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**April 22, 2015**

**LETTER TO ALL BANKS AND DISCOUNT HOUSES**

**RECOVERY OF DELINQUENT CREDIT FACILITIES**

The Central Bank of Nigeria has observed the rising trend of non-performing loans (NPL) in the industry. In order to ensure that the industry NPL ratio does not exceed the prudential limit of 5%, and to improve the credit culture in the banking industry, banks and discount houses are directed to observe prudent credit underwriting and monitoring standards.

Furthermore, banks and discount houses are required with effect from May 1<sup>st</sup> 2015 to:

- i. Give the delinquent debtors three months of grace to turn their accounts from non-performing to performing status.
- ii. Publish the list of delinquent debtors that remain non-performing in at least three national daily newspapers quarterly (The delinquent debtors are those whose accounts have been classified lost and include the persons, entities, directors, subsidiaries and other related parties). The list must be sent to the CBN as soon as the publication is made.

Banks and Discount houses are also to note that delinquent debtors in the category described above will be blacklisted by the CBN and are therefore:

- i. Banned from participating in the Nigerian foreign exchange market.
- ii. Banned from participating in the Nigeria Government securities market.

Please be guided accordingly.

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**DIRECTOR OF BANKING SUPERVISION**