



CENTRAL BANK OF NIGERIA, ABUJA

CBN website: www.cenbank.org

PRESS RELEASE

UPDATE ON ESTABLISHMENT OF ASSETS MANAGEMENT CORPORATION OF NIGERIA (AMCON)

It will be recalled that the Central Bank of Nigeria through the Executive had sent a draft Bill for the establishment of AMCON to the National Assembly for consideration and passage into law. The AMCON as a resolution vehicle is expected to soak the toxic assets of the CBN-intervened banks and provide liquidity to them as well as assist in their recapitalization. The CBN had wished that the corporation would have come on stream by now, but because of the rigorous process that the Bill has to pass through, this has not materialized.

In view of this, it has become necessary to assure all stakeholders that the Bill is merely going through the normal legislative process and in all likelihood the House of Representatives would pass it in a couple of days.

The Bill has just been tabled for a second reading at the Senate on Thursday 4, March 2010, but was temporarily stepped down to enable the CBN/Federal Ministry of Finance to provide the Financial Compendium for the establishment of the Corporation. The need for this was not made known to the sponsors of the Bill until Thursday, March 4, 2010. The Financial Compendium has been worked on and transmitted to the Senate today (Friday, March 5, 2010) and it is hoped that the Senate will consider it at the next legislative day.

It is therefore very clear that the passage of the AMCON Bill is on track and would likely be completed within the first quarter of the year. The CBN is also making progress on the final resolution of Non-performing loans (NPLs), recapitalization issues of banks in the second quarter and getting all shareholders and regulatory approvals in the third quarter. Our estimation is that by September 30, 2010, the CBN would have resolved the issues with all the banks affected.

(Signed)

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