



CENTRAL BANK OF NIGERIA, ABUJA

CBN website: www.cenbank.org

PRESS RELEASE

CBN BANKING REFORMS GET A BOOST: Reps Pass AMCON Bill, Scales Second Reading at the Senate

The on-going banking reforms have received a significant boost with two key developments in the National Assembly on Wednesday 10/3/10. The Asset Management Corporation of Nigeria (AMCON) Bill scaled the second reading at the Senate following presentation of the required financial compendium on AMCON. The Bill has thus been referred to the Senate Committee on Banking, Insurance and other Financial Institutions, to work with Committees on Capital Market and Finance to conduct a public hearing and report back to the Senate within a maximum period of four weeks. This will pave the way for its passage after a third and final reading.

In another major development, the House of Representatives on the same day passed the AMCON Bill after adopting the report of the Committees on Banking and Currency, Finance and Capital Market. It will be recalled that the Bill had already gone through second reading at the House and a public hearing was held on Thursday 28, January 2010.

The AMCON, is the principal vehicle for resolution of the solvency of asset quality problems that have risked the banking system in the last two years and it provides an alternative to the liquidation of distressed banks. In addition to purchasing non-performing loans from the banks. AMCON is a vehicle for recapitalizing these institutions. It also holds the promise of reducing the debt overhang on capital market operators, thus giving the much needed stimulus to the capital market.

With these developments in the National Assembly, the Central Bank hopes that all skepticisms around the establishment of AMCON and unguarded speculations around political support for the reforms have been put to rest.

The Central Bank of Nigeria reaffirms that it continues to receive the total support and cooperation of the leadership and members of both arms of the National Assembly in its effort to restore and entrench financial stability and good corporate governance in Banks.

(Signed)

M.M. Abdullahi

Head, Corporate Communications

March 10, 2010