

# CENTRAL BANK OF NIGERIA



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## **CIRCULAR LETTER**

### **TO ALL DIRECTORS AND SHAREHOLDERS OF MICROFINANCE BANKS**

### **REVISED MICROFINANCE POLICY REGULATORY AND SUPERVISORY FRAMEWORK FOR NIGERIA**

The Board of Directors of the CBN has approved the Revised Microfinance Policy Supervisory and Regulatory Framework for Nigeria. The revised policy provides for three categories of microfinance banks (MFBs) and stipulated minimum capital requirements for each category, viz:

- i) Category 1: Unit Microfinance Banks are those authorized to operate in one (1) location, with a minimum paid-up capital of ₦20 million and are prohibited from having branches/cash centres.
- ii) Category 2: State Microfinance Bank are those authorized to operate within one state or the Federal Capital Territory (FCT), with a minimum paid-up capital of ₦100 million and are allowed to open branches/cash centres within the same state, subject to prior approval of the CBN in writing.
- iii) Category 3: National Microfinance Bank are those authorized to operate in more than one state, including the FCT with a minimum paid-up capital of ₦2 billion and are allowed to have branches in any part of the country, subject to prior approval of the CBN in writing.

### **Implication for new and existing MFBs**

In implementing the Revised Microfinance Policy Framework, therefore, new (*de novo*) MFBs coming on board will naturally be required to meet the stipulated

