.00 per share
- 9. MARKET CAPITALIZATION AT OFFER PRICE(PRE OFFER):** ₦105,042,627,032.00
- 10. MARKET CAPITALIZATION AT OFFER PRICE(POST OFFER):** ₦155,042,627,037.00  
(Inclusive of 1,500,608,958 ordinary shares of 50 Kobo each to be offered at ₦12.50 by way of Rights Issue in the ratio of 1 ordinary share for every 5 ordinary shares held as at 17<sup>th</sup> December 2007).
- 11. PAYMENT:** In full on application
- 12. OPENING DATE:** Monday, 14 January, 2008
- 13. CLOSING DATE:** Wednesday, 20 February, 2008

## SUMMARY OF THE OFFER

### 14. UNDERWRITING:

In accordance with the Rules and Regulations of the SEC, 1,785,279,316 ordinary shares of 50 Kobo each representing 80% of the Offer for Subscription are underwritten on a firm basis as follows;

Underwriters	Underwriting Exposure (N)
First Bank of Nigeria Plc	9,372,716,402.00
Sterling Bank Plc	9,372,716,416.00
Intercontinental Bank Plc	6,248,477,606.00
<b>Total</b>	<b>24,993,910,424.00</b>

### 15. PREFERENTIAL ALLOTMENT:

A maximum of 446,319,829 ordinary shares of 50 Kobo each representing 20% of the Offer will be preferentially allotted from the 1,785,279,316 ordinary shares of 50 Kobo each underwritten by the Underwriting Syndicate. This quantum of shares would be preferentially allotted to identified investors below.

Investors	Number of Units	%
Stallion Nigeria Limited	55,789,900	2.50%
Swanlux Investments Limited	55,789,900	2.50%
Ibile Holdings Limited	55,789,900	2.50%
Business Objects Limited	55,789,900	2.50%
Olutoyi Estates and Development Services Limited	55,789,900	2.50%
Tofamid Industries Limited	55,789,900	2.50%
Delchem Nigeria Limited	55,789,900	2.50%
FADCO Nigeria Limited	55,789,900	2.50%
<b>Total</b>	<b>446,319,200</b>	<b>20.00%</b>

### 16. OVERSUBSCRIPTION/ SUPPLEMENTARY ALLOTMENT:

In the event of an over subscription, additional shares not exceeding 25% of the oversubscribed portion may be issued subject to approval of the Board of Skye Bank and the subsequent approval of the SEC. The supplementary proceeds would be utilised for the same purpose stated in the Prospectus.

### 17. STATUS:

The new shares to be issued shall rank *pari passu* in all respects with the issued ordinary shares of 50 Kobo each of the Bank. They will also rank for dividends payable for the year ended 30 September, 2008.

### 18. QUOTATION:

An application has been made to the Council of The Exchange for the admission to its Daily Official List the 2,231,599,145 ordinary shares of 50 Kobo each now being offered for subscription and the 1,500,608,958 ordinary shares of 50 Kobo each offered by way of rights.

### 19. QUALIFICATION:

The shares qualify as securities in which Trustees may invest under the Trustee Investment Act Cap T22 LFN 2004.

### 20. SHARE CERTIFICATES:

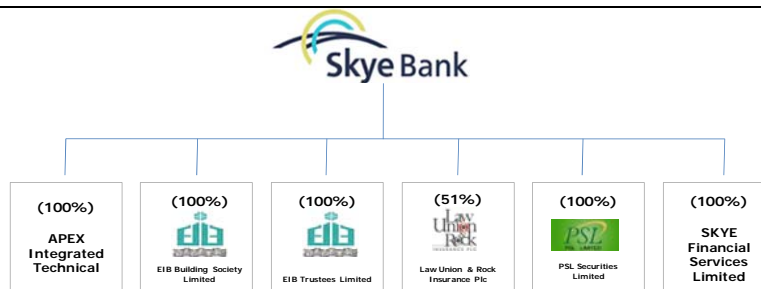
Share certificates in respect of the ordinary shares of 50 kobo each allotted will be sent by Electronic-Transfer to the CSCS account of all allottees not later than 15 working days from the date of allotment. Investors are hereby advised to state the name of their stockbrokers as well as their CSCS account number and clearing house (CHN) number in the space provided on the Application Form. However, Investors without CSCS account numbers and CHN numbers will receive their certificates by Registered post.

### 21. FOREIGN INVESTORS:

Foreign investors can participate in the Offer in accordance with Section 15 of the Foreign Exchange (Monitoring and Miscellaneous Provision) Act Cap F34 LFN 2004 and Section 17 of the Nigerian Investment Promotion Commission Act, Cap N.117 LFN 2004, relevant sections of Part F of the rules and regulations of the SEC and in compliance with the guidelines on foreign investment in the Nigerian stock market. Payment which must be made by bank transfers or by the issuance cheques and will be domiciled with the Receiving Bank. The applicable Exchange Rate will be the ruling autonomous rate at the time of subscription. The Receiving Bank and Skye Bank shall arrange for Certificates of Capital Importation for valid subscribers at the conclusion of the Offer.

## SUMMARY OF THE OFFER

### 22. GROUP STRUCTURE<sup>1</sup>:



### 23. ADDITIONAL INFORMATION:

The Bank is simultaneously offering by way of rights 1,500,608,958 ordinary shares of 50 kobo each at ₦12.50 per share on the basis of 1(one) new ordinary share for every Five (5) ordinary shares held as at 17<sup>th</sup> December, 2007

### 24. FINANCIAL SUMMARY:

(Extracted from the Reporting Accountant's Report)

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
Gross Earnings	39,367	20,680	6,159	5,252	4,334
Profit before Tax	7,519	2,090	733	929	851
Taxation	(2,002)	376	(250)	(308)	(278)
Profit After Tax	5,517	2,465	483	621	573
Paid-up Share Capital	3,752	3,752	2,264	1,524	1,524
Shareholders Fund	29,175	26,083	4,445	2,952	2,341
Total Assets	446,114	174,193	31,990	25,997	20,933
Actual Earnings Per Ordinary Share (Kobo)	73.5	32.9	10.7	20.4	18.8

#### NOTE

- Earnings per share are calculated based on the number of shares in issue at the respective balancesheet dates.
- The audit reports for March 31, 2003, 2004, 2005 and September 2006 were not qualified while the audit report for the year ended September 2007 was qualified as a result of a set off of the balance on goodwill of ₦2.013 billion against share premium account rather than amortization of the balance over a period of not less than five year

### 25. INDEBTEDNESS:

As at September 30 2007, the Bank had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business. The Bank however has a long term borrowing of ₦27,175,000,000.00 and contingent liabilities approximately ₦70,379,000,000.00 comprising acceptances, bonds, guarantees and other obligations for the account of customers as at that date.

### 26. OFFER STATISTICS:

(Assuming fully subscribed)

	FORECAST YEAR END 30-Sep-08 N'Millions	FORECAST YEAR END 30-Sep-09 N'Millions	FORECAST YEAR END 30-Sep-10 N'Millions
Gross Earnings	78,738	99,758	115,573
Profit Before Tax	24,259	28,248	31,262
Taxation	(7,278)	(8,475)	(9,378)
Profit After Tax	16,981	19,774	21,883
Dividend	6,741	7,865	8,988
Earnings Per Share (Kobo)	151.1	176.0	194.8
Earnings Yield at Offer Price	10.8%	12.6%	13.9%
Dividend per Share (Kobo)	60.0	70.0	80.0
Dividend Yield at Offer Price	4.3%	5.0%	5.7%
Forecast Price/Earnings Ratio at Offer Price	9.26	7.95	7.19

#### NOTE

Earnings per share and Dividend per share are calculated based on 11,235,252,891 ordinary shares of 50k each expected to be in issue for the years ending 2008, 2009 and 2010.

<sup>1</sup> The financial statements of the above subsidiaries were not consolidated because the Directors believe that the operating results are insignificant to the banks operations.



## SUMMARY OF THE OFFER

### 27. CLAIMS AND LITIGATION:

The Bank is involved in four- hundred and twenty-two (422) suites, of which Three hundred (300) were instituted against the bank, whilst One-hundred and twenty-two suits (122) have been instituted by the Bank.

The total value of monetary claims against the Bank is ₦ 3,342,396,535.59 (Three Billion Three hundred and forty-two million Three Hundred And Ninety-Six Thousand, Five Hundred And Thirty Five Naira And Fifty-Nine Kobo) while the total value of monetary claims by the bank is ₦1,555,026,256.58 (One Billion, Five Hundred and Fifty-Five Million, Twenty-six Thousand, Two Hundred and Fifty-six Naira and Fifty-eight Kobo).

However, the Solicitors to the Offer are of the opinion that the liability that may arise from the cases currently instituted against the Bank is not likely to have any material effect on the Bank. The Directors are of the opinion that none of the aforementioned cases is likely to have any material effect on the Bank or The Total Offer, and are not aware of any other pending and or threatened claims or litigation save for the foregoing.

### 28. CENTRAL BANK OF NIGERIA STATUS REPORT:

The accounts for the year ended 30 September 2007 have been approved by the CBN. However the following changes have occurred between the September 30<sup>th</sup> 2007 and December 21<sup>st</sup> 2007.

	September 30 2007 N million	December 21 2007 N million	Difference N million	% Change %
<b>ASSETS</b>				
Cash at hand	17,807	12,533	5,274	-29.6
Due from Banks in Nigeria	89,303	39,620	49,683	-55.6
Treasury Bills	47,786	38,356	9,430	-19.7
Investments	12,689	23,840	-11,151	87.9
Trading Securities	21,126	6,586	14,540	-68.8
Net Loans & Advance Leases	110,722	129,414	-18,692	16.9
Other Assets	134,267	35,889	98,368	-73.3
Differed Tax	-	-	-	-
Goodwill	-	-	-	-
Fixed Asset	12,414	13,846	-1,432	11.5
<b>Total Assets</b>	<b>446,114</b>	<b>300,094</b>	<b>146,020</b>	<b>-32.7</b>
<b>LIABILITIES:</b>				
Deposits	269,316	204,842	64,474	-23.9
Other Liabilities	147,623	57,172	90,451	-61.3
Loan Stock/Debentures	0	12,500	-12,500	0.0
Capital and Reserves	29,175	25,580	3,595	-12.3
<b>Total Liabilities</b>	<b>446,114</b>	<b>300,094</b>	<b>146,020</b>	<b>-32.7</b>

### 29. CONVERSION TO GDR

The Bank is in the process of establishing a GDR programme which will provide investors holding ordinary shares of Skye Bank the option of converting their ordinary shares to GDR(s) under the terms and conditions that would apply subject to relevant regulatory approvals.

## CORPORATE DIRECTORY

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The bank is represented in Seven (7) regional locations with 258 bank branches and cash offices in the major commercial cities in Nigeria. Its regional offices are located as provided below:

### **HEAD OFFICE**

3 Akin Adesola Street  
Victoria Island Lagos

Tel: (234) 01 262 7760-9

Fax: (234) 02 262 7598

Website: [www.skyebankng.com](http://www.skyebankng.com)

### **HEAD OFFICE ANNEX**

Plot 708/709 Adeola Hopewell Street  
Victoria Island Lagos

Tel: (234) 01 270 5868

Fax: (234) 01 270 5853

### **REGIONAL OFFICES**

Lagos Regional Office  
Skye House Alausa  
Ikeja, Lagos

Tel (234) 01 493 2563, 01 493 2584

### **ABUJA REGIONAL OFFICE**

Plot 557 Gimbiya Street  
Off Ahmadu Bello Way  
Garki Abuja

Tel: (234) 09 314 0800-3

### **NORTHERN REGIONAL OFFICE**

24 Bello Road  
Kano

Tel: (234) 064-637 314, 064-637 974

### **SOUTH-SOUTH REGIONAL OFFICE**

Olu Obasanjo Way  
Port Harcourt  
Rivers State

Tel: (234) 084 232 849, 084 232 827

### **SOUTH-WEST REGIONAL OFFICE**

17 Lebanon Street  
Ibadan  
Oyo State

Tel: (234) 02 241 4746, 02 241 5076

### **SOUTH-EAST REGIONAL OFFICE**

19, Ogui Road  
Enugu State

### **EDO/DELTA REGIONAL OFFICE**

1, Forestry Road  
Benin City  
Edo State

Tel: (234) 052 253022, 052 234 1585

**DIRECTORS**

**Alhaji Musiliu Adeola Kunbi Smith**

CFR(Chairman)  
8 Cooper Road  
Ikoyi  
Lagos

**Mrs. Morenikeji Onasanya, Vice Chairman**

6 Onasanya Close  
Ifako Gbagada  
Lagos

**Mr. Akinsola Akinfemiwa** (Managing Director/CEO).

3 Akin Adesola Street  
Victoria Island  
Lagos

**Mr. Kehinde Durosinmi-Etti** (Deputy Managing Director).

3 Akin Adesola Street  
Victoria Island  
Lagos

**Mr. Segun Oloketuyi** –Executive Director

3 Akin Adesola Street  
Victoria Island  
Lagos

**Mr. Gbenga Ademulegun** – Executive Director

3 Akin Adesola Street  
Victoria Island  
Lagos

**Dr. Adebayo Adewusi**

20A, Chris Alli Crescent, 2<sup>nd</sup> Avenue  
Ikoyi  
Lagos

**Princess Adenike Adeniran**

264 Corporation Drive  
Dolphin Estate  
Ikoyi  
Lagos

**Mr. Vinay Tuteja**

5 Obadeyi Close, Off Awolowo Road  
Ikoyi  
Lagos

**Mr. Collins Chikeluba**

28E Glover Road  
Ikoyi  
Lagos

**Mr. Kola Awodein (SAN)**

6<sup>th</sup> Floor, UBA House  
57 Marina  
Lagos

**Brig. Gen. Anthony Ukpo (RTD)**

5A Adebayo Doherty Road, Off Admiralty Way  
Lekki Phase 1  
Lagos

**Mr Victor Adenigbagbe**

F.110B Ayeso Road  
Ilesha  
Osun State

**Dr. Jason Fadeyi**

14 Ikoyi Crescent  
Ikoyi  
Lagos

**Mr. Michael Gashau Tarfa**

3B North Avenue  
Apapa  
Lagos

**Mr Ariyo Ajaja**

12, Kudeti Avenue,  
Onireke, Ibadan  
Oyo State

**Mrs. Abimbola Izu** (Company Secretary)

3 Akin Adesola Street  
Victoria Island  
Lagos

**JOINT ISSUING HOUSES:**

**Vetiva Capital Management Limited**

Plot 266B Kofo Abayomi Street  
Victoria Island  
Lagos State

**FBN Capital Limited**

16 Keffi Street  
South West Ikoyi  
Lagos

**Greenwich Trust Limited**

Plot 1698A Oyin Jolayemi  
Victoria Island  
Lagos

**Sterling Capital Market Limited**

67 Marina  
Lagos

## **DIRECTORS AND OTHER PARTIES TO THE OFFER**

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### **JOINT UNDERWRITERS:**

**First Bank of Nigeria Plc**  
35, Marina  
Lagos

**Intercontinental Bank Plc**  
Plot 999C Danmole Street  
Victoria Island  
Lagos

**Sterling Bank Plc**  
20 Marina  
Lagos

### **LEAD STOCKBROKERS:**

**Capital Assets Limited**  
Bookshop House (8<sup>th</sup> Floor)  
50/52 Broad Street,  
Lagos

**Dominion Trust Limited**  
Dominion House  
207 Igboere Road  
Obalende  
Lagos

**PSL Limited**  
2 Odunlami Street  
(3rd Floor Cathedral House)  
Lagos

### **JOINT STOCKBROKERS:**

**Afrinvest (West Africa) Limited**  
11/12th Floor, Foreshore Towers  
2A Osborne Road  
Ikoyi, Lagos

**Amyr Investments Limited**  
Stock Exchange House  
(19<sup>th</sup> Floor)  
2/4 Customs Street  
Lagos

**APT Securities and Funds Limited**  
Church House  
29, Marina  
Lagos

**Camry Investment Limited**  
Wesley House Annex  
21/22 Marina  
Lagos

**Compass Investments & Securities Limited**  
6th Floor, Stock Exchange House  
2/4 Customs Street  
Lagos

**Equity Capital Solutions Limited**  
51/52 Marina  
Lagos

**FIS Securities Limited**  
2 Macarthy Street  
Onikan  
Lagos

**FSDH Securities Limited**  
8<sup>th</sup> UAC  
1/5 Odulami Street  
Lagos

**F&C Securities Limited**  
17B Bishop Aboyade Cole Street,  
Victoria Island,  
Lagos

**Global Asset Management Limited**  
Investment House,  
21/25 Broad Street,  
Lagos

**GTI Capital Limited**  
Stock Exchange House  
(20<sup>th</sup> Floor)  
2/4 Customs Street  
Lagos

**Kinley Securities Limited**  
47 Marina  
(1<sup>st</sup> Floor)  
Lagos

**Lambeth Trusts and Investments Co. Limited**  
4/6 Mobolaji Bank Anthony  
Off Broad Street  
Lagos

**Lead Capital Limited**  
Plot 281 Ajose Adeogun Street,  
Victoria Island  
Lagos

**Metropolitan Securities Limited**  
13 Agroro Odiyan Street,  
Victoria Island  
Lagos

**Profund Securities Limited**  
7<sup>th</sup> Floor  
PC 1 Engineering Close  
Victoria Island  
Lagos

**Pyramid Securities Limited**  
Icon House  
Plot 999F Idejo Street  
Victoria Island  
Lagos

**Readings Investments Limited**  
24, Keffi Street,  
South West Ikoyi,  
Lagos

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**DIRECTORS AND OTHER PARTIES TO THE OFFER**

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**Rostrum Investments & Securities Limited**

88, Isale-Eko Avenue  
Dolphin Estate  
Ikoyi  
Lagos

**Santrust Securities Limited**

314b Akin Ogunlewe Street  
Off Ligali Ayorinde Street  
Victoria Island  
Lagos

**Standard Alliance Money Limited**

9 Yunis Bashorun Street  
Off Ajoye Adeogun Street  
Victoria Island  
Lagos

**Strategy & Arbitrage Limited**

Bull Plaza  
(18th Floor)  
38/39, Marina  
Lagos

**Support Services Limited**

19, Tinubu Street  
(5th Floor)  
Opposite. Central Bank Nigeria (CBN),  
Lagos

**Trust Yield Securities Limited**

Floor 20  
Stock Exchange House  
2/4 Customs Street  
Lagos

**Unex Securities and Investments Limited**

3, Biaduo Street,  
Off Keffi Street  
South West Ikoyi  
Lagos

**Valmon Securities Limited**

24 Cambell Street,  
8<sup>th</sup> Floor  
Akuro House (Knight Frank & Rutley)  
Lagos

**AUDITORS:****Akintola Williams Deloitte**

235 Ikorodu Road  
Ilupeju  
Lagos

**Ernst & Young**

2A Bayo Kuku Road  
Ikoyi  
Lagos

**REGISTRARS TO THE OFFER****City Securities (Registrars) Limited.**

Primrose Tower(5<sup>th</sup> Floor)  
17A Tinubu Street,  
Lagos

**REPORTING ACCOUNTANT:****Dele Olufon & Co.**

11, Obafemi Awolowo Way  
Ikeja  
Lagos

**JOINT SOLICITORS TO THE OFFER****Oluyomi Olawore & Co.**

Elephant House  
214 Broad Street  
Lagos

**Jackson Etti & Edu & Co.**

3-5, RCO Court  
Sinari Daranijo Street  
Off Ajoye Adeogun Street  
Victoria Island  
Lagos

**JOINT SOLICITORS TO THE BANK****Kola Awodein & Co.**

UBA Building  
57, Marina  
Lagos

**Royal Heritage Solicitors**

Kolade House  
(Ground Floor)  
94, femi Ayantuga Crescent  
Surulere  
Lagos

**RECEIVING BANKERS****First Bank of Nigeria Plc**

35, Marina  
Lagos

**Intercontinental Bank Plc**

Plot 999C Danmole Street  
Victoria Island  
Lagos

**Sterling Bank Plc**

20 Marina  
Lagos

## THE CHAIRMAN'S LETTER

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The following is the text of a letter received by the Issuing Houses from **Alhaji Musiliu Adeola Kunbi Smith** OFR, CFR, Chairman, Board of Directors of Skye Bank Plc:



No 3 Akin Adesola Street  
Victoria Island, Lagos  
Tel: 01- 2627760-9  
Fax: 01- 2627598  
[www.skyebankng.com](http://www.skyebankng.com)

Tuesday, 8 January, 2008

**The Managing Director**  
Vetiva Capital Management  
Limited  
266B Kofo Abayomi  
Victoria Island  
Lagos

**The Managing Director**  
FBN Capital Limited  
16 Keffi Street  
South West Ikoyi  
Lagos

**The Managing Director**  
Greenwich Trust Limited  
Plot 1698A Oyin Jolayemi  
Victoria Island  
Lagos

**The Managing Director**  
Sterling Capital Market  
Limited  
67 Marina  
Lagos

Dear Sirs,

**SKYE BANK PLC OFFER FOR SUBSCRIPTION OF 2,231,599,145 ORDINARY SHARES OF 50 KOBO EACH AT ₦14.00 PER SHARE ("THE OFFER")**

On behalf of the Directors of Skye Bank Plc, I am pleased to provide you with the following information in connection with our Offer for Subscription of 2,231,599,145 ordinary shares of 50k each at ₦14.00 per share in Skye Bank which you are making on our behalf.

### **NIGERIAN ECONOMIC ENVIRONMENT**

Although periodic flare-ups of political unrest in the Delta region have constrained growth in oil and gas production in the first half of 2007, strong growth in the non-oil sector as well as higher Oil prices, pushed the half year GDP growth rate to 7.4% compared with a growth rate of 5.3% in the comparable period in 2006. The new GDP figures were fuelled by the non-oil sector which grew by 9.2% and contributed 76.8% of the GDP for the period. The slide of the dollar against major world currencies, coupled with rising Oil Prices has also helped to stabilize the Foreign Exchange regime. The naira has recently witnessed modest gains against the US dollar in the last few months and current economic dynamics point to a stable Dollar-Naira Exchange regime in the near future. The government has also continued to focus its energies on meeting the main macroeconomic targets outlined in the NEEDS program.

To further enhance macro-economic management, the CBN introduced a new monetary policy framework with a new benchmark interest rate, the Monetary Policy Rate (MPR) in 2007. Under the framework the CBN hopes that the MPR will be more influential than the old Minimum Rediscount Rate Monetary policy (MRR) in acting as the nominal anchor for setting all other interest rates in the economy, as a result of this policy initiative, interest rate volatility has dampened considerably in 2007.

In 2008, lending rates will remain a key issue in the industry with the introduction of the Monetary Policy Rate (MPR). Government's resolve to ensure low cost of funds for the real sector may precipitate further reduction of the MPR from the current 9.5% to a lower rate and boost the real sector. With the rising oil prices, gross external reserves may rise further, exceeding US\$ 60 billion in 2008 thus enabling government to boost spending in Infrastructure while continuing to save part of the windfall. The naira should further stabilize on account of the high oil prices and weakness of the US dollar against major international currencies.

### OUR BUSINESS

Skye Bank is a synergy of five dynamic banking institutions in Nigeria following the consolidation programme embarked by the Central bank of Nigeria (CBN) in 2005. The merger of the Banks, Prudent Bank, EIB International Bank, Bond Bank, Reliance Bank and Cooperative Bank which was concluded in January 2006. Skye Bank is a full service bank with diversified product base and a national network of branches covering the major business locations in Nigeria in the six geo-political zones of the country.

The goal of Skye Bank is to become one of the leading Banks in the economy and indeed the sub-region of West Africa in the shortest possible time. This can only be achieved by a dedicated and concerted approach to business development.

**Our Vision:** "To continuously challenge ourselves to provide limitless possibilities to our customers."

**Our Mission:** "To provide innovative and convenient banking services by a dedicated team to the benefit of our stakeholders."

#### Our Core Values:

- Integrity
- Accessibility
- Mutual Respect
- Continuous Learning

Our underlying focus to develop and maintain market leadership has been reiterated by both shareholders and members of the Board of Directors and management. In consolidating to a single entity, we have been able to achieve the following:

- Expand our products profile and provide new commercially viable avenues to utilize our increased capital
- Extend our market reach and customer base in a cost-effective manner
- Improve our competitive positioning in our chosen markets by having access to cheaper funds through a network of carefully selected branch locations.

The Bank offers a wide range of value added services to individuals, corporate bodies, conglomerates, multinationals, governments, international and multilateral institutions and agencies. It is one of the major players in Investment and Capital Market operations, Telecommunications, Oil, Gas and Power sector financing, Manufacturing, Transport, Aviation, Maritime and Infrastructure financing, as well as Public sector funds management, amongst other things. The Bank has bespoke products and services for various segments of the market, including the Skye Global Account, a specialized product for Nigerians in the Diaspora.

### PRODUCT AND SERVICES

#### RETAIL BANKING PRODUCTS

##### ■ SKYE LIFESTYLE

This is a product designed to enhance customer's living standards whilst payment is at customers' convenience.

##### ■ SKYE RAINBOW

Skye Rainbow Account is a children's savings account with special features designed to benefit parents seeking to save for their children's education and other needs. In addition, it seeks to inculcate a savings culture in young children and teenagers and educate them about the importance of saving and investing for their future.

##### ■ SKYE SUPPORT

Designed to enable consumers save towards part-financing the acquisition of assets/products required for setting up or expanding small time businesses or trade which would eventually increase their networth while allowing them the flexibility paying over a convenient period of time.

##### ■ SKYE MONEYWISE

This is a savings account , which offers all the features and benefits of a current account , including customized cheque books.

##### ■ SKYE GLOBAL ACCOUNT

The Skye Global Account is an all-in-one account that is perfect for Nigerians living abroad. It has the features of savings and current account as well as optional facilities for deposit placement.

Other products include Card based products; debit and credit cards, Cash cards, V-Pay and Campus Card.

#### INVESTMENT BANKING

The Investment Banking Group is positioned to assist companies with Financial Advisory Services and to facilitate their access to long term capital either locally or offshore.

##### ■ EQUITY CAPITAL

Companies can raise equity capital through Private Placement, Rights Offer or Public Offer for Subscription. The bank is registered with the Securities & Exchange Commission (SEC) as Issuing House, Underwriter and Receiving Banker to perform these capital market related functions.

##### ■ DEBT CAPITAL

Companies can also use Long Term Debt to finance projects. Long term debt finance can be raised locally by Syndication where the amount involved is large or beyond what a single bank (i.e. Skye Bank) is willing to commit to a project. Public limited liability companies can also raise Long term debt capital through issuance of Redeemable / Convertible Debentures to the public.

#### INTERNATIONAL BANKING

The bank has a team of experienced professionals that provide the technical support and fast, accurate service to drive foreign exchange transactions of its customers. Skye Bank offers a wealth of international services, including:

- Foreign Currency & Travelers Cheques
- Deposit Processing for International Cheques
- International Wires & Foreign Drafts
- Letters of Credit

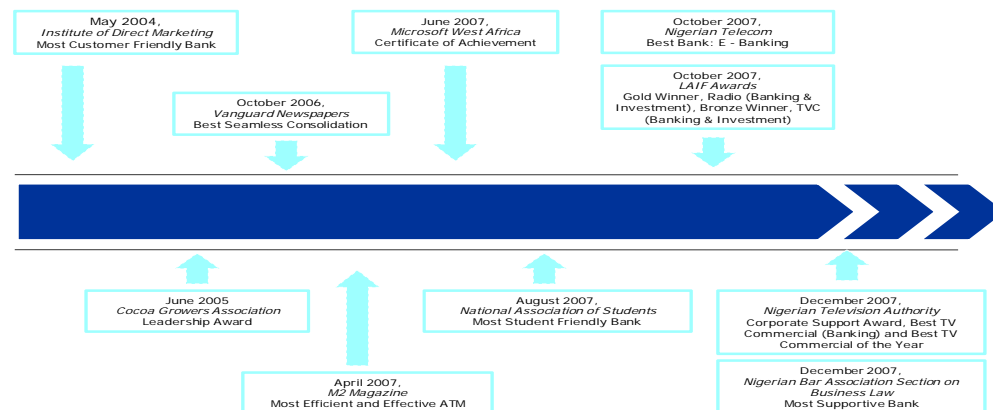


### ACHIEVEMENTS

Since the merger, Skye Bank has earned public recognition for its creativity, service quality and initiatives.

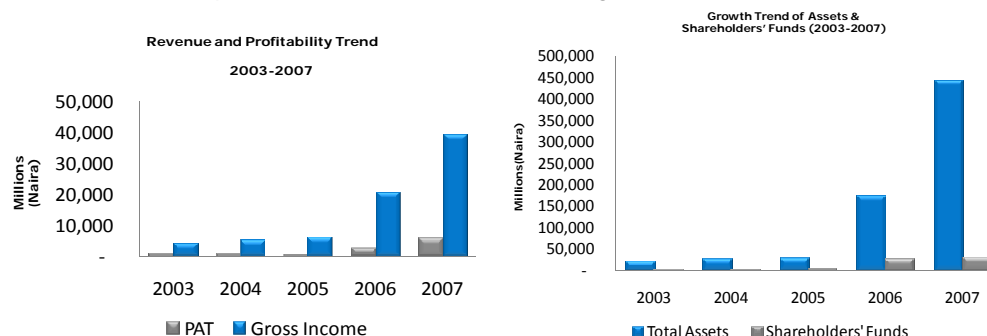
- ✓ In May 2004, Skye Bank bagged the award of Most Customer-Friendly Bank from the Institute of Direct Marketing.
- ✓ In June 2005, we bagged the Leadership Award in support of Cocoa Production from the Cocoa Growers Association.
- ✓ In October 2006, the Vanguard Newspaper recognized Skye Bank as the Best Seamless Consolidation Bank
- ✓ In April 2007, M2 Magazine rated the bank as having the "Most Effective and Effective ATM"
- ✓ In June 2007, we were awarded a Certificate of Achievement by Microsoft West Africa.
- ✓ In August 2007, we were recognized by the National Association of Nigerian Students (NANS) as being the Most Student Friendly Bank of the Year.
- ✓ In October 2007, we were the Gold Winner, Radio (Banking & Investment) and Bronze Winner, TVC (Banking & Investment) at the LAIF Awards.
- ✓ In October 2007, at the Nigerian Telecom Award we bagged the Best Bank in E-banking.
- ✓ In December 2007, we bagged the award of "Best Emerging Bank in e-Banking in Nigeria" from Intermerc Consulting Limited.
- ✓ In December 2007, the Company received, at the NTA Awards, the Corporate Support Award, Best TV Commercial in the Banking Sector and the Best TV Commercial of the year.
- ✓ In December 2007, the Bank won the Nigerian Bar Association Section on Business Law award for the Most Supportive Bank

### AWARDS TIMELINE



### PERFORMANCE

As a consequence of our commitment to improved and innovative service delivery the improvement of our financial performance with our Profits after Tax (PAT) grew from ₦573 million in 2003 to over ₦5.8 billion in 2007, Gross Income increased from ₦4.3 billion in 2003 to ₦39.3 billion in 2007. Total Assets(less contingencies)also grew from ₦20.9 billion to ₦442.6 billion in the same period, while Shareholders funds grew from ₦2.3 billion to ₦29.4 billion.



### **FUTURE PLANS AND MARKET OPPORTUNITIES**

A combination of macro-economic reforms, prudent management of oil windfalls, debt reduction, increasing transparency and a complete overhaul of the Banking sector has created the framework for Nigeria to move away from being a dual economy and achieve its rightful place as one of the two economic powerhouses in sub-Saharan Africa.

The Nigerian Banking industry is strategically important for the Nigerian economy. The industry plays an important role in the implementation of monetary policy as other banking systems worldwide. It is expected that the shape of the industry will continue to evolve. Our primary focus will be to develop a full fledged Retail Banking entity while placing strong emphasis on other areas that have enormous growth potentials and consolidating on Public Sector relationships.

The primary focus on the Retail business is premised on the fact that the middle class is currently very large, and not sufficiently served, and has strong potentials of being the growth engine for the take-off of the Nigerian economy. Likewise the Retail/Consumer Market are more structured, with identifiable buyer values, which are currently untapped but which can be fairly easily tapped. The proportion of un-banked population in Nigeria is still significantly high and specific focus on this segment will significantly boost deposit volumes.

#### **ASSET CREATION**

The primary target market described above offers the best opportunities for us to deploy our resources to build and sustain competitive advantage in order to give consistent returns to our shareholders. In this regard, the bank will take advantage of asset creating opportunities through commercial and consumer lending products. However, these will be complemented by investment, trade and personal financial planning advisory services.

Specifically, the Emerging Middle Class will gain increasing recognition given its sheer size and potential for consumer credit based product offerings. The bank will be able to create value for its shareholders based on its ability to meet clearly identified buyer needs and values in these segments.

#### **LIABILITIES GENERATION**

We will target the same markets in asset creation for our liabilities generation. To connect to Public Sector Enterprise, Multilateral Agencies and NGO funds resulting from increasing foreign services in Corporate, Investment and Trade Finance to assist organizations in these segments. This role is to enable the bank build independent relationships and eventually enhance its ability in liabilities generation.

The ultimate intention of the bank will be to take advantage of first-hand-knowledge of major initiatives requiring funds and to carry out direct marketing to these agencies and parastatals for such funds.

#### **TECHNOLOGY / E-BUSINESS**

Technology will continue to remain a major input into the viability of our banking business. Our customers will have on-line real-time access to their funds. We will continue to use our technology prowess to provide innovative solutions for customers. There will be an increased emphasis on bundling of products and services, cross-marketing will be improved upon and our customers will benefit immensely.

### RISK AND MITIGATING FACTORS

Prospective investors should take cognisance of the fact that every business is exposed to risks both general and specific. General risk factors are those that are inherent to the entire system, the specific risks are unique to the institution or the industry. The Bank proactively anticipates risks and takes reasonable steps to mitigate the likely impact of those risks.

- **BUSINESS/COMPANY SPECIFIC RISKS**

These are the risks that are peculiar to our organisation and are capable of preventing our Bank in achieving its stated strategic objectives. These risks are failure in our internal control and accounting processes, policy implementation flaws, human resource crisis and poor customer service e.t.c. importantly, since the Bank's strategic focus is retail banking there would be increasing credit risk and exposure that the Bank would have to address in order to derive maximum value for embarking on such strategic path

**Mitigating Factors:** *Skye Bank has recognised the risks associated with Retail Banking and as such started conceptualising an integrated credit risk management programme that would be adopted enterprise wide. Furthermore, the Bank periodically reviews and updates its strategies, policies and procedures in line with the ever changing and dynamic environment. Specifically, the Bank has taken steps to deploy cutting edge technologies, recruit and retain relevant manpower and continuously pursue excellent customer service delivery.*

- **INDUSTRY/SECTORAL SPECIFIC RISKS**

After crossing the hurdle of the ₦25 billion capitalisation directive of the Central Bank of Nigeria ("CBN"), the CBN further pronounced that banks would have to increase their capital base to US\$1 billion in order to participate in the management of the country's foreign reserves. This pronouncement has introduced another wave of capitalisation programs as banks are jostling to achieve this requirement. The industry is also being dominated by fierce competition amongst the domestic and international banks aiming to increase their market position and presence.

**Mitigating Factors:** *The Bank has taken the bold steps towards strengthening its capital base in order to participate in the management of the country's foreign reserves as well as ensure it improve its market position and presence. The bank has also laid out blue prints that would make it compete in a professional and ethical manner.*

- **POLITICAL RISK**

The prolonged political instability in Nigeria arising from a long period of military rule is gradually subsiding after 8 years of uninterrupted democratic governance and a successful transition to a new administration. There is however, a tradition of discontinuing predecessor policies by incoming administrations. The effect of this has been lack of focus due to unwarranted policy changes.

**Mitigating Factors:** *The administration of President Yar'adua has stated that it will continue with the policies of the previous administration. Consequently, a recent re-appraisal of the country by Standard & Poors has reconfirmed the BB rating that was awarded in 2006. Furthermore, the Bank intends to expand to other countries as a strategic imperative, thus it will have diversified its income streams to offset some of the negative effects of any unfavourable policy changes.*

- **CURRENCY AND EXCHANGE RATE RISKS**

This is a form of risk that arises from the change in price of one currency against the other. Principally, it denotes the volatility of the exchange rate of our local currency i.e. Naira with other currencies. This has the potential of eroding real returns and values of an enterprise.

**Mitigating Factors:** *In recent times, the exchange rate of the Naira has been relatively stable and has even appreciated slightly against the United States Dollar. This is due to the increasing foreign reserves of Nigeria, debt relief from the Paris Club of Creditors, the introduction of the Wholesale Dutch Auction Systems (WDAS) and other positive fundamental measures being constantly introduced by the CBN and the Nigerian Government. It is expected that these external stabilising factors would be sustained and the Bank's Treasury has effective internal procedures for monitoring and managing its foreign currency risk profile via strategies outlined by the Asset and Liability Committee (ALCO).*

- **ENVIRONMENTAL RISKS**

These are potential losses that can be adduced to natural hazards like earthquakes, tsunamis, volcanoes and floods as well as non-conformity to environmental rules and regulations

**Mitigating Factors:** *Skye Bank is in compliance with and will continue to comply with all environmental rules and regulations. The Bank's compliance procedures are constantly updated and compliance is continually monitored. It is adequately equipped to deal with any environmental threat/incident that may arise in the ordinary course of business.*

## THE CHAIRMAN'S LETTER

### PREMISES

Skye Banks Head office is situated at No 3 Akin Adesola Street, Victoria Island, Lagos. In addition the Bank operates from the branches and cash offices listed below. The Details of the premises are provided below:

S/NO.	State	ADDRESS	Leasehold/ Freehold
1	ABIA	3/4, EZIUKWU ROAD, ABA	Leasehold
2		205 FAULKS ROAD ABA	Leasehold
3		6, OKIGWE ROAD ABA	Leasehold
4		12, CEMETERY RD, ABA	Leasehold
5		58, ASA ROAD ABA	Leasehold
6	ABUJA	PLOT 114, WUSE II, GARKI, ABUJA	Leasehold
7		PLOT 557, GIMBIYA ST, OFF AHMADU BELLO WAY, AREA 11, GARKI	Leasehold
8		PLOT 557 PORT HARCOURT CRESCENT ABUJA	Leasehold
9		MUHAMMED BUHARI WAY, CENTRAL BUSINESS DISTRICT	Leasehold
10		PLOT 246 MAITAMA DISTRICT	Leasehold
11		NASS COMPLEX	Leasehold
12		2302 HERBERT MACAULAY WAY ZONE 6 ABUJA	Leasehold
13		GWAGWALADA AREA COUNCIL	Freehold
14		PLOT 106, NO.36, YAKUBU GOWON CRESCENT, ASOKORO, ABUJA	Freehold
15		PLOT 225/15 LUGBE ESTATE	Freehold
16		PLOT D 40 LADOKE AKINTOLA BLVD GARKI II	Freehold
17		PLOT 1949, DARABA STREET OFF MICHEAL OPARA STREET WUSE ZONE 5, ABUJA	Freehold
18		PLOT 618 IHIALA CLOSE TAFE BALEWA WAY GARKI AREA 8	Freehold
19		2466 MAITAMA DISTRICT	Freehold
20		PHASE II GWAGWALADA AREA COUNCIL	Freehold
21		PLOT 106, NO.36, YAKUBU GOWON CRESCENT, ASOKORO	Freehold
22		PLOT 225/15 LUGBE ESTATE	Freehold
23		IBRAHIM BABANGIDA WAY	Freehold
24	ADAMAWA	27, GALADIMA AMINU WAY, JIMETA, YOLA	Leasehold
25	AKWA IBOM	PLOT 11, GOVERNMENT INDUSTRIAL LAYOUT, IKOT ABASI	Leasehold
26	ANAMBRA	Chief Onyekwere Lock up stalls, Opp. Mgbuka Market, Ugwuagba Obosi	Freehold
27		9, Johnson Street, Onitsha	Freehold
28		42, Port Harcourt Road, Onitsha	Freehold
29		258, ZIKS AVENUE, AWKA, ANAMBRA	Freehold
30		34 PORTHARCOURT ROAD FEGGE ONITSHA	Leasehold
31		SHOP 4044 OF 66 IWEKA ROAD ONITSHA	Leasehold
32		13 EDO EZEMAWI STREET, NNEWI	Leasehold
33	RIVERS	12B, TRANS AMADI LAYOUT, PHASE1, TRANS AMADI, PORT HARCOURT	Leasehold
34		IKOKU JUNCTION, OLU OBASANJO WAY, PORT HARCOURT	Leasehold
35		PLOT129/131, IMPERIAL PLAZA, OLU OBASANJO, P/H	Leasehold
36		143, OLUSEGUN OBASANJO WAY, P/H	Leasehold
37		NPA-FLT TERMINAL, ONNE, P/H	Leasehold
38		PLOT 222B, WORJI ROAD, GRA, PHASEII, P/H	Leasehold
39		AGIP JUNCTION, IKWERRE ROAD, RUMEME, MILE4, P/H	Leasehold
40	BAYELSA	PLOT B 179 & B180 CENTRAL BUSINESS DISTRICT YENAGOA	Freehold
41		327 YENAGOA/MBIRIMA ROAD AMARTA	Freehold
42	BENUE	PLOT BN4235, URBAN DEVT. AREA, MAKURDI	Freehold
43	BORNO	KIRIKASA ROAD, MAIDUGURI	Leasehold
44	DELTA	28 NNEBISI ROAD ASABA, OSHIMILI SOUTH LGA	Freehold
45		88 EFURUN SAPELE/WARRI ROAD	Freehold
46	EBONYI	PLOT 245 BLOCK G" N/AZUIYOKWU	Freehold
47		245 AFIKPO ROAD OPP BUILDING MAT MARKT ABAKALIKI	Leasehold
48	EDO	1 FORESTRY ROAD BENIN CITY	Freehold
49		SOBE/IJAGBA ROAD SOBE	Freehold
50		UGBOWO, LAGOS RD., BENIN CITY	Freehold
51		143 SAPELE ROAD BENIN CITY	Freehold
52		100, AKPAKPAVA ROAD, BENIN	Leasehold
53		MANAGERS QUARTERS, UKPOBA HILL, GRA, BENIN	Leasehold
54		ORBA MARKET, BENIN	Leasehold
55	EKITI	C2, OKE BOLA STREET, ILORO EKITI	Leasehold
56		PLOT 2 3RD EXT. TO G.R.A COMMERCIAL BLOCK C ALONG NEW IYIN ROAD	Freehold
57		AYETORO STREET AISEGBA	Freehold
58		IFAKI ROAD BAREKE IDO EKITI	Freehold
59		IYIN ROAD, ADO-EKITI	Freehold
60		AYEDE OYE ROAD AYEDE EKITI	Freehold
61		ORERE OWU OLD MOTOR PARK ADO EKITI	Freehold
62	ENUGU	96 OGUI ROAD ENUGU	Freehold
63	GOMBE	PLOT 42, GWANI ROAD, GOMBE	Leasehold
64	IMO	3, OSUJI STREET, OWERRI	Leasehold
65		107 DOUGLAS ROAD OWERRI	Freehold
66	JIGAWA	KANO ROAD, HADEJA	Leasehold
67		MADABI ROAD DUTSE DISTRICT	Freehold
68		13 ALONG KANO ROAD BY HADEJA TOWN	Freehold
69	KADUNA	C.B FINANCE HOUSE 16E AHMADU BELLO WAY, KADUNA	Leasehold
70		15/17, AHMADU BELLO WAY, KADUNA	Leasehold
71		3, AHMADU BELLO WAY KADUNA (Kaduna Main)	Leasehold
72		3 KACHIA ROAD KADUNA SOUTH	Freehold
73		PARK ROAD ZARIA	Freehold

## THE CHAIRMAN'S LETTER

S/NO.	State	ADDRESS	Leasehold/ Freehold
74	KANO	24 BELLO ROAD, KANO	Leasehold
75		1, MURTALA MUHAMMED WAY, OPP KANO CLUB	Leasehold
76		1, MURTALA MOHAMMED WAY, KANO	Freehold
77		8 FRANCE ROAD I, SABON GARI KANO	Freehold
78		8, FRANCE ROAD II, SABON GARI	Freehold
79	KATSINA	9A IBB WAY KATSINA	Freehold
80	KEBBI	1, UMARU GWANDU ROAD BIRNIN KEBBI	Freehold
81	KOGI	MURITALA MOHAMMED WAY LOKOJA	Freehold
82	KWARA	MURTALA MUHAMMED WAY ILORIN	Leasehold
83		OLOFA WAY OFFA	Leasehold
84		PLOT 18 OLD COMMERCIAL ROAD AREA MISC.37 MURITALA MOHAMMED WAY ILORIN	Freehold
85	LAGOS	708/709 ADEOLA HOPEWELL VICTORIA ISLAND	Leasehold
86		PLOT 232B, ADEOLA ODEKU STREET VICTORIA ISLAND	Leasehold
87		1220A, AHMADU BELLO WAY, VICTORIA ISLAND	Leasehold
88		218, AJOSE ADEOGUN STREET, VICTORIA ISLAND	Leasehold
89		287A AJOSE ADEOGUN STREET VICTORIA ISLAND	Leasehold
90		64, AGO PALACE WAY OKOTA	Freehold
91		66, Ago Palace Way, Okota	Freehold
92		H27/28, ALABA INT'L MARKET ALABA	Leasehold
93		D LINE 585 OJO ALABA INT'L MARKET ALABA	Leasehold
94		5, ALFRED REWANE ROAD IKOYI	Leasehold
95		85, ALLEN AVENUE IKEJA	Leasehold
96		14, LAGOS-BADAGRY EXPRESS WAY	Leasehold
97		HALL 2, TRADE FAIR COMPLEX LAGOS-BADAGRY EXPRESS WAY	Leasehold
98		LSDPG ESTATE, AMUWO-ODOFIN OFF ORILE-MILE2 EXPRESSWAY	Leasehold
99		ATIKU ABUBAKAR HALL TRADE FAIR COMPLEX (BBA)	Leasehold
100		BADAGRY LOCAL GOVT SECRETARIAT, AGRIC ROAD, AJARA	Leasehold
101		LAGOS ISLAND LOCAL GOVT SECRETARIAT IGBOSERE.	Leasehold
102		27 COMMERCIAL ROAD, APAPA	Leasehold
103		4, OREMEJI ST. OFF SIMBIAT ABIOLA ROAD	Leasehold
104		34, CREEK ROAD, APAPA	Leasehold
105		203/205 APAPA OSHODI EXPRESS WAY DALEKO	Leasehold
106		EPE LOCAL GOVT SECRETARIAT EPE	Freehold
107		19 FATAI ATERE WAY MATORI	Freehold
108		ETI-OSA LOCAL GOVT SECRETARIAT 24, GLOVER ROAD, IKOYI	Leasehold
109		235 HERBERT MACAULAY STREET, YABA	Freehold
110		1, TAYLOR STREET BESIDE G.CAPPA COMPOUND	Leasehold
111		15, IDOLOUWO STREET, LAGOS	Leasehold
112		IDUMAGBO AVENUE, IDUMAGBO	Leasehold
113		207 IGBOSERE ROAD LAGOS	Leasehold
114		MOBOLAJI-BANK ANTHONY WAY IKEJA	Leasehold
115		IKEJA HIGH COURT COMPLEX OBA AKINJOBI ROAD, GRA IKEJA	Leasehold
116		IKORODU LOCAL GOVT SECRETARIAT IKORODU I	Leasehold
117		IKORODU LOCAL GOVT SECRETARIAT IKORODU II	Leasehold
118		425 OSHODI/APAPA EXPRESS WAY BERLIET BUSTOP ILASAMAJA	Leasehold
119		IMOTA CATTLE MKT IKORODU	Leasehold
120		66 ITIRE ROAD BESIDE MOBIL/MR BIGG'S SURULERE	Leasehold
121		32 KUDIRAT ABIOLA WAY	Leasehold
122		LAGOS HIGH COURT COMPLEX, IGBOSERE ROAD, LAGOS	Leasehold
123		IKEJA GENERAL HOSPITAL OBA AKINJOBI ROAD, IKEJA	Leasehold
124		60 M.M. INT'L AIRPORT RD MAFOLUKU	Leasehold
125		H/MACAULAY ST, EBUTE-METTA	Leasehold
126		2/4 JIMADE CLOSE, OFF LADIPO ROAD MATORI	Leasehold
127		6, MOBOLAJI BANK ANTHONY WAY MARYLAND	Leasehold
128		2 MONTGOMERY ROAD, YABA	Leasehold
129		BLK 2, GRD FL, WING A NAHCO COMPLEX, M.M.INT'L AIRPORT	Leasehold
130		NIGER HOUSE 1-5 ODUNLAMI STREET LAGOS	Leasehold
131		LSDPG HOUSE, NNAMDI AZIKWE STREET LAGOS	Leasehold
132		2, ODUNLAMI STREET, LAGOS	Leasehold
133		48, KAYODE STREET, OFF OGBA-IJAIYE ROAD OGBA	Leasehold
134		58 KOSOKO STREET, LAGOS ISLAND	Leasehold
135		OKO-OBA ROAD, AGEGE	Leasehold
136		46, OPEBI ROAD IKEJA	Leasehold
137		4 OREMEJI STREET OFF SIMBIAT ABIOLA STREET IKEJA	Leasehold
138		PLOT 1A, BLOCK C LSDPG IND. ESTATE ORILE	Leasehold
139		26, OSOLO WAY, ISOLO WAY AJAO ESTATE APAKUN LAGOS	Leasehold
140		SHOP 11, PALMS MALL WING2 LEKKI	Leasehold
141		PORTAKABIN 30, TINCAN ISLAND APAPA	Leasehold
142		BLK 13, FEDERAL GOVERNMENT LAYOUT, NITEL RD., SATELLITE TOWN	Leasehold
143		BADAGRY PORT, BADAGRY	Leasehold
144		6, BAJULAYE ROAD, SHOMOLU	Leasehold
145		SURULERE SECRETARIAT, SURULERE	Leasehold
146		28 WHARF ROAD APAPA	Freehold
147		13, TOYIN STREET, IKEJA	Leasehold
148		VICTORIA GARDEN CITY OPP MEIDAN HOTEL, VGC	Leasehold
149		BLOCK 6, SHOPS 1 & 2, 1ST FLOOR, AGRIC MARKET, ALABA METTA FARM COMPLEX	Freehold
150		22, ST. GREGORY RD, OFF OBAFEMI AWOLowo RD., IKOYI	Leasehold
151		LAGOS STATE UNIVERSITY, OJO CAMPUS	Leasehold
152		2ND & 3RD FLOORS, CATHEDRAL HOUSE, MARINA, LAGOS	Leasehold
153		125A APAPA OAD EBUTE META	Freehold
154		LAGOS-ABEOKUTA EXP. ROAD ALAGBADO	Freehold
155		22 OLABIRAN STREET SOMOLU	Freehold

## THE CHAIRMAN'S LETTER

S/NO.	State	ADDRESS	Leasehold/ Freehold
156		PLOT 13 BLOCK 11 SITE D EXTENSION SATELLITE TOWN	Freehold
157		BADAGRY EXPRESS WAY, OKOKOMAIKO	Freehold
158		35 SHASHA ROAD AKOWONJO	Freehold
159		LAGOS	Freehold
160		48 WAREHOUSE ROAD APAPA	Freehold
161		30 MARINA, LAGOS	Freehold
162		ALONG MOBOLAJI BANK ANTHONY WAY ONIGBONGBO IKEJA	Freehold
163		22 OBALENDE ROAD IKOYI	Freehold
164		3 AKIN ADESOLA STREET VICTORIA ISLAND	Freehold
165		37/38 ISHERI-OJODU ROAD, OGBA	Freehold
166		PLOT 5 IKEJA COMMERCIAL SCHEME ALAUSA	Freehold
167		18 AYANGBUREN STREET IKORODU	Freehold
168		81 ADENIRAN OGUNSANYA STREET SURULERE	Freehold
169		DALEKO RICE MARKET BANK CLOSE MUSHIN	Freehold
170		BETWEEN FORMER EIB & ELEPHANT CEMENT HOUSE IKEJA	Freehold
171		17 WHARF ROAD APAPA LAGOS	Freehold
172		KETU LAGOS	Freehold
173		146 OBAFEMI AWOLOWO WAY LAGOS	Freehold
174		DOPEMU LAGOS	Freehold
175		213 HERBERT MACAULAY ROAD	Freehold
176		1ST AVENUE, BY 1st GATE FESTAC TOWN	Freehold
177		1 GANIYU SHOGUNLE CLOSE IRE AKARI ESTATE	Freehold
178		7 OLA OLU STREET ISOLO	Freehold
179		CMD ROAD SHANGISHA VILLAGE IKEJA	Freehold
180		block 2 flat a, col. Marwa road, epe	Leasehold
181		IJU WATER WORKS ROAD, IJU, AGEGE	Freehold
182		27, MUSHIN ROAD, ISOLO	Freehold
183		1, INDUSTRIAL ROAD, OLODI APAPA	Freehold
184		PLOT 28, BLOCK J, OJOTA/OGUDU RESIDENTIAL SCHEME, OGUDU	Freehold
185		DOMESTIC MURITALA MOHAMMED AIRPORTWAY LOKOJA	Leasehold
186		YABA COLLEGE OF TECNOLOGY, AKOKA	Leasehold
187		PLOT 269A KOFO ABAYOMI STREET, VICTORIA ISLAND	Freehold
188	BAUCHI	BANK ROAD	Leasehold
189	NASARAWA	JOS/MAKURDI ROAD, LAFIA	Leasehold
190		ADJACENT IMMIGRATION OFFICE, AKWANGA RD, LAFIA	Freehold
191	NIGER	PLOT 150/150A BOSSO ROAD MINNA	Freehold
192	OGUN	OPIC HOUSE, IBARA ABEOKUTA	Leasehold
193		77 LAGOS ABEOKUTA EXP. ROAD SANGO	Freehold
194		81 ABEOKUTA ROAD IJEBU-ODE	Freehold
195		ODO ASOYIN ROAD IJEBU-IGBO	Freehold
196		ONA-OLA QUARTERS ILARO	Freehold
197		OLD MOTOR PARK ITORI	Freehold
198		75, ABEOKUTA EXPRESS ROAD TEMIDIRE, SANGO-OTA	Freehold
199		15, SOKENU ROAD OKE-IJEUN, ABEOKUTA	Freehold
200		AKARIGBO STREET SABO AREA, SHAGAMU	Freehold
201		IWAIE/AYEPE ROAD, ODOGBOLU.	Freehold
202		MARKET SQUARE ODE-REMO	Freehold
203	ONDO	36 HOSPITAL ROAD AKURE	Leasehold
204		CONFIDENCE INSURANCE HOUSE PLOT 1-3 ALAGBAKO JUNCTION AKURE	Leasehold
205		PLOT 5 OLA ORIMOLOYE CRESCENT OFF OBA ILE ROAD AKURE	Freehold
206		OYEMEKUN ROAD AKURE	Freehold
207		20 IKALE STREET IJAPO ESTATE AKURE	Freehold
208		BODE GEORGE ROAD ALAGBAKA ESTATE AKURE	Freehold
209		COOP HOUSE ALONG BENIN ILESIA ROAD AKURE	Freehold
210		OKE AGUNLA, ALADE IDANRE	Freehold
211		JIGBOKEN QUARTER IDANRE, ONDO STATE	Freehold
212		IKOYA ROAD OKITIPUPA	Freehold
213		23A, YABA ROAD, ONDO	Freehold
214		TEMIDIRE STREET, ILE OLUJI	Freehold
215		OGBAGI CENTRAL MOTOR PARK, OGBAGI	Freehold
216		IWARO OKA OKA-AKOKO	Freehold
217		IGBAJA STREET OFF AKURE-BENIN EXPRESS IFON JUNCTION	Freehold
218		IMALO STREET OFF STEPHEN STREET ITA IPELE ROAD	Freehold
219		JUBILEE ROAD, IKALE ROAD	Freehold
220		19, OKE-OGUN STREET, OWO	Freehold
221	OSUN	TIMI MARKET, EDE	Freehold
222		ADELEKE WAY, ALEKUWODO, OSOGBO	Freehold
223		OSOGBO/OGBOMOSHO ROAD, IFON	Freehold
224		IGBAJO,	Freehold
225		B.43, AKURE ROAD, OKESHA ILESIA	Freehold

## THE CHAIRMAN'S LETTER

S/NO.	State	ADDRESS	Leasehold/ Freehold
226		TIMI MARKET ,EDE	Leasehold
227		EDE POLYTECHNIC ,EDE	Leasehold
228		AFIN ELEJIGBO, EJIGBO	Freehold
229		OBAFEMI AWOLOWO UNIVERSITY, ILE-IFE	Leasehold
230		2, OBA ADEREMI ROAD, ILE-IFE	Freehold
231		INISHA ROAD, IKIRUN	Freehold
232		OJA OBA MARKET ILA-ORAGUN	Freehold
233		OTAN AYEGBAJU, OSUN STATE	Freehold
234		OBAFEMI AWOLOWO UNIVERSITY TEACHING HOSPITAL, ILE-IFE	Leasehold
235		5B, FAGBEWESA TREET, OSHOGBO	Freehold
236	OYO	FLAT 4, PLOT 18, BLOCK, 2, OSIDASA LAYOUT, OKE OROKI OYO	Leasehold
237		SW8/115 AGBENI MKT DUGBE, IBADAN	Leasehold
238		BODIJA MARKET, BEHIND TEXACO FILLING STATION	Leasehold
239		PLOT 190/192 OBAFEMI AWOLOWO WAY, OKE-ADO, IBADAN	Leasehold
240		IWO ROAD, IBADAN	Freehold
241		OLD AIRPORT NEAR BODIJA RAILWAY STATION RAILWAY STATION IBADAN	Freehold
242		AJEGUNLE ST. OPP LOCAL GOVT. SECRETARIAT, SAKI	Freehold
243		ALONG SANGO ROAD, ERUWA	Freehold
244		BLOCK H, PLOT 1, LIBERTY STADIUM RD LAYOUT, RING RD., IBADAN	Freehold
245		17 LEBANON STREET OLD GBAGI MARKET, IBADAN	Freehold
246		OBA ADEBIMPE ROAD DUGBE, IBADAN	Freehold
247		ALONG SECRETARIAT/BODIJA ROAD, AGODI, IBADAN	Freehold
248		IJEBU ODE ROAD ALONG ORITA CHALLENGE, IBADAN	Freehold
249		UAC CRESCENT ONIREKE IBADAN	Freehold
250		IGANNA ROAD, OKEHO	Leasehold
251		OPP. LOCAL GOVT. SECRETARIAT, SHAKI	Leasehold
252	PLATEAU	NIPSS KURU, KURU	Leasehold
253		MURTALA MUHAMMED WAY, JOS	Leasehold
254		MAXWELL KHOBE CANTONMENT, RUBUKA, JOS	Leasehold
255	SOKOTO	13, AHMADU BELLO WAY SOKOTO	Leasehold
256		16 KANO ROAD SOKOTO	Freehold
257	TARABA	HAMMARUWA WAY, JALINGO	Leasehold
258	ZAMFARA	33, KARTIN ROAD GUSAU	Leasehold

## THE CHAIRMAN'S LETTER

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### PURPOSE OF THE OFFER

The Total Offer is being undertaken as part of the long-term strategic plan to strengthen the position of the Bank, and put it in a good position to surmount the challenges of the evolving banking industry, both locally and globally.

The bank is expected to raise ₦50,000,000,000.00 through the issuance of 3,732,208,103 new shares made up of a Rights Issue of 1,500,608,958 and an Offer for Subscription of 2,231,599,145 ordinary shares of 50 kobo each at ₦12.50 and ₦14.00 per share respectively.

The estimated net proceeds of ₦47,913,441,975.11 from the Total Offer, after deduction of Total Offer costs of ₦2,086,558,030.00 (or 4.17% of the gross Offer proceeds) will be used to deepen Skye Bank's retail infrastructure in Nigeria, strengthen subsidiaries' capital base to support business growth, expand Skye Bank's capital network of branches and fund its working capital requirements as shown below:

Utilisation	Amount (N)	%	Estimated Completion Period
Branch Development <sup>1</sup>	10,972,178,212.30	22.90%	36 Months
Investment in Subsidiaries <sup>2</sup>	15,476,041,757.96	32.30%	24 Months
Information Technology Infrastructure	4,120,556,009.86	8.60%	24 Months
Working Capital	17,344,665,994.99	36.20%	Continuous
<b>TOTAL</b>	<b>47,913,441,975.11</b>	<b>100.00%</b>	

<sup>1</sup> Abia(2), Akwa Ibom(1), Adamawa(1), Anambra(1), Bauchi(1), Benue(1), Borno(1), Cross River(1), Delta(1), Ebonyi(1), Edo(1), Ekiti(1), Enugu(1), Gombe(1), Imo(1), Jigawa(1), Kaduna(2), Kano(1), Kastina(1), Kebbi(1), Kwara(2), Lagos(21), Nassarawa(1), Niger(2), Ogun(1), Ondo(1), Osun(1), Oyo(4), Plateau(1), Taraba(1), Yobe(1), Zamfara(1).

<sup>2</sup> Law Union & Rock Insurance Plc, Skye Financial Services Limited, Skye Trustees Limited, Skye Mortgages Limited and APEX Integrated Technical Limited.



### OUR BOARD OF DIRECTORS AND MANAGEMENT TEAM

The Board of Directors is comprised of 16 accomplished professionals who have brought their complementary skills to bear on the future direction of the Bank and are committed to driving the achievement of the Bank's objectives. I am the Chairman of the Board, a retired Police Officer, and was the Inspector General of Police of Nigeria from May 1999 to March 2002. Prior to this, I served in different capacities with the Nigerian Police Force between 1971 and 1999. I was also a member of the Provisional Ruling Council of Nigeria between 1998 and 1999. I hold a Masters degree in Strategic Studies (1995) from the University of Ibadan and I have attended several training courses both at home and abroad.

Other members of the Board are as follows;

#### **MRS. MORENIKEJI ONASANYA, VICE CHAIRMAN**

Mrs. Onasanya is an accomplished accountant. A Fellow and Council Member of the Institute of Chartered Accountants of Nigeria, she had her professional accountancy training at Waltham Forest Technical College, Walthamstow, London (1968). Mrs Onasanya had a rewarding career with UAC Group of companies where she rose to become the Group Head of Finance before proceeding on voluntary retirement in December 2000. She has attended several management development programmes locally and abroad. She is on the board of several companies, including Pera Beam Limited and W.T Systems Limited. She is the president of the Bank Directors Association of Nigeria (BDAN).

#### **MR. AKINSOLA AKINFEMIWA - MANAGING DIRECTOR/CEO**

Mr. Akinfemiwa was the MD/CEO Prudent Bank PLC, one of the constituent banks in Skye Bank Plc. He holds a B.Sc. in Agricultural Economics from the University of Nigeria (1976), Nsukka and an M.B.A. from the Obafemi Awolowo University (1980). A seasoned banker with over twenty-eight years of banking experience, his areas of expertise include Strategic Planning and Management, Corporate Banking, Project Financing, Leadership and Interpersonal Relationship and Advisory Services. Mr. Akinfemiwa has attended several senior management development training programmes both locally and overseas, including the Advanced Management Program at INSEAD, and a Senior Executive Internship program at the American Express Bank N.Y.

#### **MR. KEHINDE DUROSINMI-ETTI - DEPUTY MANAGING DIRECTOR**

Mr. Durosinmi – Etti holds a B.Sc. in Economics from the University of Ibadan, Oyo State (1982). He graduated as a member of the Chartered Association of Certified Accountants (ACCA) in 1985. He started his banking career with Nigeria – American Merchant Bank Limited (Affiliate Bank of Boston) where he rose to become the Head of Accounts/Computer and later, Internal Control. He left for Midas Merchant Bank where he served at various times as Head of Treasury, Assistant General Manager in charge of Money Market Division, and Executive Director. He later became the CEO in 1994. He subsequently joined Lagos Building Investment Co. Limited in 2001 as Managing Director, from where he joined the services of EIB International Bank Plc in April 2002, and became MD/CEO in July, 2002, a position he held until the Bank consolidated with others to form Skye Bank in January 2006.

#### **MR. SEGUN OLOKETUYI - EXECUTIVE DIRECTOR, ENTERPRISE-WIDE RISK MANAGEMENT**

Segun Oloketuyi holds a B.Sc. in Chemistry (1983) and a postgraduate Diploma in Chemical Engineering (1985), both from the University of Lagos. He is a Fellow (FCA) of the Institute of Chartered Accountants of Nigeria and he received an MBA from the Lagos Business School in 2003. After a stint with Akintola Williams & Co., (now Akintola Williams Deloitte) Chartered Accountants, he moved on to Chartered Bank Plc, his career spans Audit/Accounting and Banking. He joined Prudent Bank Plc as a pioneer staff in January 2000 as General Manager, and rose to the position of Executive Director in July, 2004, a position he held until consolidation. He has attended many training programs, both locally and internationally including the Advanced Management Programme (AMP) at INSEAD.

#### **MR. GBENGA ADEMULEGUN-EXECUTIVE DIRECTOR, BUSINESS DEVELOPMENT**

Gbenga Ademulegun holds a B.Sc. in Economics from Ahmadu Bello University, Zaria (1983) and a Master's degree in Economics (Money & Finance) from the University of Jos (1992). He worked for Coopers & Lybrand (Chartered Accountants), and thereafter joined Savannah Bank of Nigeria Plc. He moved to Gulf Bank of Nigeria Plc as Assistant General Manager (Commercial Banking Group) and later Deputy General Manager (Treasury & Marketing Group). He later became Executive Director in EIB International Bank, and held the position until its consolidation under Skye Bank.

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## THE CHAIRMAN'S LETTER

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Mr. Ademulegun has attended various local and international training programs, including Financial Management of Agricultural and Industrial Resources under the auspices of the Centre for Development Programme, Denver, Colorado, USA, and the Advanced Management Program at INSEAD. He is an Associate Member of the Nigerian Institute of Management and he holds a Treasury Dealership Certificate (TDC).

### **MR. COLLINS CHIKELUBA - DIRECTOR**

Mr. Chikeluba is a lawyer by profession. He holds a B.Sc Degree from Fontbone College, USA (1984) and a JD from St. Louis University School of Law (1987). He was called to the Nigerian Bar Association in 1988. He started his career as an Associate Lawyer in the firm of Ayanlaja, Adesanya & Co. He founded the firm of Chikeluba and Associates, Legal Practitioners, in 1990 and became the Managing Director of GMO Group of Companies in 1991.

### **DR. ADEBAYO ADEWUSI - DIRECTOR**

Dr Adewusi holds B.Sc (1980), M.Sc (1982) both from the University of Ife and a Doctorate degree in 1993 from Keio University, Tokyo as well as an LL.B degree(2000) from the University of Lagos. He is also a Director in several companies, including Ibile Holdings Limited, United Nigerian Textiles Plc and Lasaco Insurance Plc. His career cuts across Banking and academics. He has written several articles on Economics and Finance, both in Nigeria and abroad. He is a member of the Institute of Directors, Nigerian Economic Summit Group, and Nigerian Economic Society.

### **MR. VINAY TUTEJA - DIRECTOR**

Mr Tuteja is a Chartered Accountant and an associate Member of the Institute of Chartered Accountant of India (ICAI) (1996) and Institute of Cost Accountant (ICWA), India(1995). He has over eleven years experience in Banking and Finance, including Treasury Management, Project Capital Management, Audit and Taxation. He also worked with the Core Emballage Limited in India where he was the Finance Manager. He joined the Stallion Group of Companies as the General Manager, overseeing Finance & Account for the Car Division, before he became the Finance Director for the Group in 2000.

### **PRINCESS ADENIKE ADENIRAN - DIRECTOR**

Princess Adeniran is a Fellow of the Chartered Association of Certified Accountants (ACCA) of which she became a member in 1970. She is also a qualified Professional Dealing Clerk & Stockbroker of the Nigerian Stock Exchange. Princess has held several positions and assignments such as Chairman, Ogun State Investment Corporation, President, Association of Accountancy Bodies in West Africa (ABWA), First and Incumbent President, International Federation of Women Accountants (IFWA) – Africa Region, and President, Institute of Chartered Accountants of Nigeria. A seasoned banker, she was Chief Accountant of Cooperative Bank PLC, and General Manager, Nigbel Merchant Bank Limited amongst others. She is a member of the National Economic Intelligence Group.

### **MR. KOLA AWODEIN (SAN) - DIRECTOR**

Mr. Kola Awodein is a graduate of Law from Obafemi Awolowo University in 1978. He is a Senior Advocate of Nigeria as well as a Fellow and Scholar, Centre for International Legal Studies (CILS). He is also an alumnus of Harvard Business School. Mr. Awodein started his law career with Olajide Oyewole and Co. in 1979 and is currently the Principal Partner Kola Awodein & Co. He has held various appointments in the Nigerian Bar Association and has been Editor of various legal journals.

### **BRIG. GEN. ANTHONY UKPO (RTD) - DIRECTOR**

Brig. Gen. Anthony Ukpo, an Industrialist with various interests in Manufacturing, Property Development, Oil and Gas Development and Hotel Development, served in the Nigerian Army before retiring in 1993. He has a Diploma in Instructional Technology from the US Marine Corp Instructional Technology School (USA) in 1980 and a Masters Degree in Military Arts and Sciences (MMAS) from the US Army War College College (U.S.A) (1991). General Ukpo held various political appointments, which included Federal Minister, Information and Culture, Military Governor, Rivers State, and Principal Staff Officer to the President. He is currently the Chairman, Board of Directors Megastar Construction & Technical Co. Limited, and QBC Builders Merchant Limited.

### **DR. JASON O FADEYI - DIRECTOR**

Dr. Fadeyi graduated in 1979 with a BS.c in Business Administration from Yale University Connecticut, USA. He holds an MBA, (Health Care Mgt) (1999) from The Wharton School, University of Pennsylvania, and M.D, (Medicine) University of Pennsylvania School of Medicine, Philadelphia. He is a Fellow of the American Academy of Pediatrics, and member of the American Academy of Medicine and American Management Association. Dr. Fadeyi acquired business experiences from world known consulting firms; Booz Allen and Hamilton Inc and McKinsey & Company Inc, in New York. . He is currently the General Partner of CSS Petroleum Services, LLC of New York and the Managing Partner of Mayfair Properties, a division of JATSCO Mayfair International Property Management, LLC, New York.

### **MR VICTOR ADENIGBAGBE - DIRECTOR**

Mr Adenigbagbe holds a Bachelors degree in History and Sociology (1977), and a Masters degree in International Relations (1980), both from Obafemi Awolowo University, Ile Ife. He has attended several local and foreign courses on Financial and Co-operative Management and held academic positions in Obafemi Awolowo University, Ile Ife and Osun State College of Education, Ilesa. Mr Adenigbagbe has served on the Board of several companies and he is the current Chairman of Cooperative Savings and Loans Limited.

### **MR. MICHAEL GASHAU TARFA - DIRECTOR**

Mr. Tarfa is an alumnus of the Ahmadu Bello University, Zaria. He holds B.Sc (1977) and M.Sc (1985)degrees in Agric Economics and an MBA(1994) from Kensington Glendale, USA. He started his career with the then Gongola State and later moved into the banking sector. He has over 10 years banking experience with expertise in Credit and Branch Operations. He joined the Nigerian Ports Authority in 1996 and is currently an Assistant General Manager.

### **MR ARIYO AJAJA - DIRECTOR**

Mr Ajaja is an astute Accountant with over 26 years of experience in Banking.He has an Higher National Diploma from Yaba College of Technology in 1976. He started his career with Z. O Ososanya & Co (Chartered Accountants) and moved to Co-operative Bank as a Senior Inspector. He worked in different capacities in Co-operative Bank and rose to the position of Managing Director, a position he held until his retirement in February 2006. Mr Ajaja served on the Board of several professional bodies, and was the Chairman, Ibadan branch of the Institute of Chartered Bankers of Nigeria from 2000 to 2004. He also served on the Board of several companies, including Express Discount House Ltd.

### **ABIMBOLA IZU - COMPANY SECRETARY/LEGAL ADVISER**

Abimbola Izu holds a degree in Law from the University of Ife, Ile Ife (now Obafemi Awolowo University) (1986), and a Masters of Law degree (LLM) (1989) from the University of Warwick, England. She was a multiple award winner at the University of Ife, the Nigeria Law School, and at the University of Warwick. Bimbola is a seasoned technocrat, with over 19 years of experience in the practice of law both in private legal practice, and in the banking industry. Her career spans several leading Law firms, including Bentley, Edu & Co, Chief Afe Babalola & Co, and Olaniwun Ajayi & Co, from where she joined the services of Bond Bank as pioneer Company Secretary / Legal Adviser in 2002. She later became the Head, Legal and Corporate Services Division of the Bank, overseeing the Administrative Services, Branding and Strategic Communications, and Human Resources Departments of the Bank. Upon the merger of Bond Bank with four other legacy institutions to form Skye Bank, Bimbola was appointed the Company Secretary / Legal Adviser of the new bank in January 2006. She also oversees the Corporate Affairs Department of the Bank.

### KEY MANAGEMENT TEAM

The daily affairs of the Bank is managed by the Management Team consisting of the Managing Director/CEO, Deputy Managing Director, and two Executive Directors (whom have been introduced in previous pages) and a crop of other key management staff which include the following:

#### **DOTUN ADENIYI – GENERAL MANAGER, RETAIL BANKING**

Dotun is a graduate of Political Science (1983) from the University of Ibadan and holder of an MBA degree (1992) from the University of Ilorin. He started his banking career with UBA in 1984. He joined NAL Merchant Bank in 1992 as an Assistant Manager, and subsequently moved to Chartered Bank in 1993 where he rose to the level of Senior Manager before he left in 1999. Dotun joined Prudent Bank as an Assistant General Manager in 2000 where he worked in various areas of the Bank's business including Operations, Business Development, Information technology and Service Quality Management. In 2006 he became a General Manager, and now oversees the Retail banking business of the Bank.

#### **IBIYE EKONG – GENERAL MANAGER, SOUTH – SOUTH.**

Ibiye is a graduate of Finance from the University of Lagos (1985) and holds an MBA from Lagos Business School (2005). She qualified as a chartered accountant in 1991. She previously worked with John Holt Plc, and Chartered Bank Plc, where she spent 8 years leaving as a Manager. She joined Prudent Bank Plc in 2000 as a Senior Manager in charge of Treasury and Financial Products, and rose to the level of GM in 2005. She currently heads the South – South business Directorate of the Bank.

#### **AMAKA ONWUGHALU - GENERAL MANAGER, SOUTH EAST**

Amaka is a seasoned and professional banker with over 19 years' experience. She holds a B.Sc. in Economics (1983) from Buckingham University. She is also an MBA degree holder in 2000 from University of Port-Harcourt. She has attended several professional banking courses in Nigeria and abroad. She has received several awards including the Honorary Senior Member, Chartered Institute of Bankers of Nigeria and Senior Fellow, Institute of Internal Auditors of Nigeria. Amaka began her banking career in 1987 as a Banking Officer. Her experience spans various aspects of banking, including credit, operations and treasury management. She rose to become an Executive Director, and later Acting Managing Director / CEO of defunct Reliance Bank Limited - one of the legacy banks of current Skye Bank Plc. She is currently the Directorate Head, South – East business directorate of the Bank.

#### **SEGUN AKINTEMI – GENERAL MANAGER, IT AND OPERATIONS**

Segun graduated from the University of Lagos in 1989 with a Degree in Computer Science and an Advanced Diploma in Management in 1993 from the same institution. He also obtained an MBA from the Lagos Business School in 2006. He started his banking career in Union Bank where he worked as a computer programmer, and subsequently joined Gulf Bank as Head of Information Technology in 1991. In 2000, he joined Prudent Bank as the Head of Information Technology and rose to the level of General Manager I.T and Operations Skye Bank, in 2007.

#### **NIYI ADESEUN – GENERAL MANAGER, ABUJA AND THE NORTH**

Niyi is a graduate of Economics from Obafemi Awolowo University Ile Ife (1988). He also holds an MBA from the University of Lagos (1998). He started his banking career in 1990 with Citi Bank Nigeria, and later joined Oceanic Bank where he rose to the level of Head, Branch Audit. He worked variously with Crystal Bank, Chartered Bank and Standard Trust Bank before he joined Prudent Bank in 1999 as Head of Public Sector Business. He is currently the Regional Directorate Head for the North-Central and Abuja regions in Skye Bank.

### CORPORATE GOVERNANCE

Corporate Governance is a commonly shared culture and value in Skye Bank. Indeed the premium placed on sound corporate governance is embedded in one of our core values: Integrity. In furtherance of this, the bank fully subscribes to both the Securities and Exchange Commission's and the Central Bank of Nigeria's Code of Corporate Governance. The bank has not only subscribed to the Codes internally, but has also institutionalised their cardinal provisions to demonstrate its commitment to sound corporate governance principles.

### BOARD COMPOSITION AND FUNCTIONS

The board of Directors of the bank is comprised of men and women who have distinguished themselves in various walks of life. The office of the Chairman and the Chief Executive's office are held by different persons who are not related to each other in any manner whatsoever. The Board provides strategic policy planning and direction and establishes risk management and internal control systems for the Bank. They are also responsible for establishing and ensuring the integrity of the Bank's information and accounting systems, as well as maintaining ethical standards. In addition, the Board provides oversight for the selection and remuneration of executive directors, and for succession planning. On the whole, the Board ensures effective management oversight for the Bank.

The responsibilities of the Board are discharged through an effective Committee system, which ensures the active participation of all directors in the supervision and policy direction of the Bank. There are four standing Board committees- the Board Credit Committee, the Board Risk Management Committee, the General Purpose Committee and the Board Compensation Committee. In addition, there is an Audit Committee comprising Shareholders and Non-Executive Directors of the Bank.

### SHARE HOLDER RIGHTS

The bank has maintained a transparent system, and remained accessible to all shareholders. The Board and Management have taken particular interest in protecting the minority shareholders and preserving their confidence in the Bank. They therefore maintain constant communication with them on the bank's activities. The bank devotes significant resources to building a solid platform that is guaranteed to deliver constant returns to shareholders and I assure you that the Board and management will continuously build on this foundation in the coming years.

### CONCLUSION

I strongly believe that the Bank will achieve its aspirations and encourage all prospective and discerning investors as well as existing shareholders to participate fully in this Offer as Skye Bank moves into the next phase of harnessing the opportunities in the banking industry and the Nigerian and global economy.

Yours faithfully,

**Alhaji Musiliu Adeola Kunbi Smith OFR, CFR**

Chairman

## FINANCIAL FORECASTS

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### LETTER FROM THE REPORTING ACCOUNTANTS

November 29, 2007

The Directors  
Skye Bank Plc  
No 3 Akin Adesola Street  
Victoria Island  
Lagos State

And

<b>The Managing Director</b>	<b>The Managing Director</b>	<b>The Managing Director</b>	<b>The Managing Director</b>
Vetiva Capital Management Limited 266B Kofo Abayomi Victoria Island Lagos	FBN Capital Limited 16 Keffi Street South West Ikoyi Lagos	Greenwich Trust Limited Plot 1698A Oyin Jolayemi Victoria Island Lagos	Sterling Capital Market Limited 67 Marina Lagos

Dear Sirs,

**PROPOSED HYBRID OFFER BY SKYE BANK PLC: RIGHTS OFFER OF 1,500,608,958 SHARES OF 50KOBOS EACH AT ₦12.50 PER SHARE AND PUBLIC OFFER OF 2,231,599,145 SHARES OF 50KOBOS EACH AT ₦14.00 PER SHARE**

We have examined the profit and balance sheet forecast of **Skye Bank Plc** for the years ending September 30, 2008, 2009 and 2010 respectively. The Directors of the Bank are solely responsible for the forecast including the assumptions set out on pages 34 on which it is based.

We have examined the accounting policies, bases and assumptions adopted in arriving at the profit and the balance sheet forecast and nothing has come to our attention which makes us to believe that these assumptions do not provide a reasonable basis for the forecast.

In our opinion, the forecast is properly compiled on the basis of the assumptions made by the Directors and is prepared on a basis consistent with accounting policies normally adopted by the Bank.

However, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected. Those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

**DELE OLUFON & CO.**  
**(Chartered Accountants)**  
**Reporting Accountants**

## **LETTER ON GOING CONCERN STATUS**

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Tuesday, 8 January 2008

<b>The Managing Director</b> Vetiva Capital Management Limited 266B Kofo Abayomi Victoria Island Lagos	<b>The Managing Director</b> FBN Capital Limited 16 Keffi Street South West Ikoyi Lagos	<b>The Managing Director</b> Greenwich Trust Limited Plot 1698A Oyin Jolayemi Victoria Island Lagos	<b>The Managing Director</b> Sterling Capital Market Limited 67 Marina Lagos
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Dear Sirs,

### **CONFIRMATION OF GOING CONCERN STATUS OF SKYE BANK PLC ("THE BANK")**

Based on our review of the financial information of the Bank as well as the profit forecast in our role as Reporting Accountants to the proposed Offer, we confirm that nothing has come to our attention that causes us to believe that the Bank will not continue as a going concern in the foreseeable future.

Yours faithfully,

**Dele Olufon & Co**  
**(Chartered Accountants)**

## **LETTER FROM THE ISSUING HOUSES**

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The following is a copy of the letter from the Issuing Houses on the Profit Forecast:

**The Managing Director**

Vetiva Capital  
Management Limited  
266B Kofo Abayomi  
Victoria Island  
Lagos

**The Managing Director**

FBN Capital Limited  
16 Keffi Street  
South West Ikoyi  
Lagos

**The Managing Director**

Greenwich Trust Limited  
Plot 1698A Oyin Jolayemi  
Victoria Island  
Lagos

**The Managing Director**

Sterling Capital Market  
Limited  
67 Marina  
Lagos

Tuesday, 8 January, 2008

The Directors  
Skye Bank Plc  
No 3 Akin Adesola Street  
Victoria Island  
Lagos State

Dear Sirs

**OFFER FOR SUBSCRIPTION OF 2,231,599,145 ORDINARY SHARES OF 50 KOBO EACH IN SKYE BANK PLC AT ₦14.00 PER SHARE**

We write further to the Prospectus issued in respect of the Offer for Subscription of 2,231,599,145 ordinary shares of 50 Kobo each in Skye Bank Plc, the draft of which we have had the privilege of reviewing. The Prospectus contains forecasts of the profits of the Bank for the years ending 30 September 2008, 2009 and 2010.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Dele Olufon & Co, the Reporting Accountants. We have also considered the letter dated 29 November, 2007 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by Dele Olufon & Co, we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

**Managing Director**  
Vetiva Capital  
Management Limited

**Managing Director**  
FBN Capital Limited

**Managing Director**  
Greenwich Trust  
Limited

**Managing Director**  
Sterling Capital  
Markets Limited



## PROFIT FORECAST

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### PROFIT FORECAST (ASSUMING OFFER IS FULLY SUBSCRIBED)

The Directors estimate that, in the absence of unforeseen circumstances and based on assumptions set out on pages vi to vii, the Bank's profit and balance sheet forecast for each year ending 30 September 2008, 2009 and 2010 will be as shown below:

	<b>FORECAST YEAR END 30-Sep-08 N'Millions</b>	<b>FORECAST YEAR END 30-Sep-09 N'Millions</b>	<b>FORECAST YEAR END 30-Sep-10 N'Millions</b>
<b>GROSS MARGIN</b>	<b>78,738</b>	<b>99,758</b>	<b>115,573</b>
Interest Income	62,300	78,676	88,799
Interest Expense	(26,003)	(34,783)	(40,527)
Interest on Convertible Loan	(3,825)	(3,825)	(3,825)
<b>INTEREST MARGING</b>	<b>32,472</b>	<b>40,068</b>	<b>44,447</b>
Provision for loan losses	(2,869)	(6,312)	(9,468)
<b>NET INTEREST MARGIN</b>	<b>29,603</b>	<b>33,756</b>	<b>34,978</b>
Other Income	16,438	21,082	26,774
	<b>46,041</b>	<b>54,838</b>	<b>61,752</b>
Operating Expenses	(21,782)	(26,590)	(30,491)
<b>PROFIT BEFORE TAXATION</b>	<b>24,259</b>	<b>28,248</b>	<b>31,262</b>
Taxation	(7,278)	(8,475)	(9,378)
<b>PROFIT AFTER TAXATION</b>	<b>16,981</b>	<b>19,774</b>	<b>21,883</b>
<b>APPROPRIATIONS:</b>			
Transfer to Statutory Reserve	5,094	5,932	6,565
Transfer to SSI Reserve	1,698	1,977	2,188
Proposed Dividend	6,741	7,865	8,988
<b>TRANSFER TO GENERAL RESERVE</b>	<b>3,447</b>	<b>4,000</b>	<b>4,142</b>
<b>Earnings Per share (N)</b>	<b>1.51</b>	<b>1.76</b>	<b>1.95</b>
<b>Dividend Per Share (N)</b>	<b>0.60</b>	<b>0.70</b>	<b>0.80</b>

The earnings per share and dividend per share were computed on profit after tax and **11,235,252,891** ordinary shares of 50k each for the year ending 2008, 2009 and 2010 respectively.

## **BASIS AND ASSUMPTIONS**

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The bases and principal assumptions used by the Directors in the preparation of the projected financial statements for the years ending 2008 to 2010 are set out below:

### **BASES**

- The projected financial statements have been prepared under historical cost convention and in accordance with the bank's normal accounting policies.
- Previous years actual performance have been reviewed against budget as the basis for measuring the reasonableness of the forecast for 2008, 2009 and 2010 financial years.

### **GENERAL ASSUMPTIONS**

- Changes in the political and economic climate are not expected to adversely affect the operations of the bank and there will be no significant changes in the Federal Government Monetary and Fiscal Policies that will adversely affect the bank during the forecast period.
- The new administration will continue with the on-going reforms but with a more humane approach to socio-political issues
- The drive for single digit inflation will continue; Government will also strive to maintain budget deficit within internationally acceptable limit of 3%. Oil receipts will continue to be monetized gradually when there is increased pressure from the states
- There will be a tightening and possibly liquidity squeeze at the State and Local Government level as the new Government focuses on curbing money supply and inflation
- There would not be any major policy change from the Monetary authorities; moral suasion will continue to be used to encourage Banks to lend to longer tenured sectors
- There shall be no curtailment in the Bank's operations during the financial period
- The bank will continue to enjoy the goodwill and confidence of present and potential customers.
- The quality of the bank management will be sustained during the forecast period.
- There will be no litigation with adverse material consequence to the bank.
- The share being issued will be fully subscribed and the proceeds received by the end of the second quarter of 2008.

### **SPECIFIC ASSUMPTIONS: 2008 – 2010 FINANCIAL PROJECTIONS**

- The Bank's gross earnings will be ₦78,738,026,000, ₦99,758,187,000 and ₦115,572,581,000 for 2008, 2009 and 2010 respectively.
- Provision for loan losses to interest income will be maintained at not more than forecast average of 7.8% during the forecast years.
- The operating expenses as a ratio of gross earnings of 28%, 27% and 26% has been projected for the year ending September 2008, 2009, and 2010 respectively.
- Company income tax is expected to be 30% during the forecast period.
- Projected Earnings per share (EPS) has been projected at 151kobo, 176kobo and 195kobo for the forecast periods 2008, 2009 and 2010 respectively. This is based on the effective number of shares in issue at the end of each financial period.
- 30% of the profit attributable to the shareholders will be transferred to statutory reserves while 10% of profit after tax will be transferred to reserves for investment in small-scale industries.
- Dividend payout is projected at 60kobo, 70kobo and 80kobo for the years ending 2008, 2009 and 2010 respectively.
- Interest income shall be on average balances on a monthly basis and on an accrual basis.

## FIVE YEAR FINANCIAL SUMMARY

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The following is a copy of the report of Dele Olufon & Co, the Reporting Accountants to the Offer:

**November 29, 2007**

**The Managing Director**

Vetiva Capital Management  
Limited  
266B Kofo Abayomi  
Victoria Island  
Lagos

**The Managing Director**

FBN Capital Limited  
16 Keffi Street  
South West Ikoyi  
Lagos

**The Managing Director**

Greenwich Trust Limited  
Plot 1698A Oyin Jolayemi  
Victoria Island  
Lagos

**The Managing Director**

Sterling Capital Market  
Limited  
67 Marina  
Lagos

And

**The Directors**

Skye Bank Plc  
No 3 Akin Adesola Street  
Victoria Island  
Lagos State

Gentlemen,

**PROPOSED HYBRID OFFER BY SKYE BANK PLC: RIGHTS OFFER OF 1,500,608,958 SHARES OF 50KOBO EACH AT ₦12.50 PER SHARE AND PUBLIC OFFER OF 2,231,599,145 SHARES OF 50KOBO EACH AT ₦14.00 PER SHARE**

We have reviewed the financial information of **Skye Bank Plc**, for the years ended 31st March, 2003, 2004, 2005, eighteen months ended September 2006 and the year ended September 2007 respectively. The financial statements were prepared under the historical cost convention and on the basis of accounting policies disclosed in pages 36 to 38.

The financial statements, were audited in the years March 2003, 2004 and 2005 respectively by **Ernst & Young (Chartered Accountants)** and for September 2006 and 2007 they were audited jointly by **Akintola Williams Deloitte (Chartered Accountants)** and **Ernst & Young (Chartered Accountants)**. **The audit reports for March 31, 2003, 2004, 2005 and September 2006 were not qualified while the audit report for the year ended September 2007 was qualified as a result of a set off of the balance on goodwill of N2.013 billion against share premium account rather than amortization of the balance over a period of not less than five year.** The financial statements on which the financial information is based are the responsibility of the Directors of **Skye Bank Plc** who approved the offer. The Directors are also responsible for the contents of the prospectus in which this report is included. It is however our responsibility to issue a report on the financial information based on our review.

We planned and performed our review so as to obtain moderate assurance as to whether the financial statements are free from material misstatements. Such review is limited mainly to enquiries of Bank's management, analytical procedures applied to financial data and a review of evidence obtained by the Bank's auditors on those financial statements. We did not perform an audit and we are therefore not expressing an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view of the state of affairs of the Bank as at the balance sheet dates stated and of its profits and cash flow statements for each year (eighteen months in 2006) in accordance with the Statements of Accounting Standards applicable in Nigeria, the Bank and Other Financial Institutions Act CAP B3 LFN 2004 and the Companies and Allied Matters Act CAP C2 LFN 2004.

Yours faithfully

**DELE OLUFON & CO.**  
**Chartered Accountants**



**STATEMENT OF ACCOUNTING POLICIES**

The following are the significant accounting policies adopted by the Bank in the preparation of its financial statements:

**A. BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain land and buildings (own premises only).

**B. INVESTMENTS IN ASSOCIATED COMPANY**

Investments in associated company are carried in the balance sheet at cost. Profit and losses are eliminated to the extent of the Bank's interest in the associated companies.

**C. GOODWILL**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the net book value of the identifiable assets and liabilities on business combination with former EIB, Bond Reliance and Cooperative Banks on 1 January 2006. Resulting goodwill is written off the share premium account in line with the approval of the shareholders at the Extra-Ordinary General Meeting held on 23 March, 2007 and sanction of the Federal High Court obtained on 4 April, 2007 in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004.

**D. TREASURY BILLS**

Holdings in treasury bills are stated at face value as it is the Bank's policy to hold these to maturity. Diminution in value of investments is noted in the financial statements.

**E. INVESTMENTS**

- i Quoted investments other than dated securities are stated at the lower of cost and market value.
- ii Unquoted investments are stated at cost less provision for doubtful investments.
- iii Dated securities are stated at cost.
- iv Investments in subsidiaries are stated at cost.

**F. TRADING SECURITIES**

Trading securities comprise of government bonds and other securities.

- i Trading securities comprise of government bonds and other securities held primarily for trading purposes and are stated at market value.
- ii Tradable investments with a fixed redemption date held as part of trading securities are stated at cost where applicable.
- iii Dealing securities are stated at the lower of cost and market value.
- iv Premiums and discounts arising on purchase are amortized on the yield to redemption.

**G. BAD AND DOUBTFUL ACCOUNTS**

Loans and advances are stated after the deduction of provisions against debts considered doubtful of recovery. Loans are classified as to performing and non-performing; and are considered non-performing when principal and or interest repayment obligations are in arrears for over three months. Specific provisions are made on non-performing accounts as follows:

INTEREST AND/OR PRINCIPAL THAT IS OUTSTANDING FOR:	CLASSIFICATION	PROVISION
More than 90 days but less than 180 days	Sub-standard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Lost	100%

A general provision of 1% is made on all performing balances in line with the Prudential Guidelines of the Central Bank of Nigeria.

**H. INTEREST**

Interest on loans and advances is accrued to profit until such a time as reasonable doubt exists about its collectibility. Interest accruing on non-performing accounts is not taken to the credit of profit and loss account until the debt is recovered.

**I. ADVANCES UNDER FINANCE LEASE**

Advances to customers under finance leases are stated net of unearned income. Lease finance is recognized in a manner, which provides a constant yield on the outstanding net investment over the lease period. A general provision of at least 1% is made on advances which have not been specifically provided for.

**J. FIXED ASSETS**

Fixed assets are stated at cost or valuation less accumulated depreciation.

**K. DEPRECIATION**

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis at the following annual rates:

	%
Information Technology Equipment -	33 $\frac{1}{3}$
House Equipment -	20
Office Equipment -	20
Office furniture -	20
Motor vehicle -	25
Freehold buildings -	2% from date of use
Leasehold buildings -	2% for leases of 50 years and above over expected life in case of lease under 50 years

**L. FOREIGN CURRENCIES**

Transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of the transactions. Assets and liabilities in foreign currency are converted to Naira at the rate of exchange ruling at the balance sheet date and the resultant profit/loss on conversion is taken to profit and loss account in respect of Bank - owned funds and the rest charged/credited to third parties.

**M. TAXATION**

Income tax is provided on taxable profit at the current statutory rate. Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the differences between the net book value of qualifying fixed assets and their corresponding tax written down value.

**N. BORROWINGS**

Borrowings are recorded at the proceeds received. The capitalized direct issuing costs are amortized over the tenor of the underlying instrument. Direct issue costs are recognized as an expense in the period in which they are incurred.

**O. RETIREMENT BENEFITS**

The Bank operates a contributory pension scheme which is managed by various Pension Fund Administrators. The matching contributions of 7.5% each for both staff and bank are based on current salaries and designated allowances and are charged to profit and loss account.

**P. CONTINGENT LIABILITIES**

Transactions that are not currently recognized as assets or liabilities in the balance sheet but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions include letters of credit, bonds, guarantees, indemnities, acceptances, trade related contingencies such as documentary credit, etc.

Outstanding and unexpired commitments at year end in respect of these transactions are shown by way of note to the financial statements. Income on off balance sheet engagements is in form of commission which is recognized as and when transactions are executed.

**Q. INCOME RECOGNITION****I. INTEREST INCOME**

Interest charged on facilities granted and placements made with other financial institutions is recognized in the profit and loss account on an accrual basis over the life of such facilities and placements so as to give constant yield on the principal sums due. Also, interest overdue for more than 90 days is suspended and recognised only to the extent that the cash is received.

**II. INTEREST EXPENSE**

This is accrued on daily balances on all liabilities to which interest is applicable.

**III. FEES, COMMISSIONS AND OTHER INCOME**

Fees and commissions, where material, are amortized over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service.

**IV. INVESTMENT INCOME**

This is recognized on an accrual basis and credited to the profit and loss account.

**V. LEASE RENTALS INCOME**

Lease rentals on assets financed under finance leases are recognised as income in such manner as to give constant yield on the net investment in the lease over its term while operating lease rentals are included in income over the lease term.

**VI. DIVIDEND INCOME**

This is recognized on actual basis and credited to the profit and loss account.

**VII. COMMISSION ON LETTER OF CREDIT**

Commission charged to customers on letter of credits (L/C) is credited to income as follows:

Establishment commission – at the time of establishing the L/C

Negotiation commission – at the time of negotiating the L/C

**R. PROVISION**

Provision is recognized when the company has a present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in accordance with the Statement of Accounting Standard (SAS) 23.

**S. DIVIDEND**

Proposed dividend for the year is recognized as liability only when declared and approved by shareholders at the Annual General Meeting.

**T. DERIVATIVES (IAS 39)**

Derivatives include interest rate swaps and futures, credit default swaps, cross currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives held for trading are included in 'Net trading income'.

**U. REPURCHASE AGREEMENT**

The Bank enters into purchases (sales) of securities under agreement to repurchase (resell) Substantially identified securities at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at a future dates are accounted for, as repurchase transactions.

Securities sold under repurchase agreements continue to be recognized in the balance sheet and the proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction.

## FIVE YEAR FINANCIAL SUMMARY

### BALANCE SHEET

The following is a summary of the Balance Sheet of Skye Bank Plc as at March 31, 2003, 2004, 2005, eighteen months ended September 30, 2006 and year ended September 2007

		YEAR ENDED 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR ENDED 31-Mar-05 N'Million	YEAR ENDED 31-Mar-04 N'Million	YEAR ENDED 31-Mar-03 N'Million
	Notes					
<b>ASSETS</b>						
Cash and Short-term Funds	1	17,807	12,164	3,697	2,814	2,808
Due from other banks and financial institut	2	89,303	11,308	5,499	4,629	2,514
Treasury Bills		47,786	40,007	4,809	4,834	4,943
Investments	3	12,689	8,469	856	485	461
Trading Securities		21,126	-	-	-	-
Loans and Advances	4	108,450	71,717	12,123	10,166	8,212
Advances under finance lease	5	2,272	735	197	278	136
Other Current Assets	6	134,267	17,515	3,617	1,965	1,114
Deferred Tax Asset		-	90	-	-	-
Fixed Assets	7	12,414	9,672	1,192	827	744
Goodwill	8	-	2,516	-	-	-
<b>TOTAL ASSETS</b>		<b>446,114</b>	<b>174,193</b>	<b>31,990</b>	<b>25,997</b>	<b>20,933</b>
<b>LIABILITIES</b>						
Deposits & Other Current Accounts	9	269,316	125,471	22,624	20,913	16,109
Tax Payable	10	1,644	525	354	540	312
Other Current Liabilities	11	117,963	21,953	4,332	1,473	2,066
Long-term Borrowing	12	27,157	-	-	-	-
RetirementBenefit Obligation		278	161	48	-	-
Deferred Taxation Liabilities		581	-	187	119	105
<b>TOTAL LIABILITIES</b>		<b>416,939</b>	<b>148,110</b>	<b>27,545</b>	<b>23,045</b>	<b>18,592</b>
<b>CAPITAL AND RESERVES</b>						
Called-up Share Capital						
Ordinary Shares	13	3,752	3,752	2,264	1,524	1,524
Bonus	14	-	-	-	305	-
Share Premium Reserve	15	5,551	8,067	710	144	144
Capital Reserve	16	7,503	7,503	-	-	-
Statutory Reserve	17	3,089	1,434	694	549	363
Reserve for SMEIS	18	1,098	546	298	250	157
General Reserve	19	5,268	1,958	479	180	153
<b>Core Capital</b>		<b>26,261</b>	<b>23,260</b>	<b>4,445</b>	<b>2,952</b>	<b>2,341</b>
Asset Revaluation Reserve	20	2,823	2,823	-	-	-
Exchange Equalisation Reserve		91	-	-	-	-
<b>SHAREHOLDERS' FUNDS</b>		<b>29,175</b>	<b>26,083</b>	<b>4,445</b>	<b>2,952</b>	<b>2,341</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUNDS</b>		<b>446,114</b>	<b>174,193</b>	<b>31,990</b>	<b>25,997</b>	<b>20,933</b>
Acceptances, bonds, guarantees and other obligations for the accounts of customers	21	70,379	36,742	4,563	1,756	2,303

## FIVE YEAR FINANCIAL SUMMARY

### PROFIT AND LOSS ACCOUNTS

The following is a summary of the Profit and Loss Accounts of Skye Bank Plc as at March 31, 2003, 2004, 2005, eighteen months ended September 30, 2006 and year ended September 2007

	Notes	YEAR ENDED 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR ENDED 31-Mar-05 N'Million	YEAR ENDED 31-Mar-04 N'Million	YEAR ENDED 31-Mar-03 N'Million
<b>GROSS EARNINGS</b>		<b>39,367</b>	<b>20,680</b>	<b>6,159</b>	<b>5,252</b>	<b>4,334</b>
Interest Income	22	29,311	14,264	4,171	3,607	3,277
Interest Expenses	22	(11,046)	(6,051)	(2,458)	(1,573)	(1,568)
<b>INTEREST MARGIN</b>		<b>18,265</b>	<b>8,213</b>	<b>1,712</b>	<b>2,035</b>	<b>1,709</b>
Loan Losses (Provision)/Written back	22	(2,011)	(1,376)	41	(312)	(181)
General under/(over) provision on leases		(16)	2	-	-	-
<b>NET INTEREST MARGIN</b>		<b>16,238</b>	<b>6,839</b>	<b>1,754</b>	<b>1,723</b>	<b>1,527</b>
Losses on other assets (Provision)/Write back		(190)	(146)	(5)	14	(26)
Provision for doubtful investment		(158)	(100)	-	-	-
Other Income	22	10,056	6,416	1,988	1,644	1,057
Operating Expenses	23	25,946 (18,427)	13,009 (10,919)	3,737 (3,004)	3,381 (2,452)	2,558 (1,707)
<b>PROFIT BEFORE TAXATION</b>		<b>7,519</b>	<b>2,090</b>	<b>733</b>	<b>929</b>	<b>851</b>
Taxation	10	(2,002)	376	(250)	(308)	(278)
<b>PROFIT AFTER TAXATION</b>		<b>5,517</b>	<b>2,465</b>	<b>483</b>	<b>621</b>	<b>573</b>
<b>APPROPRIATIONS:</b>						
Transfer to Statutory Reserves	17	(1,655)	(740)	(145)	(186)	(172)
Transfer to Small Scale Industries Reserves	18	(552)	(247)	(49)	(93)	(85)
Transfer to Bonus Reserves	14	-	-	-	(305)	-
Ordinary Share Dividend		3,310 -	1,479 -	289 -	37 -	316 (305)
Transfer to General Reserve	19	3,310	1,479	289	37	11
Actual Earnings Per Ordinary Share (Kobo)		73.5	32.9	10.7	20.4	18.8

The actual earnings per share is computed on profit after tax and preference share dividend (in the relevant year) divided by the number of ordinary shares in issue at the end of each year.



## FIVE YEAR FINANCIAL SUMMARY

### CASH FLOW STATEMENT

The following is a summary of the Cashflow Statement of Skye Bank Plc as at March 31, 2003, 2004, 2005, eighteen months ended September 30, 2006 and year ended September 2007

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Interest Earnings	29,047	14,112	4,095	3,537	3,171
Commission and Other Income	10,033	6,188	1,976	1,637	1,052
Lease Income	264	152	76	70	106
Recoveries on loans previously written off	301	128	-	-	-
Interest Expenses	(11,046)	(6,051)	(2,458)	(1,573)	(1,568)
Cash Payment to Employees and Suppliers	(15,534)	(9,225)	(2,739)	(2,198)	(1,518)
Income Tax Paid	(211)	(426)	(368)	(67)	(52)
	12,854	4,878	581	1,407	1,191
<b>CHANGES IN OPERATING ASSETS/LIABILITIES</b>					
Loans and Advances	(38,744)	(71,168)	(1,916)	(2,319)	(3,509)
Advances under Finance Lease	(1,552)	(544)	92	(152)	277
Other Assets	(116,971)	(15,405)	(1,657)	(850)	(414)
Deposit and Current Accounts	143,844	102,848	1,710	4,804	7,330
Other Liabilities	96,003	17,621	2,859	(518)	227
Long-term Borrowings	27,157	-	-	-	-
Retirement Benefit Obligations	117	114	47	-	-
<b>Net Cash from Operating Activities</b>	<b>122,708</b>	<b>38,344</b>	<b>1,716</b>	<b>2,372</b>	<b>5,102</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sale of Investments	209	6,022	(371)	(33)	(443)
Purchase of Investments	(5,369)	-	-	-	-
Purchase of Fixed Assets	(5,641)	(2,762)	(656)	(338)	(322)
Proceeds on Sale of Fixed Assets	9	15	27	3	1
Dividend Received from Subsidiaries	32	99	11	7	5
Cost of Business Combination	-	(2,875)	-	-	-
Trading Securities	(21,125)	-	-	-	-
Treasury Bills	(7,185)	(35,197)	25	109	(2,193)
<b>Net Cash used in Investing Activities</b>	<b>(39,070)</b>	<b>(34,698)</b>	<b>(964)</b>	<b>(252)</b>	<b>(2,952)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Issue of Shares		10,629	1,002		19
<b>Net Cash used in Financing Activities</b>	<b>-</b>	<b>10,629</b>	<b>1,002</b>	<b>-</b>	<b>19</b>
Net Increase in Cash and Cash Equivalents	83,638	14,275	1,754	2,120	2,169
Opening Cash and Cash Equivalents	23,472	9,197	7,443	5,323	3,154
<b>Closing Cash and Cash Equivalents</b>	<b>107,110</b>	<b>23,472</b>	<b>9,197</b>	<b>7,443</b>	<b>5,323</b>

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>YEAR END 30-Sep-07 N'Million</b>	<b>18 MONTHS ENDED 30-Sep-06 N'Million</b>	<b>YEAR END 31-Mar-05 N'Million</b>	<b>YEAR END 31-Mar-04 N'Million</b>	<b>YEAR END 31-Mar-03 N'Million</b>
<b>1 CASH &amp; SHORT-TERM FUNDS</b>					
Cash Balance	9,592	4,951	1,402	958	579
Cash with Central Bank of Nigeria	8,215	7,213	2,295	1,856	2,229
	<b>17,807</b>	<b>12,164</b>	<b>3,697</b>	<b>2,814</b>	<b>2,808</b>
<b>2 DUE FROM OTHER BANKS AND OTHER FINANCIAL INSTITUTIONS</b>					
In Nigeria	13,922	2,639	2,292	1,394	614
Outside Nigeria	7,430	8,669	3,207	3,235	1,900
Money Market Placements	67,951	-	-	-	-
	<b>89,303</b>	<b>11,308</b>	<b>5,499</b>	<b>4,629</b>	<b>2,514</b>
<b>3 INVESTMENTS</b>					
Investment in wholly owned subsidiary	4,249	657	75	-	-
Investment in associated companies	957	102	-	-	-
Quoted	15	340	340	-	-
Unquoted	252	246	17	96	14
Government Bonds	6,167	6,568	271	343	414
Small & Medium Scale	1,049	557	153	46	33
	<b>12,689</b>	<b>8,469</b>	<b>856</b>	<b>485</b>	<b>461</b>
<b>4 LOANS &amp; ADVANCES</b>					
a) <b>Analysis by security:</b>					
Real Estate	63,409	48,133	7,078	6,101	4,356
Plant and Equipment	230	175	26	22	6
Cash Collateral	2,587	1,960	629	395	277
Otherwise secured	44,237	33,513	4,850	4,193	3,815
Unsecured	4,749	3,598	540	525	455
	115,212	87,378	13,123	11,237	8,909
Less: Provision for loan losses					
Specific	(5,029)	(11,439)	(610)	(666)	(368)
1% General	(1,091)	(676)	(110)	(96)	(81)
Interest in suspense	(642)	(3,545)	(280)	(311)	(247)
	<b>108,450</b>	<b>71,717</b>	<b>12,123</b>	<b>10,166</b>	<b>8,212</b>
b) <b>Analysis by performance:</b>					
Performing	109,057	67,634	10,980	9,577	8,128
Non-performing:					
Substandard	164	4,383	1,273	628	199
Doubtful	867	1,630	166	238	114
Lost	5,124	13,732	704	794	468
	<b>115,212</b>	<b>87,378</b>	<b>13,123</b>	<b>11,237</b>	<b>8,909</b>
c) <b>Analysis by maturity</b>					
0 - 30 days	78,873	59,753	2,041	2,309	277
31 - 90 days	26,268	19,995	6,111	4,110	2,212
91 - 180 days	5,654	4,283	2,713	2,885	2,811
180 - 365 days	3,863	2,927	1,197	1,025	2,674
Over 365 days	554	420	1,060	908	935
	<b>115,212</b>	<b>87,378</b>	<b>13,123</b>	<b>11,237</b>	<b>8,909</b>

## FIVE YEAR FINANCIAL SUMMARY

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
d) <b>Summary of additional provision for bad &amp; doubtful advances</b>					
General	414	365	14	14	31
Specific	1,597	1,011	(55)	297	150
	<b>2,011</b>	<b>1,376</b>	<b>(41)</b>	<b>312</b>	<b>181</b>
General provision/(write back) on leases	16	(2)	(10)	11	(3)
	<b>2,027</b>	<b>1,374</b>	<b>(51)</b>	<b>322</b>	<b>179</b>
e) <b>Movement in provision for bad &amp; doubtful advances</b>					
Balance at April1	2,096	720	761	450	268
Additional provision during the year	2,011	1,376	(41)	312	181
<b>Balance at Sept 30/March 31</b>	<b>4,107</b>	<b>2,096</b>	<b>720</b>	<b>761</b>	<b>450</b>
f) <b>Movement in interest in suspense</b>					
Balance at April1	3,545	280	311	247	147
Additional provision during the year	(2,903)	3,265	(30)	64	100
<b>Balance at Sept 30/March 31</b>	<b>642</b>	<b>3,545</b>	<b>280</b>	<b>311</b>	<b>247</b>
5 <b>ADVANCES UNDER FINANCE LEASE</b>					
a) Gross investment	2,320	766	322	398	138
Less Unearned income	(25)	(24)	(123)	(107)	
Net investment in finance leases	2,295	742	199	291	138
less: 1% general provision (4c)	(23)	(7)	(2)	(13)	(2)
	<b>2,272</b>	<b>735</b>	<b>197</b>	<b>278</b>	<b>136</b>
b) <b>Analysis by performance</b>					
Performing	2,295	742	199	191	138
Non-performing	-	-	-	100	-
	<b>2,295</b>	<b>742</b>	<b>199</b>	<b>291</b>	<b>138</b>
c) <b>Movement in general provision</b>					
Balance at April 1	7	2	13	2	4
Provision for the year	16	5	(11)	11	(2)
<b>Balance at Sept 30/March 31</b>	<b>23</b>	<b>7</b>	<b>2</b>	<b>13</b>	<b>2</b>

## FIVE YEAR FINANCIAL SUMMARY

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
6 <b>OTHER CURRENT ASSETS</b>					
a) <b>Summary</b>					
Accrued interest receivable	1,336	448	113	42	18
Prepaid interest & charges	367	463	39	35	9
Other prepayments	4,944	2,498	1,870	525	439
Deposit under investigation	1,169	1,169	-	-	-
Branch pre-opening expenses	4,561	2,615	210	266	83
Repo Placement	83,900	-	-	-	-
Treasury bills on open buy back	17,520	-	-	-	-
Deposit for investment	-	-	-	336	-
Standard Chartered hedge balance	5,100	-	-	-	-
Inter-branch balances	179	131	-	-	-
Bank cheques in transit	-	-	7	17	23
Account receivable clearing house	13,070	9,377	463	413	347
Other accounts receivable	3,566	2,177	910	284	40
Inventory	306	169	30	66	190
	<b>136,018</b>	<b>19,048</b>	<b>3,642</b>	<b>1,985</b>	<b>1,148</b>
b) <b>Movement in provision</b>					
As at April 1	1,533	25	20	33	7
Specific provision for the year	-	-	5	(14)	22
Arising from business combination	28	1,362	-	-	-
General provision for the year	190	146	-	-	5
At Sept 30/March 31	1,751	1,533	25	20	33
<b>Balance Sheet</b>	<b>134,267</b>	<b>17,515</b>	<b>3,617</b>	<b>1,965</b>	<b>1,114</b>
7 <b>FIXED ASSETS</b>					
COST:					
Building & Improvement	8,695	6,397	418	203	190
Equipment, Furniture & Fittings	9,939	7,342	1,222	906	678
Motor Vehicles	2,677	1,974	456	363	272
	21,311	15,714	2,097	1,472	1,140
ACCUMULATED DEPRECIATION:					
Building & Improvement	770	556	11	6	5
Equipment, Furniture & Fittings	6,581	4,456	685	487	297
Motor Vehicles	1,546	1,029	208	153	94
	8,897	6,042	904	646	396
<b>NET BOOK VALUE</b>	<b>12,414</b>	<b>9,672</b>	<b>1,192</b>	<b>827</b>	<b>744</b>
8 <b>GOODWILL</b>					
Brought forward	2,516	-	-	-	-
Arising on acquisition	-	2,516	-	-	-
Written off to share premium during the year	(2,516)	-	-	-	-
	<b>-</b>	<b>2,516</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 8.1 Change of Accounting Policy on Goodwill

Previously, the goodwill that arose from the consolidation of the legacy banks was N2.516 billions. The sum of N503.296 million was written off to the profit and loss account during the period ended 30th September, 2006, leaving outstanding balance of N2.013 billion. However, the Bank obtained the approval of the shareholders at the Extra-Ordinary General Meeting held on 23rd March, 2007 to write off the goodwill of N2.516 billion against the share premium. The sanction of the Federal High Court has been obtained on 4th April, 2007 in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004.

## FIVE YEAR FINANCIAL SUMMARY

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
<b>9 DEPOSITS &amp; OTHER CURRENT ACCOUNTS</b>					
Demand	96,735	57,609	10,173	9,548	6,815
Savings	22,135	13,249	1,427	1,349	1,045
Others	150,446	54,613	11,024	10,017	8,249
	<b>269,316</b>	<b>125,471</b>	<b>22,624</b>	<b>20,913</b>	<b>16,109</b>
<b>Analysis by Maturity</b>					
0 - 30 days	151,862	70,858	11,600	11,347	10,044
31 - 90 days	117,364	54,571	10,971	7,071	4,214
91 - 180 days	77	36	46	1,436	1,010
Over 180 days	13	6	6	1,060	840
	<b>269,316</b>	<b>125,471</b>	<b>22,623</b>	<b>20,913</b>	<b>16,109</b>
<b>10 TAXATION</b>					
Taxation payable:					
At April 1	525	354	540	312	191
Acquired from business combination	-	292	-	-	-
Under-provision in prior year	-	-	-	-	-
Payments during the period/year	(212)	(426)	(368)	(67)	(52)
Current year charge(see below)	1,331	304	182	294	173
<b>At Sept 30/March 31</b>	<b>1,644</b>	<b>525</b>	<b>354</b>	<b>540</b>	<b>312</b>
Current period/year Charge:					
Company income tax	1,165	166	162	275	162
Education tax	163	37	20	18	12
Under provision in prior year	3	102	-	-	-
	1,331	304	182	294	173
Deferred tax	671	(680)	68	14	105
<b>Profit &amp; Loss</b>	<b>2,002</b>	<b>(376)</b>	<b>250</b>	<b>308</b>	<b>278</b>
The Company Income Tax has been computed at the current income tax rate of 30% after adjusting for certain items of income and expenditure which are chargeable for tax purposes. Education tax has been computed on the basis of 2% of assessable profit.					
In accordance with the requirement of the Statements of Accounting Standards No. 19. Provisions have been made in these financial statements for deferred taxation during the relevant periods.					
<b>11 OTHER CURRENT LIABILITIES</b>					
Interest Payable	1,322	551	160	156	84
Accrued Interest on Long-term borrowings	316	-	-	-	-
Unearned Income	837	2,228	216	140	87
Proposed Dividend	-	-	-	-	305
Account Payable	3,886	2,517	3,116	274	181
Deposit for Shares	34	139	-	-	-
Deposit under Investigation	1,169	1,169	-	-	-
Other Payables	110,399	15,350	840	903	1,409
	<b>117,963</b>	<b>21,953</b>	<b>4,332</b>	<b>1,473</b>	<b>2,066</b>

## FIVE YEAR FINANCIAL SUMMARY

		YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
12	<b>LONG-TERM BORROWING</b>					
	Due to Standard Bank, London (Note 12.1)	12,500	-	-	-	-
	Due to Standard Chartered Bank (Note 12.2)	5,100	-	-	-	-
	Due to Deutsche Bank (Note 12.3)	6,375	-	-	-	-
	Due to AFREXIM Bank (Note 12.4)	3,182	-	-	-	-
		<b>27,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	12.1 The amount represents the convertible currency dollar facility granted by Standard Bank London on the 16th of August, 2007 for a period of 5 years. The loan is convertible into ordinary shares of the Bank at any time between the date of borrowing the loan and its settlement date.					
	12.2 On the 23rd of August, 2007 the Bank secured term loan of N5.1 billion from Standard Chartered Bank Nigeria Limited to provide Naira Cover under US\$40 million cross currency swap deal. The loan has a three years tenor, with an interest rate of 13%. Per annum payable semi-annually.					
	12.3 This represents \$50 million facility granted by Deutsche Bank AG, London for a period of 5 years. Interest is payable semi-annually at 7.22% above LIBOR rate and also secured against bond value at \$85 million.					
	12.4 This represents dollar facility granted by African Export Import Bank for a minimum period of 24 months with an option of extension. The facility was secured for the purpose of financing the activities of the customers of the borrower engaged in the area of trade, telecom services, hotel and hospitality services, construction, manufacturing and processing, energy and oil and gas services.					
13	<b>SHARE CAPITAL</b>					
	<b>Authorised:</b>					
	<b>Ordinary Shares of 50k each</b>	12,500	12,500	7,500	2,000	2,000
	<b>Issued, Called-Up &amp; Fully Paid:</b>					
	<b>Ordinary Shares of 50k each</b>	3,752	3,752	2,264	1,524	1,524
14	<b>BONUS ISSUE RESERVE</b>					
	Balance at 1st April	-	-	305	-	-
	Addition/(Transfer)	-	-	(305)	305	-
	At Sept 30/March 31	-	-	-	305	-
15	<b>SHARE PREMIUM RESERVE</b>					
	Balance at 1st April	8,067	710	144	144	125
	Goodwill Written off	(2,516)				
	Addition	-	7,357	567	-	19
	Addition	5,551	8,067	710	144	144
16	<b>CAPITAL RESERVE</b>					
	Balance at 1st April	7,503	7,503	-	-	-
	Addition	-	-	-	-	-
	At Sept 30/March 31	<b>7,503</b>	<b>7,503</b>	<b>-</b>	<b>-</b>	<b>-</b>
17	<b>STATUTORY RESERVE</b>					
	Balance at 1st April	1,434	694	549	363	191
	Addition	1,655	740	145	186	172
	At Sept 30/March 31	<b>3,089</b>	<b>1,434</b>	<b>694</b>	<b>549</b>	<b>363</b>
18	<b>SMALL SCALE INDUSTRIES RESERVE</b>					
	Balance at 1st April	546	298	250	157	72
	Addition	552	247	49	93	85
	At Sept 30/March 31	<b>1,098</b>	<b>546</b>	<b>298</b>	<b>250</b>	<b>157</b>

## FIVE YEAR FINANCIAL SUMMARY

		YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
19	<b>GENERAL RESERVE</b>					
	Balance at 1st April	1,958	479	183	143	142
	Addition	3,310	1,479	289	37	11
	At Sept 30/March 31	<u>5,268</u>	<u>1,958</u>	<u>479</u>	<u>180</u>	<u>153</u>
20	<b>REVALUATION RESERVE</b>					
	Balance at 1st April	2,823	-	-	-	-
	Addition	-	2,823	-	-	-
	At Sept 30/March 31	<u>2,823</u>	<u>2,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>STATUTORY RESERVES</b>					
	In accordance with existing legislation, 30% of the profit after taxation of the Bank has been transferred to statutory reserve.					
	<b>RESERVE FOR SMALL SCALE INDUSTRIES</b>					
	In accordance with Central Bank of Nigeria's monetary, credit, foreign trade and exchange policy guidelines for the subsequent circular of March 26, 2001, a reserve equivalent to 10% on profit after tax has been made in these financial statements for the financing and promotion of small industries.					
21	<b>ACCEPTANCES, BONDS, GUARANTEES ETC.</b>					
	Outstanding letters of credit	13,375	698	1,580	1,210	1,722
	Performance guarantees and bonds	37,660	22,695	2,983	545	581
	Bankers acceptance/Commercial Papers	19,344	13,349	-	-	-
		<u>70,379</u>	<u>36,742</u>	<u>4,563</u>	<u>1,756</u>	<u>2,303</u>
22.1	<b>INTEREST INCOME</b>					
	Lease Income	264	152	76	70	106
	Loans and advances	22,615	11,923	3,271	2,622	2,626
	Treasury instruments	4,027	1,888	802	869	532
	Placements with banks and discount houses	405	94	22	47	13
	Bond trading income	1,773	-	-	-	-
	Others	227	208	-	-	-
		<u>29,311</u>	<u>14,264</u>	<u>4,171</u>	<u>3,607</u>	<u>3,277</u>
22.1	<b>INTEREST EXPENSES</b>					
	Demand	597	149	180	78	68
	Time	5,453	4,116	1,987	1,257	1,183
	Others	4,996	1,786	291	238	317
		<u>11,046</u>	<u>6,051</u>	<u>2,458</u>	<u>1,573</u>	<u>1,568</u>
22.3	<b>Loan Losses Written Back/(Provision)</b>					
	General Provision	414	365	14	14	31
	Specific provision	1,597	1,011	(55)	297	150
	Profit & Loss	<u>2,011</u>	<u>1,376</u>	<u>(41)</u>	<u>312</u>	<u>181</u>

## FIVE YEAR FINANCIAL SUMMARY

	YEAR END 30-Sep-07 N'Million	18 MONTHS ENDED 30-Sep-06 N'Million	YEAR END 31-Mar-05 N'Million	YEAR END 31-Mar-04 N'Million	YEAR END 31-Mar-03 N'Million
<b>22.4 OTHER INCOME</b>					
Fees	3,012	1,859	654	520	251
Foreign exchange earnings	361	624	97	70	28
Commissions	5,166	3,222	1,133	718	621
Investments Income	872	207	68	8	5
Others	645	505	36	330	151
	<b>10,056</b>	<b>6,416</b>	<b>1,988</b>	<b>1,644</b>	<b>1,057</b>
<b>22.5 OPERATING EXPENSES</b>					
Staff and other related costs	4,737	3,786	1,013	842	543
Depreciation	2,893	1,297	265	254	188
Directors' emolument	86	86	12	12	9
Auditors' remuneration	75	60	10	10	8
Branch operating expenses	10,636	5,620	1,704	1,334	959
Recapitalisation expenses	-	41	-	-	-
Stamp Duty	-	30	-	-	-
	<b>18,427</b>	<b>10,919</b>	<b>3,004</b>	<b>2,452</b>	<b>1,707</b>
<b>23 EMOLUMENTS OF DIRECTORS</b>					
Emoluments of Directors were as follows:					
Fees	13.0	12.7	0.7	0.4	0.4
Other emoluments	73.0	72.9	11.1	11.4	8.4
<b>Aggregate emoluments</b>	<b>86.0</b>	<b>85.5</b>	<b>11.8</b>	<b>11.8</b>	<b>8.8</b>
The Chairman's fees amounted to:	2.0	1.5	0.1	0.1	0.1
The emolument of the highest paid Director amounted to:	25.0	24.8	6.4	6.4	6.4
The table below shows the number of Directors of the bank (excluding the Chairman) whose remuneration (excluding pension contributions) in respect of services to the bank fell within the range shown below:					
	Number	Number	Number	Number	Number
N300,001 - N1,000,000	2	2	7	7	7
N1,000,001 - N2,000,000	13	13	-	-	-
Above N2,000,000	4	4	2	2	1
	<b>19</b>	<b>19</b>	<b>9</b>	<b>9</b>	<b>8</b>



		18 MONTHS				
		YEAR END	ENDED	YEAR END	YEAR END	YEAR END
		30-Sep-07	30-Sep-06	31-Mar-05	31-Mar-04	31-Mar-03
		N'Million	N'Million	N'Million	N'Million	N'Million
24	<b>HIGHER PAID EMPLOYEES</b>					
	The table below shows the number of employees of the bank other than the Directors, who earned over =N=60,000 in the periods and which fell within the ranges below:					
		Number	Number	Number	Number	Number
	N90,001 - N150,000	-	-	306	387	415
	N150,001 - N200,000	500	524	188	233	144
	N200,001 - N300,000	497	494			
	N300,001 - N400,000	280	229	-	-	-
	N400,001 - N500,000	186	197	-	-	-
	N500,001 - N700,000	204	209	-	-	-
	N700,001 - N1,000,000	287	269	-	-	-
	N1,000,001 - N1,500,000	56	37			
	N1,500,001 - N2,000,000	11	21	-	-	-
	N2,000,001 - N2,500,000	6	12	-	-	-
		<b>2,027</b>	<b>1,992</b>	<b>494</b>	<b>620</b>	<b>559</b>
	The average number of persons employed (excluding Directors) in the bank during the periods were as follows:					
		<b>2,027</b>	<b>1,992</b>	<b>494</b>	<b>620</b>	<b>559</b>
25	<b>POST BALANCE SHEET EVENTS</b>					
	There are no significant post balance sheet events which could have had a material effect on the state of affairs of the Bank as at 30th September, 2007 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.					
26	<b>EARNINGS PER SHARE</b>					
	Earning per share (basic) is calculated on the profit after taxation and is based on the number of ordinary shares in issue and paid up at the end of every year.					
27	<b>CLAIMS AND LITIGATIONS</b>					
	There were contingent liabilities in respect of claims and litigation against the Bank as at 30th September, 2007 amounting to N2.07 billion. These claims arose in the normal course of business and are being contested by the Bank. The Directors, having sought the advice of professional legal counsel, are of the opinion that no significant liability will crystallise from these cases. No provision are therefore deemed necessary for these.					

## FIVE YEAR FINANCIAL SUMMARY

### 28 CONTRAVENTIONS

The Bank contravened the following circulars of the Central Bank of Nigeria and sections of Banking and Other Financial Institutions Act, 1991 during the year:

	18 MONTHS				
	YEAR END	ENDED	YEAR END	YEAR END	YEAR END
	30-Sep-07	30-Sep-06	31-Mar-05	31-Mar-04	31-Mar-03
	N'Million	N'Million	N'Million	N'Million	N'Million
i) Failure to convey board meeting to discuss the routine examination report of CBN	Yes	No	No	No	No
ii) CBN circular No. BDE/DO/CIR/Vol.1/11 of 20th March, 1995	No	Yes	No	No	Yes
iii) CBN Circular No. BSD/Vol.1/11 of August 9, 1991.	No	Yes	No	No	No
iv) Section 1(b) of the CBN Circular No. DO/CIR/Vol.1/01/18 dated November 13, 2001	No	Yes	No	No	No
v) Section 15(4)(B) & (C.) of BOFIA, 1991	No	No	Yes	No	No
vi) Section 20(20)(D) of BOFIA, 1991	No	No	Yes	No	No
vii) Section 60(1) of BOFIA, 1991	No	No	No	Yes	No
viii) Section 24(1)(2) & 28 (1) of BOFIA, 1991	No	No	No	Yes	No
Section 44(1) of BOFIA, 1991	No	No	No	Yes	No
ix) CBN Circular Ref: TED/AD/B2000	No	No	No	Yes	No

### 29 RELATED PARTIES TRANSACTION

Company	Related Director	Date Granted	Expiry Date	Interest Rate	Principal N'Million	Perfected Security	Outstanding Balance N'Million	Remark
Cocoa Product Nigeria Limited	Akinsola Akinfemiwa	July 2006	Dec 2007	20	150	Debenture on fixed & floating assets	(426)	Performing
Premiere Eye Centre	Akinsola Akinfemiwa	Sept 2006	Sep 2007	17	40	Lien on shares	(39)	Performing
Finicky Limited	Mrs. M.O. Onasanya	Oct 2005	Oct 2007	19	317	Mortgage	(73)	Performing
G.M.O. & Co. Limited	Collins Chikeluba	Jan 2006	June 2006	18	52	Mortgage	(144)	Performing
Hon. Niran Sule-Akinsuyi	Niran Sule-Akinsuyi	Feb 2006	May 2006	22.5	4	Mortgage	(4)	Performing
Media Link Limited	Gbenga Ademulegun	July 2005	Aug 2006	19	10	Domiciliation of proceeds	(38)	Performing
New Cross Limited	Dr. Janson Fadeyi	July 2006	Oct 2008	9	1,000	Legal ownership of the equipment	(1,000)	Performing
Ogeyi Palace Hotel Limited	Gen. Anthony Ukpo (Rtd)	Aug 2001	Jan 2007	17	1,019	Shares & Legal mortgage	(507)	Performing
Segun Oloketuyi	Segun Oloketuyi	Aug 2007	Oct 2007	17	12	Monthly Salary	(12)	Performing
Tobol Ventures Limited	Segun Oloketuyi	Oct 2003	Sept 2006	18	5	Lien on shares	(25)	Performing
Swanlux Global Investments	Princess A.A. Adeniran	Nov 2004	Nov 2006	17	200	Legal Mortgage & Shares	(129)	Performing
Ibile Holdings Limited	Dr. Ismail A. Adewusi				178	Lien on shares	(52)	Performing
					<b>2,987</b>		<b>(2,449)</b>	

**30 GOODWILL**

The net assets of EIB International Bank Plc, Bond Bank Ltd, Reliance Bank Ltd and Co-operative bank Plc as at 31st December, 2005, based on fair value, and the goodwill arising from consolidation, were as stated below:

	EIB N'Million	Bond N'Million	Reliance N'Million	Coop N'Million	Total N'Million
<b>ASSETS</b>					
Cash and Short-term Funds	3,500	1,713	958	6,734	12,905
Treasury Bills	3,574	1,703	2,420	1,653	9,350
Investments	1,278	62	125	484	1,949
Loans and Advances	6,774	4,585	2,192	9,584	23,135
Advances under Finance Lease		188	2	185	375
Other Assets	477	1,721	165	457	2,820
Fixed Assets	1,280	1,259	382	1,490	4,411
	<b>16,883</b>	<b>11,231</b>	<b>6,244</b>	<b>20,587</b>	<b>54,945</b>
<b>LIABILITIES</b>					
Deposit Liabilities	10,137	5,043	4,419	17,896	37,495
Other Liabilities	2,740	4,478	671	2,591	10,480
Tax payable	14	148	84	47	293
Deferred Taxation	144	249	(117)	127	403
	13,035	9,918	5,057	20,661	48,671
<b>Net Assets/(Liabilities)</b>	<b>3,848</b>	<b>1,313</b>	<b>1,187</b>	<b>(74)</b>	<b>6,274</b>
Revaluation Reserve				(198)	(198)
Cost of Combination	(652)	(156)	(70)	(1,996)	(2,874)
Cos of Acquisition	(3,212)	(772)	(345)	(1,388)	(5,718)
<b>(Goodwill)/Capital Reserve arising from consolidation</b>	<b>(16)</b>	<b>386</b>	<b>772</b>	<b>(3,656)</b>	<b>(2,516)</b>

**31 SECTION 355(8) AND (9) OF THE COMPANIES AND ALLIED MATTERS ACT, CAP C20 LFN 2004**

In accordance with banking traditions, the assets and liabilities have been shown in decreasing order of liquidity and without sub-classifications as between fixed and current assets unlike in the formats applied by the Act.

Subject to the foregoing, the format used gives the information required by the Act and substantially in accordance therein.

**32 GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

The Directors are of the opinion that all known liabilities and commitments, which are relevant in the assessment of financial affairs of the bank have been taken into consideration in the preparation of these accounts.

**33 STATEMENT OF ADJUSTMENTS**

	<b>YEAR END 30-Sep-07 N'Million</b>	<b>18 MONTHS ENDED 30-Sep-06 N'Million</b>	<b>YEAR END 31-Mar-05 N'Million</b>	<b>YEAR END 31-Mar-04 N'Million</b>	<b>YEAR END 31-Mar-03 N'Million</b>
<b>33.1 GOODWILL</b>					
Per audited financial statements		2,013			
Adjustments:					
Reversal of write-off	503	503			
Write-off to share premium reserve	(503)				
	<u>-</u>	<u>2,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>33.2 PROFIT &amp; LOSS ACCOUNT</b>					
Per audited financial statements		1,587			
Adjustments:					
Write back of Goodwill		503			
	<u>-</u>	<u>2,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>33.3 STATUTORY RESERVE</b>					
Per audited financial statements		1,285			
Adjustments:					
Write back of Goodwill		149			
		<u>1,434</u>			
<b>33.4 SMEEIS RESERVE</b>					
Per audited financial statements		494			
Adjustments:					
Write back of Goodwill		52			
		<u>546</u>			
<b>33.5 GENERAL RESERVE</b>					
Per audited financial statements		1,655			
Adjustments:					
		302			
Write back of Goodwill		<u>1,957</u>			

## STATUTORY AND GENERAL INFORMATION

### INCORPORATION AND SHARE CAPITAL HISTORY

The bank was originally incorporated as Prudent Bank Limited on December 8, 1989 with an Authorised Share Capital of 12,000,000 ordinary shares of 50Kobo each. On December 16, 1991, it converted to a Public Limited Liability Company (Plc) in 2006 and became the consolidating vehicle for the 5 Banks that formed Skye Bank. As at the date of this public offer, the Authorised Share Capital of the Bank is ₦12,500,000,000.00 made up of 25,000,000,000 ordinary shares of 50 Kobo each. The paid up capital is ₦3,751,522,394.00 made up of 7,503,004,788 ordinary shares of 50 Kobo each.

Between December 8, 1989 and the date of this Prospectus, the following incremental change have taken place in the Bank's Share capital.

AUTHOURISED			ISSUED AND FULLY PAID		
DATE	CHANGE(₦)	CUMULATIVE (₦)	CHANGE (₦)	CUMULATIVE (₦)	CONSIDERATION(₦)
1989	12,000,000	12,000,000			
1990		12,000,000	12,000,000	12,000,000	Cash
1991	48,000,000	60,000,000		12,000,000	
1991		60,000,000	17,413,179	29,413,179	Cash
1992		60,000,000	11,886,821	41,300,000	Cash
1992		60,000,000	4,000,000	45,300,000	Cash
1993		60,000,000	2,700,000	48,000,000	Cash
1997		60,000,000	12,000,000	60,000,000	Cash
1998	440,000,000	500,000,000		60,000,000	Bonus
1998		500,000,000	440,000,000	500,000,000	Cash
2000	500,000,000	1,000,000,000		500,000,000	
2001	1,000,000,000	2,000,000,000		500,000,000	
2001		2,000,000,000	500,000,000	1,000,000,000	Cash
2001		2,000,000,000	472,740,000	1,472,740,000	Cash
2001		2,000,000,000	51,196,842	1,523,936,842	Cash
2004		2,000,000,000	457,181,100	1,981,117,942	-
2004	1,500,000,000	3,500,000,000		1,981,117,942	-
2004		3,500,000,000	304,787,000	2,285,904,942	Bonus
2005	3,250,000,000	6,750,000,000	3,251,781,571	5,537,686,513	Cash
2005	750,000,000	7,500,000,000		5,537,686,513	-
2006	5,000,000,000	12,500,000,000	5,716,880,671	11,254,567,184	Scheme Shares
2006		12,500,000,000	-7,503,044,790	3,751,522,394	Capital Reconstruction

### SHAREHOLDING STRUCTURE

As at the date of this prospectus, the 7,503,044,788 ordinary shares of 50 Kobo each in the issued ordinary share capital of Skye Bank were beneficially held as follows:

Shareholder	ordinary shares of 50 Kobo each Held	%
Ibile Holdings Limited	431,626,127	5.75
Business Object Limited	424,999,999	5.66
Other Nigerian Individuals and Institutions	6,646,418,662	88.59
<b>TOTAL</b>	<b>7,503,044,788</b>	<b>100.00</b>

**DIRECTORS' BENEFICIAL INTERESTS**

The interests of the Directors of Skye Bank in the issued share capital of the Bank as recorded in the Register of Members as at 30 September 2007 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding	As a % of share capital
Alhaji M. A. Kunbi Smith	437,371	-	437,371	0.01%
Mr. Akinsola. Akinfemiwa	69,250,149	-	69,250,149	0.92%
Mr. Kehinde Durosinmi-Etti	3,423,095	-	3,423,095	0.05%
Mr. Segun Oloketuyi	3,931,332	-	3,931,332	0.05%
Mr. Gbenga Ademulegun	3,503,233	-	3,503,233	0.05%
Mr. Kola Awodein	102,197	-	102,197	0.00%
Dr. Adebayo. Adewusi	2,525,833	431,626,127	434,151,960	5.79%
Mrs. Morenikeji Onasanya	3,466,666	-	3,466,666	0.05%
Dr. Jason Fadeyi	-	539,666,665	539,666,665	7.19%
Princess Adenike Adeniran	-	120,116,666	120,116,666	1.60%
Brigadier General Anthony Ukpo (Rtd.)	-	-	Nil	0.00%
Mr. M.G. Tarfa	168,333	318,450,366	318,618,699	4.25%
Mr. Ariyo Ajaja	2,587,519	-	2,587,519	0.03%
Mr. Collins C. Chikeluba	11,243,386	-	11,243,386	0.15%
Mr. Vinay Tuteja	-	78,682,755	78,682,755	1.05%
Mr. Victor S. Adenigbagbe	41,332	-	41,332	0.001%

The indirect shareholding are as follows Dr. Adebayo Adewusi- Ibile Holdings Limited ;Dr. Jason Fadeyi-Fadco Investments Limited and Business Objects Limited;Princess Adenike Adeniran-Swanlux Investment Limited; Mr. M.G. Tarfa – The NPA Superannuation Fund and Investments; Mr. Vinay Tuteja –Stallion Nigeria Limited and Westex Nigeria Limited.

**STATUS OF UNCLAIMED DIVIDENDS**

As at 28th December 2007 the value of total unclaimed dividend resulted from three (3) of the legacy banks that formed Skye Bank ( EIB International Bank Plc, Prudent Bank Plc and Co-operative Bank Plc). The total amount stood at ₦49, 580,421.52 (Forty-nine million five hundred and eighty thousand four-hundred and twenty one naira and fifty-two kobo only) while the number of shareholders with unclaimed dividends stood at 51,929 ( Fifty-one thousand nine hundred and twenty-nine). This total amount, ₦49, 580,421.52 is domiciled with City Securities (Registrars) Limited.

To address the issue of unclaimed dividend, the The Bank shall publish the list of unclaimed dividends quarterly in a newsletter and in its Annual Report that would be circulated to all shareholders of the bank. In addition, the bank shall forthwith design Special Dividend Claim Format/procedures that would enable the speedy receipt of dividends In addition the bank shall encourage its Shareholders to adopt E – Dividend Payment mode to ease payment modalities.

**OFF BALANCE SHEET ITEMS**

As at 30<sup>th</sup> September, 2007, the Bank had no Off balance sheet items other than in the ordinary course of business. Off-balance sheet engagements comprise direct credit substitutes and transaction related contingencies such as guarantees, acceptances, bid bonds and performance guarantees which the Bank is a party to in its normal course of business. The value of these off balance sheet items as at 30<sup>th</sup> September, 2007 was ₦70, 379,000,000.00

**MERGERS AND ACQUISITION**

There was a merger between Prudent Bank Plc ("Prudent Bank"), EIB International Bank Plc ("EIB"), Bond Bank Plc ("Bond") ,Reliance Bank Limited ("Reliance") and Co-operative Bank Plc in 2005 to form Skye Bank. As at the date of this prospectus the bank is not contemplating any merger or acquisition.

**INDEBTEDNESS**

As at September 30 2007, the Bank had a long term borrowing of ₦27,175,000,000.00 and contingent liabilities approximately ₦70,379,000,000.00 on comprising acceptances, bonds, guarantees and other obligations for the account of customers as at that date.

**SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the date of this prospectus, the Bank had the following Subsidiaries and Associated companies

<b>Subsidiaries</b>	<b>Shareholding</b>
Law Union & Rock Insurance Plc	51%
PSL Limited	100%
Skye Financial Services Limited	100%
Skye Trustees Limited	100%
Skye Mortgages Limited	100%
APEX Integrated Technical Limited	100%

<b>Associate Companies</b>	<b>Shareholding</b>
Equity Life Insurance Limited	30%
Coop Savings and Loans Limited	26%

**EXTRACTS FROM THE ARTICLES AND MEMORANDUM OF ASSOCIATION****SHARE CAPITAL**

5. The share capital of the company as at the date of adoption of these Articles is 12,500,000 divided into 25,000,000 ordinary shares of 50 kobo each.
6. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend or other wise or on the basis that the same is or at the option of the Company is liable to be redeemed as the Company may from time to time by ordinary resolution determine.
7. Subject to the provisions of Section 141 of the Act or any amendment thereof, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares in that class) may, whether, or not the Company is being wound up be varied with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu therewith*

**SHARES**

9. All unissued shares shall be at the disposal of the Directors, and they may, subject to these Articles offer, grant options over or otherwise, dispose of them to such persons at such times and on such terms as they think proper subject to existing regulations but so that no shares shall be issued at a discount.
10. The Directors shall as regards any offer or allotment of shares comply with such of the provision of the statutes as may be applicable thereto and in particular shall comply with the statutes as to the minimum subscription on which the Company may proceed to an allotment of its shares.
11. The company may exercise the powers of paying commissions conferred by section 131 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and that the commission shall not exceed the rate of 10 percent of the price at which the shares in respect where the same is

paid are issued or an amount equal to 10 per cent of such price as the case may be. The company may also on any issue of shares pay such brokerage as may be lawful.

12. Except as required by law, no person shall be recognized by the company as holding any share in trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable contingent, future or partial interest in any share or (except as provided by these articles) any interest, fractional part of a share or any rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **TRANSFER OF SHARES**

20. The instrument of transfer of any shares shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
21. Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any useful or common form or any other form which the Directors may approve.
22. No fee shall be payable in respect of any transfer lodged for registration.
23. Save as herein otherwise provided all fully paid shares shall be free from any restriction on the rights of transfer and shall be free from all lien except as otherwise prescribed by the operation law.
24. The Directors may also decline to recognize any instrument of transfer unless
- (1) The instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.
  - (2) The instrument of transfer is in respect of only one class of shares and
  - (3) The instrument of transfer is duly signed by the transferor.
25. If the Directors refuse to register a transfer they shall within one month after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
26. The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty consecutive days in any year.

### **ALTERATION OF CAPITAL**

36. The Company may from time to time by Ordinary Resolution increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
37. Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of, and shall be subject to the same provisions with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.
- (1) The Company may by Ordinary Resolution
    - a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
    - b) Sub divide its existing shares, or any of them into shares of smaller amount than is fixed by its Memorandum of Association subject nevertheless in the provision of Section 100 (1) c of the Act subject to these articles the resolution by which any shares are sub divided may determine that as between the holders of the shares resulting from such division one or more of such shares may be given any preference or advantage over the others or any other such shares;
    - c) Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled
  - (2) The company may by special resolution reduce its share capital in any manner authorized by law.



**GENERAL MEETINGS**

38. A General Meeting to be known as the Annual General Meeting shall be held once in every calendar year at such time and places as may be determined by the Directors. Not more than fifteen months shall elapse between the date of last preceding Annual General Meeting and the other.
39. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings
40. The Board of Directors may, whenever they think fit, convene an Extraordinary General Meeting, or in default an Extraordinary General Meeting may be convened by such requisitions as provided by section 215 of the Act.
41. The time and place of any meeting shall be determined by the Directors and all statutory and Annual General Meetings shall be held in Nigeria.

**PROCEEDINGS AT GENERAL MEETINGS**

46. All business that is transacted at an extraordinary General Meeting shall be deemed special. Also all business that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, the appointment of Auditors, the fixing of or the determination of the manner of the fixing of the remuneration of the Auditors appointment of the members of the Audit Committee and the voting of additional remuneration to the Directors and the elections of Directors in the place of those retiring shall be deemed special.

**VOTES OF MEMBERS**

54. Subject to any special rights on restrictions attached to any class of shares, and to the provisions of the next succeeding Articles on a show of hands every member present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
55. If two or more persons are jointly entitled to a share, the vote of the senior who renders a vote in respect of such, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the register of members as the holder of such share.
56. Any company or statutory body which is a Member may, by resolution of its Directors, or by authority given under the hand of its duly authorized officer(s), authorize such person as it thinks fit to act as its representative at any meeting of the company and the person so authorised shall be entitled to exercise the same power on behalf of the company or statutory body which he represents as that company or statutory body could exercise if it were an individual member. The production at least two (2) working days before the meeting of a copy of such resolution duly signed by one director of such company and certified by him as being a true copy of the resolution or written authority by a statutory body duly signed by its authorized officer(s) shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of the appointment of the representative of such company except where a subsequent revocation of such authorization has been communicated to the Company prior to the commencement of the meeting.
57. If any Member is adjudged by a court of law to be a lunatic, idiot, or non compos mentis, he may vote whether on a show of hands or on a poll, by his committee, curator bonus or other legal curator and such last mentioned person may give their votes by proxy on a poll but no person claiming to vote pursuant to this Article shall do so unless such evidence as the Directors may require of his authority shall have deposited at the office not less than two working days before the time of holding the meeting at which he wishes to vote.

**POWERS AND DUTIES OF DIRECTORS**

70. The business of the Company shall be controlled and managed by the Directors who may exercise all such powers of the Company and do such acts and things as are not by the statutes or by these Articles required to be exercised by the Company in general meeting subject nevertheless to the provisions of the statutes and of these Articles. Provided that no resolution passed by the Company at the General Meeting shall invalidate any prior act of the Directors which was validly made pursuant to the provision of these Articles.

- 71 (1) The directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertakings property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt liability or obligation of the Company or any third party.
- (2) The Directors shall duly comply with the provisions of the Companies and Allied Matters Act, 1990 or any statutory modification thereof for the time being in force and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it and to keeping a register of the directors and secretaries, and to sending to the Registrar of Companies an annual list of members and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock and copies of special and extra ordinary resolutions, and a copy of the register of directors and notifications of any change therein.
- (3) The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund for the benefit of and may give or procure the giving of pensions, allowances, gratuities or bonuses or death or disability benefits to or in respect of any persons who are or were at any time in the employment of services of the Company, or of any Company which is a subsidiary of the Company or allied to or associated in business with the Company or with any such subsidiary company or of any business acquired by the Company or of any such other company as aforesaid holding executive office or place of profits and the wives, widows, families, dependants legal/or personal representatives(as the case may be) shall be entitled to participate in and retain for his own benefit or for the benefit of his estate any such pension, allowance, gratuity bonus or death or disability benefit.
- (4) The Directors may from time to time and at any time by power of attorney appoint any company, firm or person, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company in Nigeria for such purposes and with such powers, authorities and discretions ( not exceeding those vested on or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
72. The Company may exercise the powers conferred by Section 75 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
73. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments in which the Company is in any way concerned or interested and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

**NOTICES**

113. A notice (which expression for the purposes of these presents shall be deemed to include and shall include any summons, notices, process, order, judgment or any other document in relation to or in the winding up of the Company shall be given by the Company) to any member either personal or by sending it by post or by cable to him at his registered address. Provided that in the case of a member having a registered address outside Nigeria it shall be given by airmail to him at his registered address. Provided further that in the case of General meetings, the Company shall advertise a notice of such meeting in at least two leading national daily newspapers.
114. Where a notice is sent by post, the services of such notice shall be deemed to be effected by properly addressing, prepaying and posting the letter containing the notice and shall be deemed to have been effected at the expiration of 7 days from the time when the letter containing the same is posted.
115. A notice may be given to the jointholders of a share by giving the notice to the jointholder first named in the register of members in respect of the share.
116. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvency or by any like description at the description at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been

supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

117. Every person who by operation of law transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address and title to the share being notified to the Company shall have been duly given to the person from whom he derives his title to such share.
118. Subject to the provisions of the Act, any notice given in pursuant of these presents or documents delivered or sent by post to or left at the registered address of any member shall, notwithstanding such member being then deceased and whether or not the Company had notice of his death be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered instead as the holder or the joint holder thereof and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his or her heirs executors or administrators and all persons if any jointly interested with him or her to any such share.

**CLAIMS AND LITIGATION**

The Bank is involved in four- hundred and twenty-two (422) suites, of which Three hundred (300) were instituted against the bank, whilst One-hundred and twenty-two suits (122) have been instituted by the Bank.

The total value of monetary claims against the Bank is ₦ 3,342,396,535.59 (Three Billion Three hundred and forty-two million Three Hundred And Ninty-Six Thousand, Five Hundred And Thirty Five Naira And Fifty-Nine Kobo) while the total value of monetary claims by the bank is ₦1,555,026,256.58 (One Billion, Five Hundred and Fifty-Five Million, Twenty-six Thousand, Two Hundred and Fifty-six Naira and Fifty-eight Kobo).

However, the Solicitors to the Offer are of the opinion that the liability that may arise from the cases currently instituted against the Bank is not likely to have any material effect on the Bank. The Directors are of the opinion that none of the aforementioned cases is likely to have any material effect on the Bank or The Total Offer, and are not aware of any other pending and or threatened claims or litigation save for the foregoing.

**COSTS AND EXPENSES**

The costs and expenses of this Offer including fees payable to the SEC, the NSE and professional parties, filing fees, stamp duties and legal fees, and other expenses, brokerage commission and the costs of printing and advertising the Offer are estimated at ₦2,086,558,030.00 representing approximately 4.17% of the total amount to be raised.

**RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSES/OTHER ADVISERS**

As at the date of this offer,

- Mr. Kola Awodein (SAN), a non – executive director of the Bank is a partner in Kola Awodein & Co, the Solicitors to the Bank.
- PSL Limited one of the Lead Stockbrokers to the Offer is a wholly owned subsidiary of the Bank.
- Princess Adenike Adeniran ,a non-executive director of the Bank is the Chairman of Dominion Trust Limited, one of the Lead Stockbrokers to the Offer.

Save as disclosed, there is no relationship between Skye Bank and any of its Advisers except in the ordinary course of business.

**MATERIAL CONTRACTS**

The following agreements have been entered into and are considered material to this Offer:

- A Vending Agreement dated Tuesday 8, January, 2008 by which Vetiva Capital Management Limited, FBN Capital Limited, Greenwich Trust Limited, and Sterling Capital Markets Limited have agreed to issue via an Offer for Subscription, 2,231,599,145 ordinary shares of 50 Kobo each in Skye Bank Plc.
- An Underwriting Agreement dated Tuesday 8, January, 2008 by which First Bank of Nigeria Plc, Intercontinental Bank Plc and Sterling Bank Plc have agreed to underwrite 80% of the Offer on a firm basis.
- Convertible Loan Facility Agreement dated August 2007 between Skye Bank Plc and Standards Bank Plc, London

Other than as stated above, the Bank has not entered into any material contract except in the ordinary course of business.

**DECLARATIONS**

Except as otherwise disclosed in this Prospectus:

- a) No share of Skye Bank is under option or agreed conditionally or unconditionally to be put under option;
- b) No commissions, discounts, brokerages or other special terms have been granted by Skye Bank to any person in connection with the offer or sale of any share of the Bank;
- c) Save as discussed herein, the Directors of Skye Bank have not been informed of any holding representing 5% or more of the issued share capital of the Bank;
- d) There are no founders', management or deferred shares or any options outstanding in Skye Bank;
- e) There are no material service agreements between Skye Bank or any of its Directors and employees other than in the ordinary course of business;
- f) There are no long term service agreements between Skye Bank and any of its Directors and employees except Pension Agreements;
- g) No Director of the Bank has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Bank in the five years prior to the date of this Prospectus; and
- h) No Director or key management staff of the Bank is or has been involved in any of the following:
  - 1. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;
  - 2. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
  - 3. The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

**CONSENTS**

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

**Directors of the Bank**

Alhaji Musiliu Adeola Kunbi Smith (Chairman)

Mrs. Morenikeji Onasanya (Vice-Chairman)

Mr. Akinsola Akinfemiwa (Managing Director/CEO)

Mr. Kehinde Durosinmi-Etti (Deputy Managing Director)

Mr. Segun Oloketuyi

Gbenga Ademulegun

Dr. Adebayo Adewusi

Princess Adenike Adeniran

Mr. Vinay Tuteja

Mr. Collins Chikeluba

Mr. Kola Awodein (SAN)

Brig. Gen. Anthony Ukpo (RTD)

Mr Victor Adenigbagbe

Dr. Jason O Fadeyi

Mr. Michael Gashau Tarfa

Mr Ariyo Ajaja

Mrs Abimbola Izu (Company secretary)

**Joint Issuing Houses**

Vetiva Capital Management Limited

FBN Capital Limited

Greenwich Trust Limited

Sterling Capital Markets Limited

**Joint Underwriters**

First Bank of Nigeria Plc

Intercontinental Bank Plc

Sterling Bank Plc

**Lead Stockbrokers**

Capital Assets Limited

Dominion Trust Limited

PSL Limited

**Joint Stockbrokers**

Afrinvest (West Africa) Limited

Amyr Investments Limited

APT Securities and Funds Limited

Camry Investments Limited

Compass Securities and Investments Limited

Equity Capital Solutions Limited

FIS Securities Limited

FSDH Securities Limited

F&C Securities Limited

Global Asset Management Limited

GTI Capital Limited

Kinley Securities Limited

Lambeth Trusts and Investments Co. Limited

Lead Capital Limited

Metropolitan Securities Limited

Profund Securities Limited

Pyramid Securities Limited

Readings Investments Limited

Rostrum Investments & Securities Limited

Santrust Securities Limited

Standard Alliance Money Limited

Strategy and Arbitrage Limited

Support Services Limited

Trust Yield Securities Limited

Unex Securities and Investments Limited

Valmon Securities Limited

**Registrars**

City Securities (Registrars) Limited.

**Reporting Accountants**

Dele Olufon & Co.

**Auditors**

Akintola Williams Deloitte

Ernst & Young

**Joint Solicitors To The Offer**

Jackson Etti & Edu & Co.

Oluyomi Olawore & Co.

**Joint Solicitors to the Bank**

Kola Awodein SAN & Co.

Royal Heritage Solicitors

**Receiving Banks**

First Bank of Nigeria Plc

Intercontinental Bank Plc

Sterling Bank Plc

**DOCUMENTS AVAILABLE FOR INSPECTION**

- a) Copies of the following documents are available for inspection at the offices of the Joint Issuing Houses during normal business hours on any weekday (except public holidays), from Monday, 14 January, 2008 until Wednesday, 20 February, 2008.
- b) The Certificate of Incorporation of the Bank;
- c) The Memorandum and Articles of Association of the Bank;
- d) The Prospectus issued in respect of the Offer;
- e) The Shareholders' Resolution authorising the Offer, which was passed at the meeting of 27<sup>th</sup> of June 2007;
- f) The resolution of the Board of Directors recommending the Offer, which was passed at the meeting of 10<sup>th</sup> of December 2007;
- g) The audited financial statements of the Bank for each of the five years ended 30 September 2007;
- h) The Report of Dele Olufon & Co , Reporting Accountants, on the audited financial statements of the Bank for each of the five years ended 30 September 2007;
- i) The Memorandum of Dele Olufon & Co , Reporting Accountants, on the Profit Forecast of the Bank for the 3 years ending 30 September 2011;
- j) The list of Claims and Litigations referred to above;
- k) The Material Contracts referred to above;
- l) The letter from the Securities & Exchange Commission approving the Offer;
- m) The letter from The Nigerian Stock Exchange approving the Offer;
- n) The written consents referred to above.

**1. APPLICATION**

- 1.1 The general investing public is hereby invited to apply for the shares through any of the Receiving Agents listed on Page 65.
- 1.2 Applications for the shares must be made in accordance with the instructions set out at the back of the application form. The application form is on Page 66. Care must be taken to follow these instructions, as applications which do not comply with the instructions will be rejected.
- 1.3 The Application List for the shares will be open from Monday 14 January, 2008 to Wednesday, 20 February, 2008. Applications must be for a minimum of 1,000 shares and in multiples of 100 thereafter. The number of shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and occupation in item "1" on the application form. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in item "3" in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.
- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "SKYE BANK OFFER" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post.

**2. ALLOTMENT**

The Issuing Houses and the Directors of the Bank reserve the right to accept or reject any application in whole or in part. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission. All irregular or suspected multiple applications will be rejected.

**3. APPLICATION MONIES**

All application monies will be retained in a separate interest bearing bank account by the Receiving Bank pending allotment. If any application is not accepted, or is accepted for fewer shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (as the case may be), with the accrued interest, will be returned by registered post within 5 working days of allotment. Share certificates in respect of shares allotted will be sent by registered post not later than 15 working days from the date of allotment clearance.

Any investor who does not want to receive a physical share certificate, should state the name of his/her stockbroker, clearing house number and his/her CSCS account number in the space provided on the Application Form.



## RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by the SEC, to whom brokerage will be paid at the rate of ₦0.75 per ₦100.00 worth of shares allotted in respect of applications bearing their official stamps.

***The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.***

### BANKS

Access Bank Plc Afribank Nigeria Plc Diamond Bank Plc Ecobank Nigeria Plc Equitorial Trust Bank Plc Fidelity Bank Plc First City Monument Bank Plc First Inland Bank (Nig) Plc	Guaranty Trust Bank Plc IBTC Chartered Bank Plc Intercontinental Bank Plc Nigerian International Bank Limited Oceanic Bank International Plc Skye Bank Plc Skye Bank Plc Spring Bank Plc	Standard Chartered Bank Nigeria Limited Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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### STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited AIL Securities Limited Alangrange Securities Limited Allbond Investments Limited Alltrade Securities Limited Alliance Capital Management Limited AMYN Investments Limited Asset & Resource Management Limited Anchoria Investment & Securities Limited APT Securities & Fund Limited Bacad Finance & Investment Co Limited Beachgrove Securities & Investment Co Limited Beaver Securities Limited Bestworth Assets & Trust Limited BFCL Assets & Investment Limited BGL Securities Limited BIC Securities Limited BSD Securities Limited Capital Assets Limited Capital Trust Brokers Limited Capital Express Securities Limited Century Securities Limited Calyx Securities Limited Cash Craft Asset Management Limited. Capital Bancorp Limited Cashville Investments & Securities Limited. Centre-Point Investment Limited Citi Investment Capital Limited City Investment Management Limited City Securities Limited City-Code Trust & Investments Limited Consolidated Investment Limited Cooper Flemming Stockbrokers Limited Core Trust & Investment Limited Crane Securities Limited Crossworld Securities Limited Clearview Investment Co Limited Counters Trust Securities Limited CSL Stockbrokers Limited DakaL Securities Limited DBL Securities Limited De-canon Investments Limited De-Lords Securities Limited Denham Management Limited Dependable Securities Limited Dominion Trust Limited Dynamic Portfolios Limited Empire Securities Limited Euro Comm Securities Limited Express Portfolio Services Limited Falcon Securities Limited F & C Securities Limited Fidelity Union Securities Limited Fidelity Finance Limited Financial Derivatives Limited Financial Equities Limited Financial Trust Co Limited Finmal Finance Company Limited First Equity Securities Limited	First Stockbrokers Limited Folu Securities Limited Foresight Securities & Investment Limited Forte Asset Management Limited Forthright Securities & Investments Limited Fountain Securities Limited Future View Securities Limited Genesis Securities and Investment Limited Gidauniya Investment & Securities Limited Global Capital Market Limited Golden Securities Limited Great Africa Trust Limited Greenwich Trust Limited GTI Capital Limited Heritage Investment & Securities Limited Horizon Stockbrokers Limited IBTC Asset Management Limited IBN Securities Limited ICON Stockbroker Limited IMB Morgan Plc Indemnity Finance Limited Independent Securities Limited Integrated Trust & Investments Limited Intercontinental Securities Limited International Capital Securities Limited International Standard Securities Limited Intercontinental Capital Markets Limited Interstate Securities Limited Investors & Trust Co Limited Jamkol Investments Limited Jenkins Investment Limited Kinley Securities Limited Kundila Finance Services Limited Lakeworth Investments & Securities Limited LB Securities Limited Lead Securities & Investment Limited Lighthouse Asset Management Limited Lion Stockbrokers Limited Lynac Securities Limited Magnartis Fin & Inv Limited Mainland Trust Limited Maninvest Securities Limited Marina Securities Limited MBC Securities Limited Mega Equities Limited Mercov Securities Limited M & F Investment Limited Molten Trust Limited Mutual Alliance Investment & Securities Limited Midas Stockbrokers Limited Midland Capital Markets Limited Midlands Investment & Trust Co. Limited Mission Securities Limited Morgan Trust & Asset Management Limited Mountain Investment & Securities Limited Newdevco Finance Securities Limited Niche Securities Limited Nigerian Stockbrokers Limited Network Securities & Finance Limited	Nova Finance & Securities Limited Options Securities Limited OMF Securities & Finance Limited Partnership Investment Co. Limited Pine Fields Investment Services Limited PIPC Securities Limited Peak Securities Limited Perfection Securities & Investment Limited PIPC Securities Limited Platinum Capital Limited Premium Securities Limited Professional Stockbroker Limited Profund Securities Limited Prominent Securities Limited PSL Limited P.S.I. Securities Limited Rainbow Securities & Investment Co. Limited Reward Investments & Services Limited Royal Crest Finance Limited Sanbros Trust & Securities Limited Securities Solutions Limited Securities Swaps Limited Shallom Investment & Securities Limited Sigma Securities Limited Silver Financial Services Limited Solid-Rock Securities & Investment Limited Stanbic Equities Nigeria Limited Summa Guaranty & Trust Co. Limited Summit Finance Company Limited Support Services Limited Tiddo Universal Securities & Finance Limited Tomil Trusts Limited Topmost Finance & Investment s Limited TRW Stockbrokers Limited Transglobe Investment & Finance Co Limited Trade Link Finance & Securities Limited Tropics Securities Limited Trust and Financial Services Limited Trusthouse Investment Limited Trust Yields Securities Limited UBA Securities Limited UNEX Securities & Investment Limited Union Stockbrokers Limited Valmon Securities Limited Valueline Securities & Investment Limited Vetiva Capital Management Limited Vision Trust & Investments Limited WSTC Financial Services Limited Yobe Investment Co. Limited Zenith Securities Limited Zuma Securities Limited
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## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

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1. Applications should be made only on the Application Form or photostat or scanned copies of the Application Form.
2. Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be *lodged with any of the Receiving Agents listed on Page 65*. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**SKYE BANK PLC OFFER**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. Joint applicants must all sign the Application Form.
6. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
7. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorised official.
8. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
9. An application by an illiterate should bear his right thumb print on the Application Form and be witnessed by an official of the Bank or stockbroker at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
10. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

**APPLICATION FORM**

**SKYE BANK PLC**