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Central Bank of Nigeria

Press Release

CBN Affirms Strength of Banking Sector, Issues Routine Transitional Guidance for Select Institutions

As part of its ongoing efforts to strengthen the banking system, the Central Bank of Nigeria (CBN) introduced time-bound measures for a small number of banks still completing their transition from the temporary regulatory support provided, mostly in response to the economic impact of the COVID-19 pandemic.

This step is part of the CBN's broader, sequenced strategy to implement the recapitalisation programme announced in 2023. The programme, designed to align with Nigeria's long-term growth ambitions, has already led to significant capital inflows and balance sheet strengthening across the sector. Most banks have either completed or are on track to meet the new capital requirements well before the final implementation deadline of March 31, 2026.

The measures announced apply only to a limited number of banks. These include temporary restrictions on capital distributions, such as dividends and bonuses, to support retention of internally generated funds and bolster capital adequacy. All affected banks have been formally notified and remain under close supervisory engagement.

To support a smooth transition, the CBN has allowed limited, time-bound flexibility within the capital framework, consistent with international regulatory norms. Nigeria generally maintains Risk-Based Capital requirements that are significantly more stringent than the global Basel III minimums.

These adjustments reflect a well-established supervisory process consistent with global norms. Regulators in the U.S., Europe, and other major markets have implemented similar transitional measures as part of post-crisis reform efforts.

The CBN remains fully committed to continuous engagement with stakeholders throughout this period via the Bankers' Committee, the Body of Bank CEOs, and other industry forums. The goal is to ensure a transparent, predictable, and collaborative regulatory environment.

Nigeria's banking sector remains fundamentally strong. These measures are neither unusual nor cause for concern; they are a continuation of the orderly and deliberate implementation of reforms already underway. The CBN will continue to take all necessary actions to safeguard the sector's stability and ensure a robust, resilient financial ecosystem that supports sustainable economic growth.

A handwritten signature in black ink, appearing to read 'H. Ali', with a stylized flourish at the end.

Hakama Sidi Ali (Mrs.)
Ag. Director, Corporate Communications

June 17, 2025