



# CENTRAL BANK OF NIGERIA

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LETTER TO ALL BANKS

## BASEL III IMPLEMENTATION BY DEPOSIT MONEY BANKS IN NIGERIA

You will recall that the Central Bank of Nigeria (CBN) had completed the development of guidelines for Basel III implementation by banks in 2020. However, due to the outbreak of the COVID-19 pandemic, the implementation was suspended to minimize the regulatory compliance burden on the banks. Following the gradual global economic recovery, the CBN hereby releases the underlisted Basel III Guidelines/Reporting Templates for implementation:

S/N	Guidelines	Reporting Templates
1	Guidelines on Regulatory Capital	Reporting Template for Group Capital Adequacy (TR-GCAR)
		Reporting Template for Solo Capital Adequacy (TR-SCAR)
2	Guidelines on Leverage Ratio (LeR)	Reporting Templates for Leverage Ratio (TR-LeR)
3	Guidelines on Liquidity Coverage Ratio (LCR)	Reporting Templates for Liquidity Coverage Ratio (TR-LCR)
4	Guidelines on Liquidity Monitoring Tools (LMT)	Reporting Templates for Liquidity Monitoring Tools (TR-LMT)
5	Guidelines on Large Exposures (LEX)	Reporting Template for Large Exposures (TR-LEX)
6	Guidelines on Liquidity Risk Management and Internal Liquidity Adequacy Assessment Process (ILAAP)	NA

In addition, the Revised Guidelines on the Supervisory Review Process of Internal Capital Adequacy Assessment Process (SRP/ICAAP) are also issued herewith for adoption by banks.

The guidelines can be accessed at the CBN website: [www.cbn.gov.ng](http://www.cbn.gov.ng) .

The implementation of the Guidelines will commence with a parallel run effective from November 2021 for an initial period of six (6) months, which may be extended by another 3 months, subject to milestones achieved in the supervisory expectations.

All banks shall submit monthly returns not later than five (5) working days after the end of the preceding month, with effect from November 2021.

During the parallel run, the Basel III guidelines shall operate concurrently alongside the existing Basel II guidelines.

Subject to the successful conclusion of the parallel run, the Basel III Guidelines shall become fully effective.

Finally, all banks are to note that capital add-on will be introduced in a phased manner as part of the overall supervisory process of Pillar II assessment to enhance better risk management practices and better align their capital with their risk profiles.

Yours faithfully,



**HARUNA B. MUSTAFA**  
**DIRECTOR OF BANKING SUPERVISION**