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BSD/GCA/BAS/CON/01/115

July 02, 2014

LETTER TO ALL BANKS AND DISCOUNT HOUSES

EXTENSION OF PARALLEL RUN OF PILLAR I OF BASEL II IMPLEMENTATION

It would be recalled that the Central Bank of Nigeria (CBN) released the guidelines on the implementation of Basel II/III for the Nigerian Banking Sector in December 2013 and directed banks to commence the parallel run of Pillar I in January, 2014 while the full adoption was intended to commence by the end of June, 2014.

However, the initial challenges observed in the parallel run have necessitated for an extension of the parallel run particularly with regards to the requirements of reporting capital charge for credit, market and operational risks.

Consequently, banks are hereby directed to continue the parallel run for an additional period of three (3) months while the full adoption will commence on 1st October, 2014.

Meanwhile, banks are required to use this period to re-assess their current capital levels with a view of complying at full adoption, with the minimum capital requirements.

Finally, all banks are reminded to continue to submit their monthly returns to bsdreturns@cbn.gov.ng on or before the fifth working day after each reporting month.

Thank you.

Yours faithfully,

TOKUNBO MARTIN (MRS)
DIRECTOR OF BANKING SUPERVISION