

CENTRAL BANK OF NIGERIA, ABUJA



PRESS RELEASE

On July 6, 2004, the Central Bank of Nigeria announced to the nation a major reform program that would transform the banking landscape of the country. The main thrust of the 13-point reform agenda was the prescription of a minimum shareholders' funds of N25 billion for a Nigerian deposit money bank not later than December 31, 2005. The banks were expected to shore up their capital through the injection of fresh funds where applicable, but were most importantly encouraged to enter into merger/acquisition arrangements with other relatively smaller banks thus taking the advantage of economies of scale to reduce cost of doing business and enhance their competitiveness locally and internationally.

The program has resulted in the shrinkage of the number of banks from 89 to 25 through merger/acquisition involving 76 banks which altogether account for 93.5% of the deposit share of the market. The capital Market has also received a boost with a total of N406billion raised so far and N360 billion accepted by the CBN including foreign capital inflow of US \$654 million and £161,993.

The general banking public is therefore advised to henceforth transact their banking business with only these 25 banks as listed below:

Thirteen (13) out of the 89 banks, accounting for only 6.5% of the deposit share of the industry were not able to make it. However, private sector depositors are hereby assured of the safety of their deposits that are already trapped in these banks. The CBN has concluded arrangements for a smooth resolution of these banks at the least possible cost to the system. Further details on this will be released at a press conference by the Governor of the CBN scheduled for mid-January, 2006.

The CBN wishes to express its appreciation to the banking public for their patience and faith in the Bank to undertake such a monumental reform. We also express our appreciation to Mr. President (Chief Olusegun Obasanjo, GCFR) for his unflinching support, the Federal Executive Council, the National Assembly, the Judiciary, and the multilateral agencies. We also thank the NDIC, the Securities and Exchange Commission, the Corporate Affairs Commission, the Nigerian Stock Exchange, and the Federal Inland Revenue Service for their collaboration and cooperation all through the past eighteen months. We also appreciate the private sector agencies that served on the Technical Advisory Committee.

While wishing the nation a prosperous 2006, the CBN wishes to state that it is very conscious of the challenges that lie ahead as a result of the consolidation, the first phase of which has just been concluded. Apart from resolving the distressed institutions, the recapitalization of the 25 banks that have emerged is only the first step to the Promised Land. The real integration of the institutions

has just started and, through its usual consultation and monitoring, the CBN will ensure that the exercise is carried out by the banks seamlessly to avoid disruption of banking services. The regulatory framework and capacity are also being beefed up to ensure that the objectives of the reform to support the real sector of the economy are achieved.

Banks That Have Met 25 Billion Naira

1. Access Bank
2. Afribank
3. Diamond Bank
4. EcoBank
5. Equitorial Trust Bank
6. First City Monument Bank
7. Fidelity Bank
8. First Bank Plc
9. First Inland Bank
10. Guaranty Trust Bank
11. IBTC-Chartered Bank
12. Intercontinental Bank
13. Nigeria International Bank
14. Oceanic Bank
15. Platinum Bank
16. Skye Bank
17. Spring Bank
18. Stanbic Bank
19. Standard Chartered Bank
20. United Bank of Africa
21. Sterling Bank

- 22. Union Bank
- 23. Unity Bank
- 24. Wema Bank
- 25. Zenith Bank Plc

**CENTRAL BANK OF NIGERIA
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