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CIRCULAR TO ALL FINANCIAL HOLDING COMPANIES, BANKS, OTHER FINANCIAL INSTITUTIONS AND THE PUBLIC

EXPOSURE DRAFT OF THE REVISED GUIDELINES FOR LICENSING AND REGULATING FINANCIAL HOLDING COMPANIES IN NIGERIA

In furtherance of its mandate to promote a safe, sound, and resilient financial system in Nigeria, the Central Bank of Nigeria (CBN) issued the Guidelines for the Licensing and Regulation of Financial Holding Companies (FHCs) in Nigeria in 2014. The primary objective of the Guidelines was to mitigate risks arising from the conduct of non-core banking activities within banking groups.

Following several years of implementation, the CBN has identified areas within the extant Guidelines that require enhancement to strengthen the operational effectiveness and regulatory oversight of Financial Holding Companies. Accordingly, the Guidelines has been reviewed to address observed gaps and align with evolving regulatory and market developments. The key revisions include the following:

- i. **Strengthening Capital Requirements:** Clarification and enhancement of minimum capital requirements for FHCs to ensure their capacity to serve as a reliable source of financial strength to their subsidiaries;
- ii. **Regulation of Shared Services:** Addressing identified gaps in shared services arrangements to prevent potential abuse or undue advantage over banking subsidiaries;
- iii. **Eligibility Criteria:** Establishment of clear eligibility requirements for promoters seeking to set up Financial Holding Companies;

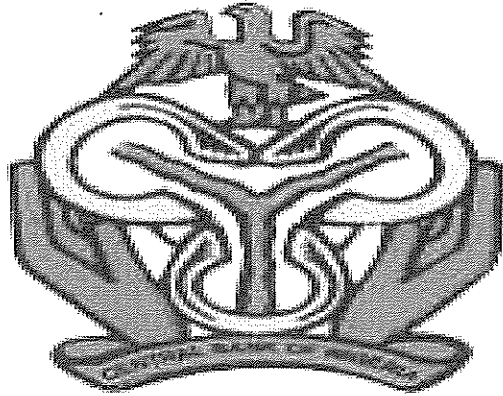
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- iv. **Organisational Structure:** Streamlining the structure of FHCs by allowing them, rather than their Nigerian banking subsidiaries, to directly hold equity interests in foreign subsidiaries; and
- v. **Ownership and Control Requirements:** Requiring FHCs to hold a minimum of 51% equity stake in each subsidiary and to be registered as a person with significant control by the appropriate corporate registration authority.

The draft Revised Guidelines is hereby exposed to the public for comments. Stakeholders and members of the public are invited to review and submit their comments via email to: policyandregulationsdivision@cbn.gov.ng on or before July 09, 2026.

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CENTRAL BANK OF NIGERIA
GUIDELINES FOR LICENSING AND REGULATION OF
HOLDING COMPANIES IN NIGERIA

JUNE 2026

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1.0 INTRODUCTION

The Central Bank of Nigeria (CBN), in August 2014, issued the Guidelines for Licensing and Regulation of Financial Holding Companies (FHCs) in Nigeria to reduce business risks associated with the operation of non-core banking activities by banks/banking groups. The Guidelines stipulated minimum licensing, governance and prudential requirements for FHCs in Nigeria. It also provided arrangements for banks/banking groups to take advantage of other opportunities in the financial services sector, by incorporating a non-operating company to hold equity investments in its financial services subsidiaries.

While implementing the regulation, the CBN observed some gaps in the structure and operations of holding companies, which resulted in uneven implementation of the Guidelines, surge in overheads and unintended governance practices.

Accordingly, the CBN has reviewed the Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria to address the observed gaps and incorporate developments in the financial system. This Guidelines provides a revised structure and definition of a holding company, enhances capital and prudential requirements; and increases regulatory expectations on their governance arrangements. It also provides eligibility criteria for application for a holding company licence.

This Guidelines, issued in exercise of the powers conferred on the CBN under the Central Bank of Nigeria Act, 2007 (CBN Act) and the Banks and Other Financial Institutions Act, 2004 (BOFIA), complements the CBN Regulation on the Scope of Banking Activities and Ancillary Matters, No 3, 2010.

The Guidelines shall be read in conjunction with the provisions of the CBN Act, the BOFIA, other subsidiary legislations made under the Acts, as well as written directives, notices, circulars, frameworks and other guidelines that the CBN and other regulators in the financial services sector have issued or may issue from time to time. It will supersede the CBN Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria issued in August 2014 and the CBN's Circular to all banks on the Definition and Structure of Holding Companies in Pursuance of the New Banking Model, issued in December 2011.

2.0 DEFINITION AND STRUCTURE OF A HOLDING COMPANY

2.1 Definition and Structure

- i. A Holding Company (Holdco) is a company set up for the main purpose of investing and managing (for its own account) equity investment in two or more subsidiaries engaged in the provision of financial services. The company shall have as subsidiaries at least one bank and a non-bank financial services provider or two or more banks.
- ii. The type of holding company permitted under this Guidelines is a financial holding company. A Financial Holding Company (FHC) is a non-operating holding company that has two or more direct subsidiaries, at least one of which shall be a bank.
- iii. A Holdco is permitted to have a maximum of two hierarchies (parent holdco and intermediate holdco), subject to the approval of the CBN. The allowed models are as depicted in **Appendix 1**.

Model 1 allows for two hierarchies – a parent holding company that holds direct equity investment in each of the Nigerian subsidiaries and an intermediate holding company for equity investments in foreign subsidiaries. Model 2 allows for one hierarchy, with the parent holding company holding direct equity position in each of the subsidiaries.

In exceptional circumstances (such as where the laws of a host jurisdiction so demand), however, a holdco may be permitted to have an additional hierarchy.

- iv. Existing financial holding companies are required to notify the Director of the Banking Supervision Department of their selected structure within six (6) months of the effective date of this Guidelines.
- v. Without prejudice to 'iii' above, subsidiaries of a holding company shall not be allowed to invest in other affiliates of the parent company.
- vi. The word "bank" and "banks" as used in the Guidelines shall be construed to mean:
 - a. Commercial bank(s);
 - b. Merchant bank(s);
 - c. Non-Interest bank(s); or
 - d. Any other category of bank that the CBN may prescribe.
- vii. A holdco shall be a corporate body registered with the Corporate Affairs Commission (CAC) as a company and licensed by the Central Bank of Nigeria.

- viii. In addition to the mandatory requirement for a bank in a holding company structure, the CBN may, from time to time, review the categories of financial institutions that are eligible to be part of a holdco.
- ix. Holdcos shall oversee their equity interest in approved subsidiaries without engaging in the day-to-day management of the subsidiaries.
- x. Except as allowed by Section 5 of the CBN Regulation on the Scope of Banking Activities & Ancillary Matters, No. 3 of 2020, banks and banking groups are only permitted to establish non-core banking businesses by evolving into a non-operating FHC structure.
- xi. A holdco shall hold at least fifty-one per cent (51%) of the equity shares of its subsidiary and be reflected as a person with significant control of the subsidiary at the Corporate Affairs Commission (CAC) or other relevant authority.
- xii. Holdcos may acquire controlling interest in any permissible financial institution, subject to prior approval of the CBN. Where the target company is outside the supervisory purview of the CBN, the prior approval of the relevant regulator will also be required.
- xiii. A licensed holdco shall operate for a minimum of five years before it can elect to reverse its approved structure.
- xiv. Holdcos that elect to change to mono-line Commercial, Merchant or Non-Interest Bank (CMNIB) shall seek the prior approval of the CBN and shall submit along with its application the following:
 - a. Its annual audited financial statements for the immediate past three years as well as those of the affected subsidiaries it seeks to discontinue;
 - b. Divestment plan including scheme of arrangement from subsidiaries;
 - c. Arrangements to wind down the operations of the holdco or to change its name and object clauses to reflect its status as an unlicensed entity; and
 - d. Any other information as may be requested by the CBN.

2.2 Eligibility Criteria for Promoting a Holding Company

- i. The following investors are eligible to promote a holdco:
 - a. Individuals
 - b. Non-bank corporate investors
 - c. Mix of 'a' and 'b' above
 - d. A bank.

- ii. Where the promoter is a bank, it shall demonstrate that it:
 - a. has not received an "Above Average" or "High" composite risk rating in any of the last three examinations conducted by the CBN/NDIC;
 - b. Has instituted good corporate governance practices; and
 - c. Is of sound financial position.

The soundness of the bank's financial position shall be assessed by reference to liquidity ratio, capital adequacy ratio, loan to deposit ratio, non-performing loans, stable funding ratio and other key financial soundness indicators as the CBN may from time to time consider.

3.0 PERMISSIBLE AND NON-PERMISSIBLE ACTIVITIES

3.1 Permissible Activities

A holdco is permitted to:

- i. Hold equity investments in subsidiaries engaged in financial services.
- ii. Derive or receive income from the following sources:
 - a. Dividend income from its subsidiaries;
 - b. Income from shared services, where applicable;
 - c. Interest/income earned from idle funds invested in government securities or placement with banks;
 - d. Profit on divestment from subsidiaries; and
 - e. Any other source as may be approved by the CBN.
- iii. Provide broad policy direction in the following areas:
 - a. Human Resources policy;
 - b. Risk Management policy;
 - c. Internal Control policy;
 - d. Compliance policy; and
 - e. Any other policy as may be approved by the CBN from time to time.
- iv. With the prior written approval of the CBN, borrow internationally for the purpose of capitalizing any of its subsidiaries.
- v. With the prior written approval of the CBN, raise bonds and debentures.
- vi. With the prior written approval of the CBN, provide either by itself or through any of its subsidiaries, shared services to the group members only in respect of:
 - a. Facilities (office accommodation including electricity, security and cleaning services in that accommodation);
 - b. Legal services;
 - c. ICT services; and
 - d. Any other service as may be prescribed by the CBN from time to time.

3.2 Non-Permissible Activities

A Holdco is prohibited from:

- i. Investing directly or indirectly in entities not engaged in financial services.
- ii. Pledging its shares or interest in any of its subsidiaries as collateral for any purpose.
- iii. Establishing, divesting or closing any of its subsidiaries without the prior written approval of the CBN and any other relevant regulatory or supervisory authority, as the case may be.
- iv. Deriving or receiving income from sources other than as listed in Section 3.1 (ii) above.
- v. Bearing the expenses of any of its subsidiaries. Similarly, holdcos shall not permit their subsidiaries to bear the expenses of the holdco or other subsidiaries within the group.
- vi. Interfacing or having any dealings directly or indirectly with the customers of its subsidiaries.

4.0 LICENSING REQUIREMENTS

Application for a holdco licence shall be processed in two (2) stages namely:

- a. Approval-in-Principle; and
- b. Grant of Final Licence.

4.1 Requirements for Grant of Approval-in-Principle

- i. An application for grant of Approval-in-Principle (AIP) shall be preceded by a pre-application presentation by the promoters of the proposed holding company to the Director, Financial Policy and Regulation Department (FPRD), covering the underlisted areas:
 - a. Profile of the promoters;
 - b. The business case or model for the holdco, including the nature of business of proposed subsidiaries;
 - c. Profile of the proposed Directors of the holdco;
 - d. Sources of funds for the holdco's capital;
 - e. The proposed shareholding structure;
 - f. The organisational structure of the proposed holdco; and
 - g. The proposed AML/CFT/CPF compliance programme of the holdco.

Where the promoter is an existing bank, the presentation should also cover:

- h. Its composite risk ratings in the last three risk-based examinations;
- i. Confirmation that the Board has authorised the application;
- j. Current operational structure of the bank; and
- k. The proposed shareholding structure of the holdco and how it relates to the ownership structure of the bank.

For corporate promoters, the following additional information should be presented:

- l. Particulars of their shareholders (including significant shareholders) and directors;
- m. Confirmation that the Board has authorised the application;
- n. Subsidiaries and associates of the promoters/investors; and
- o. Current operational structure of the promoters/investors.

Where a holdco is being promoted by a regulated foreign institutional investor, the CBN shall clarify that an MOU exists between the home regulator and the CBN. This shall be a pre-requisite for the receipt of application from the foreign institutional investor.

Where the CBN is satisfied with the presentation, a letter of No Objection to apply for AIP will be issued to the promoters.

- ii. Upon receiving the letter, the promoters may proceed to apply for licence. Such application shall be accompanied by the list of documents listed in Appendix 2. Where the CBN is not satisfied with the presentation in 4.1, it shall communicate its decision to the promoters.
- iii. Without prejudice to the provisions of Section 3 (2) of BOFIA, evidence of deposit made through RTGS to a designated account in the CBN of:
 - a. For a holding company being promoted by a non-bank investor, the minimum required regulatory capital as specified in Section 7.1 of this Guidelines. In this case, the non-bank investor shall be required to deposit 100% of the proposed holdco's minimum regulatory capital requirement (comprising 100% of the minimum regulatory capital requirement of its proposed subsidiaries and a mark-up of 20%) to the designated account in the CBN;
 - b. For a holding company being promoted by a bank licensed in Nigeria, the difference between the minimum required regulatory capital of the holdco (as computed in Section 7.1 of this Guidelines) and the paid-in capital of the bank proposing to convert to the holdco.
- iv. Where the CBN is satisfied with the application, which includes verifying the capital contributions of the prospective shareholders, it may issue an AIP to the promoters.
- v. The proposed holdco shall not incorporate/register with the CAC until AIP is granted by the CBN in writing, a copy of which shall be presented to the CAC for registration.
- vi. Upon grant of AIP, there shall be no amendment to the approved ownership structure and board composition as captured in the AIP without the prior written approval of the CBN.

4.2 Grant of Final Licence

- i. Not later than six (6) months after obtaining the AIP, the holdco (in-formation) shall apply to the CBN Governor for the grant of final licence.
- ii. The application shall be accompanied by the supporting documents listed in Appendix 3 of this Guidelines.
- iii. Upon satisfactory review of the documents submitted, the CBN shall conduct pre-licensing inspection to assess the readiness of the holdco and its subsidiaries to commence business activities. The inspection shall involve:

- a. Assessing the office building and infrastructure provided for the holdco's business;
 - b. Sighting the original copies of documents submitted in support of the application for final licence;
 - c. Sighting the Shareholders' Register;
 - d. Sighting the share certificate issued to each investor, where necessary;
 - e. Assessing security, fire protection and insurance arrangements; and
 - f. Meeting with the representatives of the Board and Management team.
- iv. Following satisfactory pre-licensing inspection, the CBN may grant a final licence to the holdco upon payment of the non-refundable licensing fee of ₦100 million through RTGS to a designated CBN account. Once the payment has been made, evidence thereof shall be submitted to the Director, FPRD.
- v. Any subsidiary of the holdco that would be regulated by the CBN shall follow the CBN licensing requirements for that category of institution. Proposed subsidiaries of the holdco not regulated by the CBN shall follow the licensing requirements as proposed by the relevant regulator.

4.3 Requirements For Commencement of Operations

Upon the grant of final licence, the holdco shall commence system integration with the CBN, Nigerian Financial Intelligence Unit (NFIU), and carry out other activities necessary for commencement of operations. The holdco should note that:

- i. System integration with the CBN should cover connectivity with its extranet gateway (virtual private network) and relevant systems such as the returns rendition system.
- ii. The holdco shall request for the CBN's no-objection to commence operations, indicating the proposed date of commencement. Such request shall be accompanied with the requirements listed in Appendix 3.
- iii. In line with the provisions of Section 12 of BOFIA 2020, the CBN reserves the right to revoke the licence of any holdco that fails to commence operations within twelve (12) months of the date of licence.

4.4 Post-Commencement Requirements

A holdco shall ensure:

- i. Compliance with extant laws, relevant guidelines and regulations issued by the CBN and other sector regulators.

- ii. Maintenance of adequate accounting system and records that capture all material information which reflect the financial condition of the holdco.
- iii. That all its subsidiaries are always adequately capitalised.
- iv. That it remains non-operating;
- v. That its identifier/logo branding and advertisement are in line with Section 6.4 of this Guidelines.

4.5 Non-Transferability of Licenses

Holdco licences are not transferable.

5.0 CORPORATE GOVERNANCE

In addition to the provisions of the Corporate Governance Guidelines for Financial Holding Companies in Nigeria, the following additional provisions shall apply to holdcos.

5.1 Ownership and Control

- i. Subsidiaries of a holdco are prohibited from acquiring shares in the holdco and/or other subsidiaries of their parent holding company.

For the purpose of this section, "subsidiaries" includes the subsidiaries of intermediate holding companies within the holdco, where approved.

- ii. A subsidiary licensed/registered as a nominee shall not invest on behalf of its clients in its holdco or any subsidiary of the holdco.
- iii. Where any nominee company maintains investment on behalf of its clients in any bank and/or holdco regulated by the CBN, such nominee company and its parent shall provide the CBN with beneficial ownership information of its investors on a quarterly basis.

5.2 Cessation of Holding Company Status

- i. Where a holdco loses control in the only, or all the Nigerian banking subsidiaries in the group for a period exceeding six consecutive months, it ceases to be a holdco, and this shall be a ground for revocation of holdco licence.
- ii. Where a holdco that has only two subsidiaries, loses its controlling interest in either of the subsidiaries, for a period that exceeds six consecutive months, it ceases to be a holdco, and this shall be a ground for revocation of the holdco licence.
- iii. The CBN may direct a holdco to divest from its banking subsidiary where, in the opinion of the CBN, the holdco is being run in a manner that is detrimental to the interest of depositors and/or other stakeholders of the banking subsidiary.
- iv. Where a holdco loses controlling interest in a subsidiary under this section, it shall divest wholly from that subsidiary within a period of six (6) months or any other period as may be determined by the CBN.

5.3 Interlocking Directorship

- i. No serving member of staff in a holdco shall be appointed as a non-executive director in the FHC or any of its subsidiaries.

- ii. Without prejudice to Section 18 of BOFIA, Interlocking or concurrent directorship by a director of a holdco within its Group structure shall be limited to a maximum of one other institution only. For the avoidance of doubt, such director shall only sit on the board of the holdco and one subsidiary only.
- iii. Without prejudice to Section 6.1 of the Corporate Governance Guidelines for Financial Holding Companies in Nigeria, the number of the directors of a holdco on the Board of a subsidiary shall not exceed 20 per cent (20%) of the total number of directors of the subsidiary.

5.4 Governance Requirements

- i. A holdco shall comply with the extant Corporate Governance Guidelines for Financial Holding Companies in Nigeria. It shall demonstrate evidence of the existence of a competent and independent board with capacity to provide oversight on internal controls and risk management practices.
- ii. In addition to the provisions stated above in this section, holdcos and their subsidiaries shall comply with the provisions of the Nigerian Code of Corporate Governance (NCCG), 2018 and other relevant sector guidelines on Corporate Governance. Where applicable, a holdco shall comply with the provisions of the SEC's Code of Corporate Governance for Public Companies and Listed Entities in Nigeria.



6.0 INTRA-GROUP RELATIONSHIPS AND TRANSACTIONS

6.1 Internal Management of Subsidiaries

A holdco shall not:

- i. Arrogate to itself any of the powers or functions of the board or management of any of its subsidiaries or associates. Without prejudice to Section 18 of BOFIA 2020, the practice whereby members of the Board or Management of a subsidiary attend meetings of the Board of the holdco and vice versa is prohibited. Notwithstanding, the board of a holdco reserves the right to request information from any of its subsidiaries.
- ii. Interfere in the day-to-day activities of the subsidiaries.
- iii. Be involved in credit administration and approval processes of any of its subsidiaries.
- iv. Require its subsidiaries (including any employee, staff, manager, officer or director thereof) to take directives or act on the instructions of the holdco in its decision-making process, or in relation to the conduct of its business in any way whatsoever.
- v. Have any of its officers, consultants or employees, while in the employment of the holdco, work for any subsidiary and vice versa, except employees engaged in shared services arrangements.
- vi. Enter any technical or management service contract with any of its subsidiaries except as stipulated in Section 3.1 (iv) of this Guidelines; and
- vii. Purchase/dispose assets from/to its subsidiaries without the prior written approval of the CBN and any other relevant regulator.

6.2 Intra-Group Transactions

- i. The holdco shall not engage in any transaction or maintain any business relationship with any of its subsidiaries, except such transaction is conducted at arm's length.
- ii. The holdco shall not enter into a transaction based on the guarantee of its subsidiaries, except where the transaction is secured by dividend income or Service Level Agreements by the holdco for services to its banking subsidiaries.
- iii. Shared services shall be provided at arm's length. Transactions in respect of such services shall require the consent of the boards of directors of the FHC and the relevant subsidiary.

A value for money audit in respect of shared services shall be conducted at least once every two years by an approved auditor and the report submitted to the Director, Banking Supervision Department, CBN not later than March 31 of the year following the year the audit relates.

- iv. As required in Section 10, FHCs and their CBN-regulated subsidiaries shall make quarterly returns on shared services arrangements within the group, covering the:
 - a. service shared,
 - b. provider of the service,
 - c. beneficiary of the service,
 - d. cost of the service,
 - e. procedure for determining the cost, among others.

6.3 Intra-Group Transfer of Properties, Plants and Equipment

Intra-group transfer of properties, plants and equipment shall be carried out in a transparent manner and at arm's length.

6.4 Branding and Advertisement

- i. A holdco, being a non-operating entity, may choose to retain some details of its banking subsidiary's corporate identity as part of its own corporate brand.
- ii. A holdco is expressly prohibited from advertising itself alone or along with any or all its subsidiaries (physically or digitally) except advertisements for the offer of the holdco's shares. For this sub-section, website contents are not deemed advertisement.
- iii. Notwithstanding (ii) above, non-CBN regulated subsidiaries of a holdco are required to include in their approved corporate identity and advertisements (physically and digitally) the insertion: "A member of <holdco's name>".



7.0 PRUDENTIAL REGULATION OF FINANCIAL HOLDING COMPANIES

7.1 Minimum Regulatory Capital

- i. A Holdco shall have and maintain a minimum regulatory capital which shall exceed the sum of the minimum regulatory capital of its subsidiaries by at least 20%.

For the avoidance of doubt, in assessing the minimum regulatory capital of a subsidiary, the CBN shall recognise only paid-in capital (the sum of paid-up capital and share premium) of the entities.

- ii. It is the capital of the holdco that is applied to the subsidiaries. Consequently, excess capital in one subsidiary shall not be used to make up a shortfall in another subsidiary.

7.2 Payment of Dividend

A holdco shall not pay dividend on its shares except:

- i. All its preliminary expenses, organisational expenses, share selling commission, brokerage, losses incurred, and other capitalised expenses not represented by tangible assets (excluding purchased goodwill) have been completely written off.
- ii. Adequate provisions have been made to the satisfaction of the CBN for actual and contingent losses.
- iii. It has complied with capital ratio requirements as may be stipulated by the CBN from time to time.

7.3 Capital Adequacy Ratio Requirement

- i. A holdco and its subsidiaries shall ensure compliance with the capital ratio requirements prescribed by their respective sector regulators.
- ii. A holdco shall comply with the capital adequacy requirement of its most significant subsidiary on a solo and consolidated basis.

7.4 Acquisition of Subsidiaries

In reviewing an application for the acquisition of a subsidiary, the CBN shall be satisfied that a holdco has adequate capital resources by way of free fund to carry out the acquisition. In all cases, the consideration for the acquisition of subsidiaries

shall be on cash basis and/or share exchange only, which shall be approved by the CBN.

7.5 Investment in Fixed Assets

A holdco shall ensure that it has adequate free fund to support any acquisition of fixed assets (property, plant and equipment).

7.6 Prohibition of Insider-Related Borrowings

There shall be no insider-related borrowings within a holdco.

7.7 Limit on Contingent Liabilities

A holdco's total exposure on contingent liabilities on behalf of its subsidiaries shall not exceed 20% of the holdco's shareholders' funds unimpaired by losses.

7.8 Intra-Group Lending

- i. A holdco shall not obtain a loan/financing based on the guarantee of its subsidiaries, except where the loan/financing is secured by dividend income or Service Level Agreements (SLA) by the holdco for services to its subsidiaries. However, where the subsidiary fails to declare the expected level of dividend or redeem its obligations arising from the SLA, the loan/financing shall be deemed to be a reduction in the capital of the subsidiary in computing its capital adequacy ratio;
- ii. Loans by a banking subsidiary to its holdco would be regarded as a return of capital and deducted from the capital of the bank in computing the bank's capital adequacy ratio;
- iii. Any bank lending to subsidiaries within its holdco group would attract 100% risk weight if it is fully secured; otherwise, it would be removed from the capital of the bank when computing capital adequacy ratio.

8.0 COMPLIANCE WITH AML/CFT/CPF REGULATIONS

- i. Holdcos shall comply with extant AML/CFT/CPT laws and regulations.
- ii. Holdcos shall appoint a Compliance Officer, who shall not be below the grade of a senior management staff and shall submit AML/CFT/CPF returns to the CBN, and other relevant authorities as may be specified from time to time.
- iii. The holdco shall demonstrate understanding of and meet all the requirements detailed in the extant CBN's Guidelines for licensing of Banks and Other Financial Institutions – Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction.
- iv. Failure to comply with the extant AML/CFT/CPF laws and regulations shall attract sanctions in line with the CBN Anti-Money Laundering and Combating the Financing of Terrorism (Administrative Sanctions) Regulations.

9.0 SUPERVISION

9.1 Responsibility for Supervision of Holdco

Holdcos shall be supervised by the CBN, while the subsidiaries within the group (in Nigeria and offshore) shall be supervised by the relevant home and host regulators.

9.2 Consolidated Supervision of Holdco

Consolidated supervision of Holdcos shall be in accordance with the Framework for Consolidated Supervision of Financial Institutions in Nigeria and Guidelines for the Implementation of Consolidated Supervision issued by the Financial Services Regulation Co-ordinating Committee (FSRCC).

10.0 RENDITION OF RETURNS

- i. Holdcos are required to submit periodic returns to the CBN as detailed in Appendix 4 of this Guidelines.
- ii. All returns shall reach the Director, Banking Supervision Department, CBN not later than five (5) working days after the end of the period specified in the table set out in Appendix 4 to this Guidelines.
- iii. All returns submitted to the CBN shall be duly authorized/signed by the MD/CEO and the Chief Financial Officer of the holdco.

11.0 SANCTIONS

Holdcos that contravene any provision of this Guidelines shall be penalised in line with BOFIA 2020 and any other relevant laws and regulations as may be prescribed by the CBN from time to time.

12.0 DEFINITION OF TERMS

Associate Company: is a company whose parent company has significant but non-controlling equity holding of between 20% and 50% of the company.

Control: exists where an investor holds more than 50% of the issued equity shares of an investee company and/or where the investor has the following three elements:

- Power over the investee, where the investor has existing rights that gives it the ability to direct activities that significantly affect the investee's returns;
- Exposure, or rights to variable returns from involvement in the investee; and
- The current ability to use power over the investee to affect the amount of the investor's returns.

Financial Services: for the purpose of this Guidelines, includes activities carried out by financial institutions under the purview of the CBN, SEC (except for Registrar business), NAICOM and PENCOM.

Free Fund: is shareholders' funds less investment in fixed assets, equities in other financial institutions and unaudited losses.

Intra-Group Transactions: refer to direct and indirect claims which entities within the financial conglomerate hold on each other, such as lines of credit.

Intermediate holdco: this is a holding company that is itself a subsidiary of another holding company.

Paid-in Capital: The sum of the paid-up capital and share premium of an entity.

Relevant Regulator: refers to the agency statutorily authorized to regulate and supervise a sector of the Nigerian financial system.

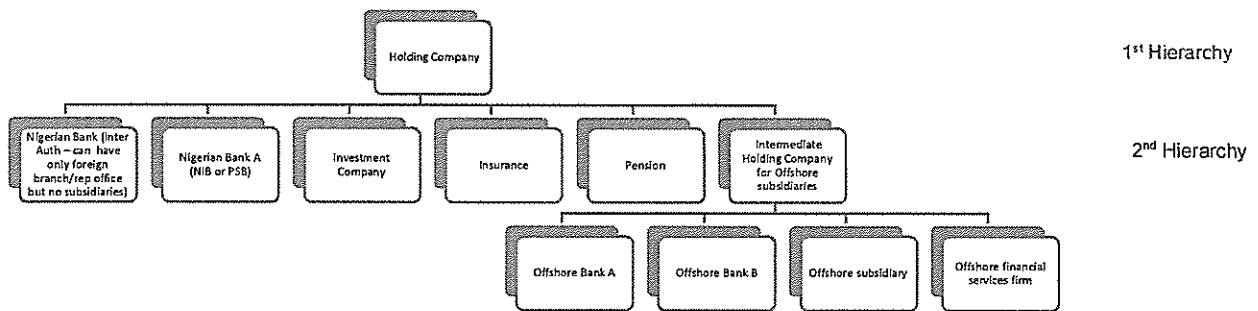
13.0 LIST OF ABBREVIATIONS

ACRONYM	MEANING
AML/CFT/CPF	Anti-Money Laundering/Combating the Financing of Terrorism/Combating Proliferation Financing
BOFIA	Banks and Other Financial Institutions Act 2020
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act 2020
CAR	Capital Adequacy Ratio
CBN	Central Bank of Nigeria
CCI	Certificate of Capital Importation
CMNIB	Commercial, Merchant, or Non-interest Bank
CTC	Certified True Copy
CV	Curriculum Vitae
ED	Executive Director
FHC	Financial Holding Company
HOLDCO	Holding Company
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
INED	Independent Non-Executive Director
MD/CEO	Managing Director/Chief Executive Officer
MEMART	Memorandum and Articles of Association
MoU	Memorandum of Understanding
NAICOM	National Insurance Commission
NED	Non-Executive Director
PENCOM	National Pension Commission
SWOT	Strength, Weakness, Opportunities & Threats

**FINANCIAL POLICY AND REGULATION DEPARTMENT
JUNE 2026**

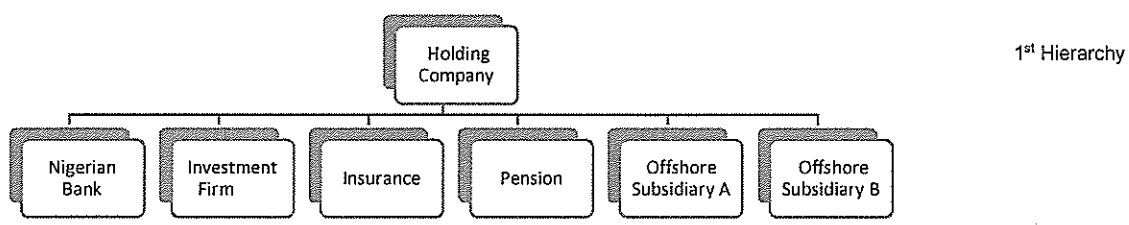
APPENDIX 1

Model¹:



¹ The subsidiaries shown in this Model are not exhaustive. The important concepts to note are that all Nigerian subsidiaries shall be held directly by the financial holding company, while the foreign subsidiaries shall be held indirectly through an intermediate holding company. Also, all subsidiaries shall be providers of financial services.

Model²:



²The subsidiaries shown in this Model are not exhaustive. The important concepts to note are that all subsidiaries shall be held directly by the financial holding company and that all subsidiaries are providers of financial services.

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APPENDIX 2

LIST OF SUPPORTING DOCUMENTS FOR APPLICATION OF GRANT OF APPROVAL-IN-PRINCIPLE

1. Evidence of reservation of the proposed name of the holdco with the Corporate Affairs Commission (CAC).
2. List of prospective shareholders in tabular form, showing their email, business and residential addresses; names and addresses of their bankers, their bank verification numbers (BVNs) for individuals or tax identification numbers (TINs) for corporates, and percentage shareholding.
3. Verifiable evidence of capital contributed by each of the prospective shareholders of the proposed holdco.
4. Evidence of payment of non-refundable application fee of N20,000,000 (Twenty Million Naira only), made through the Real Time Gross Settlement System (RTGS) to a designated account in the CBN (details of the account will be included in the No-Objection letter).
5. List of proposed directors in tabular form, showing their email, business and residential addresses, names and addresses of their bankers, and their BVNs.
6. List of companies/businesses related to the proposed shareholders and directors, if any, indicating the nature of the relationship and size of shareholding, where applicable.
7. Draft copy of the proposed Memorandum and Articles of Association (MEMART) of the holdco.
 - i. At the minimum, the draft MEMART of the holdco shall contain the following information:
 - a. Proposed name of the institution;
 - b. Object clauses;
 - c. The minimum issued share capital;
 - d. Subscribers;
 - e. Procedure for amendment;
 - f. Procedure for share transfer or disposal; and
 - g. Appointment of directors

- ii. The MEMART shall clearly state that:
 - a. No change, alteration, variation or amendment shall be made to the MEMART without the prior written approval of the CBN;
 - b. Any change in the membership of the board or top management (Assistant General Manager and above) of the holdco shall require the prior written approval of the CBN;
 - c. Where a corporate entity that is a significant shareholder in the holdco amends its shareholding structure for any reason, such significant shareholder shall notify the holdco immediately; and the holdco shall inform the CBN in writing within 30 days of such a change along with details of the new shareholding structure;
 - d. Any change in shareholding that will result in change of control or that will result in a shareholder becoming a significant shareholder (having up to 5% of the equity of the holdco) shall require the prior written approval of the CBN; and
 - e. The holdco shall not carry out any activity classified as non-permissible by the CBN from time to time.
8. Certified true copies of the MEMART of the proposed holdco and other subsidiaries (or draft MEMART of subsidiaries where they are yet to be incorporated).
9. Draft scheme of arrangement in line with Section 715 of CAMA 2020.
10. Detailed business plan or feasibility study for the holdco and other entities in the group, which shall, among others, include:
 - i. The aims and objectives;
 - ii. The need for the services to be provided, supported with a detailed market survey;
 - iii. The products or services to be offered to its intended customers;
 - iv. Ownership structure in tabular form showing name of proposed investor(s), their occupations, and percentage shareholding;
 - v. Explanation of the proposed sources of equity contribution from each investor;
 - vi. Draft Board and Board Committees' Charters stating, among others, the roles and responsibilities of the Board and its committees;
 - vii. Five-year financial projections for the operation of the holdco's business as well as its proposed subsidiaries, indicating expected growth and profitability and the details of the assumptions which form the basis of the financial projections;

- viii. The expansion programme within the first five (5) years post-licensing, if any;
- ix. The proposed ICT requirements and applications to be deployed;
- x. The proposed training programme for Board, management and staff;
- xi. Management succession plan;
- xii. SWOT Analysis of the proposed holdco; and
- xiii. The organisational structure, setting out in detail, the functions and responsibilities of the top management team.

11. For each proposed director of the holdco:

- i. Copy of letter of offer of appointment;
- ii. Personally signed letter of consent to serve as director of the proposed holdco, addressed to the Director, Financial Policy and Regulation Department;
- iii. Personally signed and dated Curriculum Vitae (CV);
- iv. Personally completed, signed and dated Fitness and Propriety Questionnaire;
- v. Copy of valid means of identification;
- vi. Bank verification number;
- vii. Notarised statement of net worth;
- viii. Tax clearance certificate for the immediate past (3) years;
- ix. Letter(s) from the proposed director's bankers, indicating the status of any facility extended to such director;
- x. Reports from at least two (2) private credit bureaux on the director;
- xi. Three (3) letters of reference from persons of reputable standing in Nigeria;
- xii. For a proposed director that is resident in Nigeria, a police clearance certificate/statement from the Nigerian Police Force;
- xiii. For a non-resident proposed director, a certificate/statement of good conduct from the police service (or other appropriate authority) in the country of residence;
- xiv. A statement clarifying other directorships held by the proposed director;

- xv. Confirmation of his/her direct and indirect shareholding interest in other CBN-regulated financial institutions; and
 - xvi. A statement clarifying the interest the proposed director will represent on the board.
12. Organisational structure, showing functional units, responsibilities, reporting relationships and grade (status) of heads of departments/units;
 13. Draft Shareholders' Agreement providing for disposal or transfer of shares as well as authorisation, amendments, waivers, and reimbursement of expenses, among others;
 14. Draft manuals and policies, including:
 - i. Anti-Money Laundering, Combating Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions Policy;
 - ii. Enterprise-wide Risk Management Framework;
 - iii. Whistle Blowing Policy;
 - iv. Code of Ethics and Business Conduct;
 - v. Draft Board Charters
 - vi. Business Continuity Plan; and
 - vii. Internal Control Policy
 15. Where a bank is promoting a holdco, evidence that shareholders of the bank approved the establishment of a holdco at a general meeting. Such evidence shall include a record of voting at the meeting;
 16. For holdcos with non-interest banking subsidiaries, the CVs of the proposed members of the Advisory Committee of Experts (ACE) with a schedule indicating their email, business, and residential addresses, names and addresses of their bankers and their BVNs;
 17. For banks listed on the exchange, a 'No-Objection letter' from the Securities and Exchange Commission (SEC) on the conversion; and
 18. For each significant shareholder (holders of 5% equity and above in the holdco) that is a natural person, the following shall be submitted:

- i. Personally signed letter of intent to invest, addressed to the Director, Financial Policy and Regulation Department, CBN;
 - ii. Personally signed and dated Curriculum Vitae (CV);
 - iii. Personally completed, signed and dated Fitness and Propriety Test Questionnaire;
 - iv. Copy of valid means of identification;
 - v. Bank verification number;
 - vi. Notarised statement of net worth;
 - vii. Tax clearance certificate of the immediate past three (3) years;
 - viii. Letter(s) from the shareholder's bankers, indicating the status of any facility extended to the shareholder;
 - ix. Reports from at least two (2) private credit bureaux on the shareholder;
 - x. For a shareholder resident in Nigeria, a police clearance certificate/statement from the Nigerian Police Force;
 - xi. For a non-resident shareholder, a certificate/statement of good conduct from the police service (or other appropriate authority) in the country of residence;
 - xii. Evidence of share capital contribution;
 - xiii. Explanation of the source(s) of funds used for share capital contribution;
 - xiv. Confirmation of the shareholder's direct and indirect shareholding interest in other CBN-regulated financial institutions; and
 - xv. A statement clarifying the interest represented by the shareholder.
19. For institutional investors, promoters shall forward the following additional documents:
- i. Profile of the investor(s);
 - ii. Certificate of Incorporation, Status Report, MEMART, and CTC of other relevant incorporation documents issued by the CAC;
 - iii. Resolution of shareholders approving the decision to invest in the equity shares of the proposed holdco;
 - iv. Names and addresses (business and residential) of owners, directors and their related companies, if any;
 - v. Audited financial statements for the immediate past three (3) years;
 - vi. Tax Clearance Certificate for the immediate past three (3) years;
 - vii. Names and details of the beneficial owners of the company;
 - viii. Completed and personally signed Beneficial Owners Declaration Form;
 - ix. Names, addresses, profiles, and bank details including BVN/TIN of the beneficial owners of the company;
 - x. For corporate shareholders that are regulated entities, an approval or a 'No-Objection' letter from the appropriate regulatory agency;
 - xi. A statement confirming its direct and indirect shareholding interest in other CBN-regulated financial institutions, if any; and

- xii. All of the above (i-xi) for any corporate shareholder of the investor company.
20. For regulated foreign institutional investors, promoters shall forward the following documents in addition to those required in paragraph 2 above:
- i. An approval or a 'No-Objection' letter from the appropriate regulatory authority in the home country;
 - ii. Certificate of Capital Importation (CCI) on the imported capital.
21. Evidence of payment for any new share subscriptions.
22. Any other documents/information that the CBN may require from time to time.

APPENDIX 3

LIST OF SUPPORTING DOCUMENTS FOR APPLICATION OF GRANT OF FINAL LICENCE FOR HOLDING COMPANIES

1. A CTC of the Certificate of Incorporation of the holdco
2. CTC of MEMART of the holdco
3. A copy of CAC Status Report of the holdco
4. Evidence of payment of stamp duty on the share capital
5. A copy of the Shareholders' Register in which the equity interest of each shareholder is properly reflected
6. A copy of the holdco's approved scheme of arrangement detailing the share exchange/settlement plan of the new structure
7. Evidence of ownership of shares:
 - i. For private limited liability companies - copy of the share certificate issued to each shareholder; and
 - ii. For public limited liability companies – a confirmation letter from the Registrar of the Plc for equity shareholding of five per cent (5%) and above.
8. Evidence of location of Head Office (rented or owned) for the commencement of business
9. Evidence of CBN's approval of changes in the Board and Shareholding after the grant of AIP, if any.
10. Duly executed Shareholders' Agreement
11. List of senior management staff (Assistant General Manager [AGM] and above); their personally signed, detailed, and updated curriculum vitae stating their qualifications, experience, accomplishments; letters of offer and acceptance of employment; means of identification; tax clearance certificate; and BVNs
12. A written and duly executed undertaking by the shareholders that the proposed holdco and its subsidiaries will always be adequately capitalised for the nature and volume of their businesses
13. Evidence of court approval of the scheme of arrangement
14. Evidence of registration of the scheme of arrangement with the CAC
15. Evidence of provision of office and ICT equipment
16. Service level agreement (SLA) with relevant vendor(s)
17. Demonstration of capacity to connect with, and render returns to, the CBN's returns rendition system

18. Commencement Plan, including the timelines for key activities
19. A copy of the proposed logo/brand identity for the holdco and its subsidiaries; and
20. Letter of undertaking issued by the board that the holdco shall adhere strictly to its non-operating status and comply with all CBN regulations and guidelines relating to holdcos.

Additional Requirements

For each of the proposed subsidiaries, the following documents are also to be provided:

1. CTC of the Certificate of Incorporation of the banking subsidiary;
2. Copy of the revised MEMART of the bank, which shall indicate that the bank is wholly owned by the holdco;
3. Copy of the MEMART of the other subsidiary(ies);
4. CTC of the Certificate of Incorporation of the other subsidiary(ies);
5. Copy of final licence issued by the relevant sector regulator of each subsidiary;
6. Evidence of payment of stamp duty on the share capital;
7. A written confirmation from the Director, ITD, CBN confirming successful integration with the relevant CBN platforms, where applicable;
8. Evidence of insurance cover for relevant activities;
9. Contingency Funding Plan;
10. Business Continuity Plan;
11. Evidence that cheques and other security documents are ready for deployment;
12. Minutes of Pre-Commencement Board Meeting;
13. Opening Statement of Affairs; and
14. Any other document/evidence/clarification that the CBN may require.

APPENDIX 4

LIST OF RETURNS

S/N	RETURNS	FREQUENCY
1.	Statement of Assets and Liabilities	Quarterly
2.	Income Statement	Quarterly
3.	Breakdown of Other Assets	Quarterly
4.	Breakdown of Other Liabilities	Quarterly
5.	Intragroup Exposures	Quarterly
6.	Shared Services	Quarterly
7.	Investment in Subsidiaries and Associates	Quarterly
8.	Corporate Governance and Whistle Blowing	Quarterly
9.	Insider Credit	Quarterly
10.	Beneficial Ownership Information of clients' investments in the Nigerian banking industry (including other holdcos) made through or held on their behalf by the nominee company in the group, if any.	Quarterly
11.	Returns on:	
	a. Particulars of Directors	Annually
	b. Significant Shareholders	
	c. Directors and Senior Management of Subsidiaries	
	d. Subsidiaries and Associates including Corporate Profiles	