



Central Bank of Nigeria

Ref: FMD/DIR/GEN/CIR/02/004

Date: October 11, 2011

CIRCULAR TO ALL DEPOSIT MONEY BANKS IN NIGERIA

SUSPENSION OF RESERVE AVERAGING SCHEME AND CHANGE IN CASH RESERVE REQUIREMENT

Our circular to all banks referenced FPR/DIR/CIR/GEN/01/014 dated March 3, 2011 on the above subject, refers.

Sequel to the decisions reached at the extra ordinary meeting of the Monetary Policy Committee held on October 10, 2011, all Deposit Money Banks (DMBs) are hereby notified that the reserve averaging scheme has been suspended with effect from October 12, 2011.

The Cash Reserve Ratio has also been increased by 400 basis points from 4.00 per cent to 8.00 per cent effective October 12, 2011. Also, the computation is now on monthly basis while the maintenance is on daily basis.

Accordingly, the computation and maintenance of the CRR are as explained hereunder:

1. At the beginning of each maintenance period, each bank will be advised of its CRR based on a simple average of its daily adjusted deposit liabilities of the preceding maintenance period and the applicable ratio announced by the CBN.
2. The bank's account would be debited with the applicable CRR requirement and the amount sterilised during the maintenance period.

Thank you.

A handwritten signature in black ink, appearing to read "E. U. Ukeje".

E. U. Ukeje
Ag. Director, Financial Markets Department