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CIRCULAR TO ALL BANKS:

STAFF SHARE ACQUISITION LOAN SCHEME

Following the recent CBN policy pronouncement on bank consolidation, there has been a flurry of activities by banks in the capital market to raise funds especially through Initial Public Offer, Public Offer, Rights Issue and Private Placement.

Associated with these efforts are the attempts by some banks to ensure that their staff benefit from the share issues through the creation of staff share acquisition loan scheme.

However, recent field experience from the capital verification exercise has revealed the need to streamline the operation of the scheme by banks. In this regard banks are required to adhere strictly to the following guidelines:

- 1) Banks should have a clear and properly documented staff share acquisition loan policy/scheme approved by the CBN.
- 2) The aggregate value of the shares to be sold to staff under the scheme should not exceed 10% of the total shares on offer (Public Offer, Rights Issue and/or Private Placement) at any point in time.
- 3) Total value of shares to be sold to qualified individual staff should not exceed 10% of the total shares on offer or N10million, whichever is lower.

This Circular takes immediate effect.

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DIRECTOR OF BANKING SUPERVISION