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March 1, 2012

ALL DEPOSIT MONEY BANKS

NEED FOR CLARIFICATION ON CASH WITHDRAWAL LIMIT FOR PRIMARY MORTGAGE INSTITUTIONS AND MICROFINANCE BANKS

It has come to our notice that some Deposit Money Banks apply cash withdrawal/deposit limits for Corporate Organizations to Primary Mortgage Institutions (PMIs) and Microfinance Banks (MFBs).

PMIs and MFBs are specialized banks as defined under the new banking model which have customers that maintain savings demand and time deposit accounts with them. As deposit-taking institutions, they are obliged to honour the withdrawal requests of their customers and other mature obligations.

It is imperative to note that the aggregate withdrawals by the depositors of MFBs and PMIs per day could exceed N1 million, thus necessitating those institutions to withdraw over N1 million from their correspondent banks in order to service their customers.

It has therefore, become necessary to clarify that direct withdrawal/deposit by Microfinance Banks and Primary Mortgage Institutions are excluded from the policy of N1 million limit for corporate bodies to enable them meet the legitimate demands of their numerous customers. However, the cash withdrawal/deposit limits are applicable to the customers of MFBs and PMIs.

Please be guided.


G. I. Emokpae

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