

# CBN Bank Recapitalization Pathway

NVC Fund Holdings → Nigerian Commercial Banks

## 1. CBN Recapitalization Requirements (Deadline: March 31, 2026)

Bank Category	New Minimum Capital	USD Equivalent	Banks Affected
International License	NGN 500 billion	\$312 million	6 banks
National License	NGN 200 billion	\$125 million	8 banks
Regional License	NGN 50 billion	\$31 million	4 banks
Merchant Bank	NGN 50 billion	\$31 million	2 banks

**Status:** 20 of 36 Nigerian banks require external capital injection to meet CBN requirements.

## 2. Investment Options for Nigerian Banks

Option	Structure	Investment Range	NVC Involvement	Return Target
A: Controlling (51%+)	Full equity injection	NGN 200B - 500B	Board control, Chairman	15-20% IRR
B: Strategic (20-49%)	Minority equity stake	NGN 50B - 200B	1-3 board seats	12-18% IRR
C: Debt Only	Subordinated notes	NGN 20B - 100B	Creditor rights only	10-14% yield

## 3. NVC Liquidity Sources for Capital Deployment

Source	Mechanism	Capacity	Settlement Time
NVC Fund Bank USD	Direct wire via correspondent	Verified balances	2-3 business days
NVCT → USDC → USD	Circle swap + fiat off-ramp	On-demand	1-2 business days
M1 VISA Liquidity Pool	EUR conversion to USD	EUR 965B backing	3-5 business days
Treasury Securities	Liquidate via Fidelity	Large-scale	5-7 business days
Correspondent Banking	UBA/Access Bank Nigeria	NGN settlement	Same day

## 4. Capital Flow Structure

NVC Fund Holdings (USD Assets) → Nigerian Correspondent Bank → Target Bank Escrow → CBN Verified Capital

Capital is deployed in three regulatory-compliant components:

- **Tier 1 Capital:** Common shares issued to NVC (counts toward CBN minimum capital requirement)
- **Tier 2 Capital:** 10-year subordinated debt notes (CBN-compliant hybrid instruments)
- **Working Capital:** Operating liquidity for immediate business expansion needs

## 5. Timeline to CBN Compliance

Phase	Duration	Key Activities	Deliverables
Due Diligence	4-6 weeks	Financial review, asset verification	Investment memo
Term Sheet	2 weeks	Investment terms negotiation	Signed term sheet
CBN Approval	8-12 weeks	Regulatory application review	CBN approval letter
Capital Deployment	2-4 weeks	Funds transfer, share issuance	Compliance certificate

**Total Time to Compliance:** 4-6 months from initial engagement (well before March 2026 deadline)

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## 6. Why Partner with NVC Fund Holdings

NVC Capability	Benefit to Partner Bank	Competitive Advantage
Substantial capital capacity	Single-source funding for full CBN compliance	No fragmented investor negotiations
Long-term commitment (7+ years)	Patient capital, not short-term extraction	Stability for strategic planning
NVCT payment infrastructure	Cross-border settlement at reduced cost	New revenue streams
Management continuity policy	Existing leadership preserved	Operational continuity
Agricultural finance expertise	Alignment with CBN priority sectors	Regulatory goodwill
Global banking network	International correspondent access	Trade finance expansion

## 7. Target Bank Profile for NVC Investment

Criterion	Preferred	Acceptable	Not Suitable
Current Capital Gap	NGN 100B - 400B	NGN 50B - 100B	Less than NGN 20B
Asset Quality (NPL Ratio)	Below 5%	5% - 10%	Above 15%
Geographic Presence	National footprint	Regional focus	Single state
Digital Infrastructure	Modern core banking	Upgrade planned	Legacy only
Management Quality	Proven track record	Competent team	Governance issues

## 8. Post-Investment Value Creation

Initiative	Description	Expected Impact
NVCT Integration	Enable NVCT for cross-border payments	New fee income, faster settlement
Trade Finance Expansion	Access to NVC global correspondent network	Increased LC/trade volumes
Agricultural Lending	Structured agric finance products	CBN development finance quotas met
Digital Transformation	Core banking modernization support	Operational efficiency gains
Risk Management	Enhanced credit scoring, portfolio monitoring	Reduced NPL ratios

## 9. Next Steps for Interested Banks

1. Submit expression of interest to NVC Fund Holdings Strategic Investments Division
2. Execute Mutual Non-Disclosure Agreement (NDA)
3. Provide audited financial statements and capital requirement details
4. Receive tailored investment proposal within 10 business days
5. Joint preliminary consultation with CBN on proposed transaction structure
6. Negotiate and execute binding term sheet
7. Complete CBN approval process with NVC support
8. Capital deployment and CBN compliance certification achieved

### Contact NVC Fund Holdings

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