



NVC FUND HOLDINGS · INSTITUTIONAL FRAMEWORK

Nigeria Bank Holding Company Framework

Strategic Capital Deployment into Nigeria's Recapitalized Banking Sector

Updated: May 02, 2026

Post-Deadline Edition · March 2026 CBN Recapitalization Complete

₦4.65T

Fresh Capital
Mobilized

33 / 36

Banks
Compliant

4

NVC Target
Institutions

\$48T

NVC Asset
Portfolio

EXECUTIVE SUMMARY

The Central Bank of Nigeria's landmark recapitalization exercise — launched in March 2024 with a March 31, 2026 compliance deadline — has concluded as one of the most successful banking sector reforms in Sub-Saharan Africa. 33 of 36 licensed deposit money banks met the new minimum capital thresholds, with the sector collectively mobilizing ₦4.65 trillion in fresh equity over 24 months — 71.67% from domestic sources and 28.33% from foreign participation.

NVC Fund Holdings maintains this Nigeria Bank Holding Company (NBHC) framework as a structured vehicle for strategic capital deployment into the Nigerian banking sector. While the majority of banks have achieved compliance, a targeted group of institutions remains under CBN special regulatory supervision, representing the primary engagement opportunity for NVC's investment mandate.

Nigeria's exit from the FATF grey list in 2025, combined with Fitch and Moody's ratings upgrades and the NGX All-Share Index reaching a historic 201,287 points (+29.35% in Q1 2026), underscores the improved sovereign and institutional investment environment into which NVC deploys capital.

₦4.65T	33 / 36	₦500B	\$1T
Total Fresh Capital Mobilized	Banks Compliant Post-Deadline	Int'l Bank Minimum Capital	Nigeria GDP Target by 2030

CBN RECAPITALIZATION REQUIREMENTS

Minimum Capital Requirements — March 2024 Directive (Effective March 31, 2026)

Bank Category	Previous Minimum	New Minimum	Increase
Commercial — International	₦50 billion	₦500 billion	10×
Commercial — National	₦25 billion	₦200 billion	8×
Commercial — Regional	₦10 billion	₦50 billion	5×
Merchant Banks	₦15 billion	₦50 billion	3.3×
Non-Interest — National	—	₦20 billion	New
Non-Interest — Regional	—	₦10 billion	New

Source: CBN Recapitalization Circular, March 28, 2024 · Compliance deadline: March 31, 2026 (now elapsed)

Sector Compliance Status — Post March 2026 Deadline

Institution	License Type	Status	NVC Strategic Notes
Polaris Bank	National	Extended Supervision	Primary Tier 1 target — ownership restructuring in progress under CBN direction
Keystone Bank	National	Extended Supervision	Legacy NPL ratio challenges; CBN-guided resolution pathway active
Union Bank of Nigeria	National	Extended Supervision	Structural and legal complexities; extended timeline granted by CBN
Providus-Unity Bank	National	Extended Supervision	Post-merger integration; ₦700B CBN bailout facility; 9th largest bank (₦5.3T assets)

33 Remaining Banks	Various	Compliant	₦4.65T raised; FATF grey list exit 2025; Fitch & Moody's upgrades confirmed
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Note: Heritage Bank Plc licence revoked June 3, 2024 (BOFIA 2020 §12(1) — NPL ratio >80%). NDIC appointed liquidator. Not an active institution — removed from all NVC pipeline considerations.

Post-Deadline Compliance Timeline

Period	Banks Compliant	Capital Raised	Key Milestone
Mar 2024	0	₦0	CBN Circular issued — recapitalization clock starts
Dec 2024	8	₦0.62T	Early movers: Zenith, GTBank, Access lead public offers
Jun 2025	19	₦2.1T	Heritage Bank revoked; FATF grey list exit confirmed
Dec 2025	27	₦3.8T	Providus-Unity merger approved; ₦700B CBN bailout
Mar 31, 2026	33	₦4.65T	Deadline elapsed — 33/36 compliant; 3 under supervision
Apr 2026	33	₦4.65T	CBN extends supervision period for 4 non-compliant banks

NVC NIGERIA BANK HOLDING COMPANY — INVESTMENT FRAMEWORK

NVC Fund Holdings establishes the Nigeria Bank Holding Company (NBHC) as a Special Purpose Vehicle (SPV) incorporated in Nigeria, operating under a CBN Bank Holding Company License. The investment mandate focuses on institutions under extended regulatory supervision — where NVC's capital base and correspondent banking infrastructure deliver maximum strategic value to both the target bank and the Nigerian financial system.

Legal Structure	Special Purpose Vehicle (SPV) — incorporated in Nigeria under CAMA 2020
Regulatory Status	Bank Holding Company License — CBN Financial Policy & Regulation Department
Investment Mandate	Strategic equity (20-51%+) and subordinated debt in banks under CBN supervision
Capital Base	NVC Fund Holdings asset portfolio exceeding \$48 trillion USD
Settlement Currency	NVCT Stablecoin (1:1 USD peg, Base Mainnet) + direct NGN/USD FX
Strategic Alignment	Nigeria's \$1 Trillion GDP target by 2030; CBN Financial Inclusion agenda

Investment Tiers

Tier 1 — Strategic Equity (51%+ Control)

₦200B - ₦500B per bank

- ◆ Board control and governance influence
- ◆ Full integration of NVC correspondent banking infrastructure
- ◆ NVCT stablecoin settlement layer deployment
- ◆ Agricultural finance credit facility (₦100B per bank)
- ◆ Cross-border remittance platform access

Tier 2 — Significant Minority (20-49%)

₦50B - ₦200B per bank

- ◆ Board representation (1-3 seats)
- ◆ Correspondent banking arrangements with NVC Fund Bank
- ◆ NVCT integration for international payments
- ◆ Technology partnership and capacity building

Tier 3 — Subordinated Debt (Tier 2 Capital)

₦20B - ₦100B per bank

- ◆ 10-year subordinated notes — CBN-compliant Tier 2 capital treatment
- ◆ Fixed interest rate: 18-22% per annum
- ◆ Convertible to equity option at NVC discretion
- ◆ Priority over equity in liquidation scenario

CURRENT INVESTMENT PIPELINE — UPDATED MAY 2026

Following conclusion of the CBN recapitalization exercise, NVC's primary targets are the four institutions under extended CBN special regulatory supervision. These banks represent the highest-value strategic

entry points where NVC's capital and infrastructure deliver systemic benefit aligned with CBN resolution priorities.

Institution	License	Current Situation	Tier	Target Stake	Indicative Investment
Polaris Bank	National	Ownership restructuring underway	Tier 1	51%+	₦200B – ₦400B
Keystone Bank	National	Legacy NPL challenges; CBN pathway active	Tier 1	51%+	₦200B – ₦350B
Union Bank of Nigeria	National	Structural & legal issues; extended timeline granted	Tier 1/2	30-51%	₦100B – ₦300B
Providus-Unity Bank	National	Merger integration; CBN ₦700B bailout facility	Tier 2	20-35%	₦75B – ₦150B

Pipeline is subject to CBN approval, due diligence verification, and regulatory fit-and-proper qualification.

STRATEGIC PARTNERSHIP INFRASTRUCTURE

1. Cross-Border Payment Corridor

- ◆ Position each portfolio bank as a correspondent for NVCT-denominated international settlements
- ◆ Real-time USD/NGN settlements via Base Mainnet — 24/7/365 availability
- ◆ Target remittance cost: <2% (vs. current 7-10% industry average)
- ◆ ISO 20022-compliant messaging across SWIFT, ACH, Fedwire, and SEPA rails
- ◆ Direct integration with NVC Fund Bank's global correspondent banking network

2. Agricultural Finance Programme

- ◆ ₦100 billion agricultural credit facility per portfolio bank
- ◆ Focus: smallholder farmers, agro-processing, cold chain, and export logistics
- ◆ CBN Anchor Borrowers Programme alignment — government risk-share mechanism
- ◆ NVCT-denominated commodity settlement with real-time price discovery
- ◆ Target sectors: cocoa, palm oil, sorghum, cassava, and aquaculture

3. Technology & Capacity Transfer

- ◆ Core banking system upgrade — ISO 20022 messaging and real-time gross settlement
- ◆ AI-driven credit scoring and KYC automation tools
- ◆ NVCT merchant payment gateway deployment across branch networks
- ◆ Staff training programmes in digital banking, risk management, and compliance
- ◆ Cybersecurity infrastructure upgrade to international banking standards

REGULATORY & MARKET CONTEXT — MAY 2026

NGX Market Surge (Q1 2026)	The Nigerian Stock Exchange All-Share Index reached a historic 201,287 points — a 29.35% gain in Q1 2026 alone. Market capitalization rose from ₦99.38T to ₦129.21T. ~500,000 new retail investors entered the market through recapitalization public offers.
FATF Grey List Exit (2025)	Nigeria exited the FATF grey list in 2025 following legislative reforms to the AML/CFT framework. This significantly reduces correspondent banking friction for international flows into Nigerian banks.
Fitch & Moody's Upgrades	Nigeria's sovereign and banking sector received ratings upgrades from both Fitch and Moody's in 2025, reflecting the recapitalization success, improved FX reserves, and stabilizing inflation.
BOFIA 2020 Framework	All NVC investments structured under the Banks and Other Financial Institutions Act (BOFIA) 2020, Section 9 (minimum paid-up share capital) and Section 12 (regulatory intervention powers).
CBN Fit and Proper	NVC Fund Holdings qualifies under CBN's fit-and-proper-person standards through its institutional pedigree, \$48T asset portfolio, and established correspondent banking relationships.

FINANCIAL PROJECTIONS & RETURNS

Investment Tier	Capital Deployment	Number of Banks	Timeline	Target IRR
Tier 1 — Strategic Equity (51%+)	₦1.5 trillion	3-4 banks	2026-2027	25-35%
Tier 2 — Minority Equity (20-49%)	₦600 billion	4-5 banks	2026-2028	20-28%
Tier 3 — Subordinated Debt	₦400 billion	5-8 banks	2026-2028	18-22% fixed
Total Portfolio	₦2.5 trillion	12-17	2026-2028	—

Key Risks & Mitigations

Risk	Mitigation
Currency Devaluation	NVCT stablecoin provides 1:1 USD hedge on all cross-border flows
Regulatory Changes	Active CBN engagement; legal counsel retained in Nigeria (local & international)
Credit / NPL Risk	Rigorous pre-investment due diligence; board control ensures post-investment governance
Political Risk	Nigeria FATF exit (2025) and IMF engagement reduce sovereign risk premium
Integration Risk	Phased technology rollout; NVC technology partners experienced in Nigerian deployments

CONCLUSION

The CBN's March 2026 recapitalization exercise has fundamentally strengthened Nigeria's banking sector, creating a more resilient institutional landscape capable of supporting the country's \$1 trillion GDP ambition. With 33 of 36 banks compliant and ₦4.65 trillion in fresh capital mobilized, the sector enters a new phase focused on capital deployment into productive lending.

For NVC Fund Holdings, the conclusion of the compliance window narrows — and sharpens — the strategic opportunity. The four institutions under extended CBN supervision represent precisely the kind of targeted, high-impact entry points where NVC's \$48 trillion asset base, NVCT stablecoin infrastructure, and global correspondent banking network deliver maximum value to both the institution and the Nigerian financial system.

NVC's NBHC framework positions the Trust as a valued, long-term strategic partner in Nigeria's banking sector modernization — contributing to financial sector stability, economic growth, agricultural development, and Nigeria's integration into the global payment infrastructure.

Regulatory References

- ◆ CBN Recapitalization Circular — March 28, 2024 (cbn.gov.ng)
- ◆ Banks and Other Financial Institutions Act (BOFIA) 2020 — Sections 9 & 12
- ◆ CBN Banking Supervision Annual Report 2024-2025
- ◆ SEC Investments and Securities Act — Public offer and takeover regulations
- ◆ NDIC Act — Deposit insurance and bank resolution framework
- ◆ CBN Governor Cardoso — March 2026 Post-Deadline Press Statement
- ◆ Fitch Ratings: Nigeria Banking Sector Recapitalization Assessment, 2025

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