



Central Bank of Nigeria

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LETTER TO ALL BANKS

CASH RESERVE REQUIREMENT FRAMEWORK IMPLEMENTATION GUIDELINES

The Central Bank of Nigeria (CBN) is ceasing daily CRR debits and will be adopting an updated Cash Reserve Requirement (CRR) mechanism that is intended to facilitate your capacity for planning, monitoring, and aligning your records with the CBN.

The determination of the segment of deposits subject to sterilization with the CBN as CRR will follow the processes outlined below:

Phase 1 - Utilization of the Incremental Approach: The extant ratios (commercial banks 32.5% and merchant banks 10%) will be applied to increases in the banks' weekly average adjusted deposits.

Phase 2 – CRR levy of 50% of the lending shortfall will be enforced for banks that do not meet the minimum Loan to Deposit Ratio (LDR) as per our correspondence to all banks referenced BSD/DIR/GEN/LAB/12/049 dated September 30, 2019.

The CBN will provide your bank with details of the applied charges and their underlying computation rationale.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Adedeji', with a circular stamp or mark to the left.

DR. ADETONA S. ADEDEJI
AG. DIRECTOR, BANKING SUPERVISION DEPARTMENT