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LETTER TO ALL BANKS

REPORTING OF ALL CREDIT FACILITIES OF N1 MILLION AND ABOVE IN THE CREDIT RISK MANAGEMENT SYSTEM

The Central Bank of Nigeria has observed with dismay that banks do not report the credit facilities availed to their board members and staff in the Credit Risk Management System (CRMS).

For the avoidance of doubt, the CRMS, which is a central database for credit information on borrowers, established by the CBN Act No. 24 of 1991 [Sections 28 and 52] as amended made it mandatory for all banks to render returns to the CRMS in respect of all credit facilities of N1 million and above. Thus, the credit facilities availed to board members and staff of banks are not exempted. Please note that the provisions of Sections 3.4 and 3.5 of the Prudential Guideline for Deposit Money Banks in Nigeria, July 2010, does not preclude banks from reporting credit facilities availed to its board members and staff in the CRMS.

Banks are therefore required to report all credit facilities (principal plus interest) of N1 million and above availed to their board members and staff in the CRMS as well as regularly update these credit facilities on monthly basis.

This Circular serves as a reminder and warning to all banks as any observed breach will attract severe sanctions.

Please be guided accordingly.

**TOKUNBO MARTINS (MRS.)
DIRECTOR OF BANKING SUPERVISION**