

CENTRAL BANK OF NIGERIA



IMPORTANT NOTICE

TO THE CHAIRMEN, DIRECTORS, COMMUNITY DEVELOPMENT ASSOCIATIONS SHAREHOLDERS, MANAGERS AND STAFF OF ALL COMMUNITY BANKS AND THE GENERAL PUBLIC

In furtherance of our earlier publications on the deadline for the conversion of existing community banks (CBs) to microfinance banks (MFBs), it has again been considered necessary to advise all CBs that are yet to convert to MFBs or meet the minimum capital requirement of ₦20 million to urgently re-capitalize, on or before 31st December, 2007.

This publication serves as a final notice to all chairmen, directors, community development associations, shareholders and other officers of CBs that failure to meet this deadline will be interpreted to mean that the CB had either closed shop, ceased to operate, is technically insolvent, or has resolved to exit. In the event that any of the CBs is unable to meet the minimum shareholders' fund, unimpaired by losses, of ₦20 million, such CB is required to submit the following documents to the Director, Other Financial Institutions Department, Central Bank of Nigeria, Lagos, on or before 31st December, 2007:

1. Winding-up resolutions of the board of directors, ratified at a general meeting of shareholders;
2. Statement of Assets and Liabilities;
3. List of all depositors their addresses and the amounts to their credit;
4. List of all creditors and the amounts owed to them; and
5. Documentary evidence that all depositors and creditors have been settled (in that order)
6. List of all debtors including their addresses and the amount owed to the CB;

It is instructive to reiterate that the Central Bank of Nigeria (CBN) will publish the names of all CBs that have obtained either provisional approvals or final licences as microfinance banks by 31st December, 2007.

Members of the public are also to note that only CBs that are able to convert to MFBs as at that date (31st December, 2007) shall continue to be supervised by the Central Bank of Nigeria. Consequently, any community bank which is unable to meet the requirement of ₦20 million minimum shareholders' fund, unimpaired by losses and consequently fail to appear on the list shall automatically have its operating licence revoked pursuant to Section 12 of BOFIA, 1991 (as amended) and shall cease to operate after that date.

The letter conveying this information has been dispatched to the affected CBs.

Further clarifications on this may be directed to the undersigned.

Signed

S. A. Oni
Director, Other Financial Institution Department,
Central Bank of Nigeria, Lagos.