PRESS RELEASE

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CIRCULAR TO ALL BANKS AND DISCOUNT HOUSES ON CANCELLATION OF COMMON ACCOUNTING YEAR END

The CBN vide its earlier circular ref: BSD/DIR/GEN/VOL.2/2004 of May 16, 2008 had conveyed the agreement reached at the Bankers’ Committee meeting of January 2008 to adopt December 31, 2008 as common accounting year end for banks and discount houses in Nigeria.

The commencement of this policy in the industry was however postponed via a follow-up circular ref: BSD/DIR/GEN/CIR/VOL.2/006 of July 31, 2008 as a result of the observed unhealthy trend/development in the industry whereby some banks were mobilizing deposits at very high interest rates that were inconsistent with economic fundamentals which was becoming a threat to market stability.

The CBN had at its Monetary Policy Committee meeting of 5th August, 2008 further reviewed the policy in the light of the developments in the economy and the misplaced perception that the interest rates trends are linked to the requirement of a common year end and therefore decided that the year end will no longer be a requirement. Consequently, each bank and discount house is now at liberty to adopt its own accounting year end as it deems appropriate and inform the CBN accordingly.

Signed

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Director of Banking Supervision