

# NVC Nigeria Bank Holding Company Framework

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## Strategic Vision

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### Supporting Nigeria's \$1 Trillion GDP Goal Through Strategic Bank Investments

NVC Fund Holdings establishes this Nigeria Bank Holding Company (NBHC) framework to provide strategic capital investments—both equity and debt—to Nigerian commercial and merchant banks seeking to meet the Central Bank of Nigeria's March 2026 recapitalization requirements.

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## Executive Summary

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### The Opportunity

The Central Bank of Nigeria's March 2024 recapitalization directive mandates unprecedented capital increases across all bank categories, creating a \$15+ billion funding gap in the Nigerian banking sector. With 20 of 36 banks still requiring capital as of November 2025, NVC Fund Holdings is uniquely positioned to become a strategic investor supporting Nigeria's banking infrastructure development.

### NVC's Strategic Advantage

- **Substantial Capital Base:** Access to documented assets exceeding \$48.8 trillion USD
- **NVCT Stablecoin Infrastructure:** 1:1 USD-pegged digital currency for seamless capital deployment

- **Blockchain Settlement Capability:** Real-time cross-border payment infrastructure
- **Agricultural Finance Expertise:** Alignment with Nigerian food security priorities
- **Long-Term Investment Horizon:** Patient capital aligned with Nigeria's 2030 GDP goals

## CBN Recapitalization Requirements

### New Minimum Capital Requirements (March 2024)

Bank Category	Previous	New Requirement	Gap
Commercial - International	₦50B	<b>₦500B</b>	₦450B
Commercial - National	₦25B	<b>₦200B</b>	₦175B
Commercial - Regional	₦10B	<b>₦50B</b>	₦40B
Merchant Banks	₦15B	<b>₦50B</b>	₦35B
Non-Interest - National	-	<b>₦20B</b>	₦20B
Non-Interest - Regional	-	<b>₦10B</b>	₦10B

**Compliance Deadline:** March 31, 2026

### Current Market Status (November 2025)

- **Compliant Banks:** 16 of 36 (44%)
- **Non-Compliant:** 20 banks require additional capital
- **Total Capital Raised:** ₦2.5 trillion (~\$1.6 billion)
- **Estimated Remaining Gap:** ₦4+ trillion (~\$2.6+ billion)

# Investment Framework Structure

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## 1. NVC Nigeria Bank Holding Company (NBHC)

**Legal Structure:** Special Purpose Vehicle (SPV) incorporated in Nigeria

**Regulatory Status:** Bank Holding Company License (CBN approval required)

**Investment Mandate:** - Acquire strategic equity stakes (20-51%) in Nigerian commercial banks - Provide subordinated debt instruments (Tier 2 Capital) - Facilitate correspondent banking partnerships - Enable NVCT stablecoin integration for cross-border payments

## 2. Investment Categories

### Tier 1: Strategic Equity Investments (51%+ Control)

**Target Banks:** Mid-tier banks requiring substantial recapitalization

**Investment Range:** ₦200B - ₦500B per bank

**Strategic Benefits:** - Board control and governance influence - Full integration of NVC payment infrastructure - Agricultural finance program deployment - Cross-border remittance partnership

#### Current Pipeline:

**1. Unity Bank PLC (Active)** - Current Capital: ₦73.1B - Required Capital: ₦200B - NVC Investment: ₦500B - Target Stake: 51%

**2. Additional Target (TBD)** - Required Capital: ₦200B - NVC Investment: ₦250B-₦400B - Target Stake: 51%

**3. Additional Target (TBD)** - Required Capital: ₦50B - NVC Investment: ₦75B-₦150B - Target Stake: 51%

### Tier 2: Significant Minority Investments (20-49%)

**Target Banks:** Well-managed banks seeking growth capital

**Investment Range:** ₦50B - ₦200B per bank

**Strategic Benefits:** - Board representation (1-3 seats) - Correspondent banking arrangements - NVCT integration for international payments - Technology partnership opportunities

### **Tier 3: Subordinated Debt Instruments**

**Target Banks:** Banks with strong management seeking Tier 2 capital

**Investment Range:** ₦20B - ₦100B per bank

**Structure:** - 10-year subordinated notes - Fixed interest rate: 18-22% per annum  
- Convertible to equity option - CBN-compliant Tier 2 capital treatment

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## **Investment Criteria**

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### **Financial Requirements**

1. **Minimum Current Capital:** ₦25 billion
2. **Capital Adequacy Ratio:**  $\geq 10\%$
3. **Non-Performing Loan Ratio:**  $\leq 5\%$
4. **Liquidity Ratio:**  $\geq 30\%$
5. **Profitability:** Positive pre-tax profit (last 2 years preferred)

### **Strategic Requirements**

1. **Strong Branch Network:** Minimum 50 branches nationwide
2. **Digital Infrastructure:** Mobile/Internet banking capabilities
3. **Agricultural Focus:** Experience in agribusiness financing preferred
4. **Regulatory Standing:** Good standing with CBN
5. **Management Quality:** Competent executive team willing to partner

### **Governance Requirements**

1. **Board Composition:** Independent directors  $\geq 40\%$

2. **Risk Management:** Robust enterprise risk management framework
  3. **Compliance:** AML/CFT and KYC compliance infrastructure
  4. **Audit:** Clean external audit reports (last 3 years)
  5. **Transparency:** Commitment to enhanced disclosure standards
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## Strategic Partnership Elements

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### 1. Cross-Border Payment Corridor

NVC establishes each portfolio bank as a correspondent bank for NVCT-denominated international settlements, enabling:

- Real-time USD/NGN settlements
- Reduced remittance costs (target: <2% vs. current 7-10%)
- Blockchain-verified transaction transparency
- 24/7 availability (vs. traditional SWIFT limitations)

### 2. Agricultural Finance Program

Leverage NVC's commitment to food security through:

- ₦100 billion agricultural credit facility per bank
- CBN agricultural intervention fund participation
- Anchor Borrowers' Programme enhancement
- Commodity exchange integration

### 3. Digital Banking Enhancement

Integrate NVC technology infrastructure:

- NVCT wallet integration for international payments
- Blockchain settlement layer for interbank transfers
- Smart contract-based trade finance

- Cross-border treasury management

## 4. Capacity Building

Deploy institutional expertise:

- Executive training programs
- Risk management enhancement
- Technology infrastructure upgrade
- Corporate governance improvement

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## Governance Framework

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### NVC Nigeria Bank Holding Company Board

Position	Responsibility
Chairman	Overall strategy and stakeholder relations
CEO	Operational management and portfolio oversight
CFO	Capital allocation and financial reporting
CRO	Risk management and regulatory compliance
CLO	Legal affairs and regulatory engagement
CIO	Technology integration and innovation

### Investment Committee

- Reviews and approves all investments >₦50B
- Quarterly portfolio performance review
- Annual strategy refresh and target setting
- Regulatory engagement coordination

## Portfolio Bank Governance

For each 51% investment: - Chairman nominated by NVC - CEO/MD retained (where competent) - 5 of 9 board seats held by NVC nominees - 2 independent directors - 2 minority shareholder representatives

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## Regulatory Engagement Strategy

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### Central Bank of Nigeria

1. **Pre-Investment Consultation:** Engage CBN Financial Policy & Regulation Department
2. **Investor Qualification:** Demonstrate fit and proper person status
3. **Capital Verification:** Provide audited source of funds documentation
4. **Integration Plan:** Submit technology integration proposals
5. **Post-Investment Reporting:** Quarterly regulatory compliance reports

### Securities and Exchange Commission (SEC)

1. **Public Offer Registration:** Where rights issues or public offers required
2. **Disclosure Requirements:** Compliance with SEC rules on investments
3. **Takeover Compliance:** Adherence to Investments and Securities Act

### Nigerian Stock Exchange (NGX)

1. **Disclosure of Interests:** Notify exchange of acquisitions >5%
  2. **Trading Compliance:** Insider trading policy implementation
  3. **Corporate Actions:** Coordinate capital raising activities
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# Implementation Timeline

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## Phase 1: Foundation (Q1 2026)

- Establish NVC Nigeria Bank Holding Company SPV
- Obtain CBN approval for bank holding company status
- Complete Unity Bank PLC investment (₦500B)
- Initiate due diligence on 2-3 additional targets

## Phase 2: Expansion (Q2-Q3 2026)

- Complete 2 additional Tier 1 investments
- Establish 3-5 Tier 2 minority positions
- Deploy ₦500B in subordinated debt instruments
- Launch agricultural finance program pilot

## Phase 3: Consolidation (Q4 2026 - 2027)

- Achieve portfolio of 5-7 bank investments
- Integrate NVCT payment infrastructure across portfolio
- Establish pan-Nigerian correspondent banking network
- Launch cross-border remittance platform

## Phase 4: Optimization (2028+)

- Portfolio optimization and value creation
  - Potential consolidation of portfolio banks
  - International expansion (ECOWAS region)
  - Target: Support Nigeria's \$1 trillion GDP by 2030
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# Financial Projections

## Aggregate Investment Capacity

Category	Target Allocation	Banks	Timeline
Tier 1 (51%+ Equity)	₦1.5 trillion	3-4	2026-2027
Tier 2 (20-49% Equity)	₦600 billion	5-6	2026-2028
Tier 3 (Subordinated Debt)	₦400 billion	8-10	2026-2028
<b>Total</b>	<b>₦2.5 trillion</b>	<b>16-20</b>	-

**USD Equivalent:** Approximately \$1.6 billion

## Expected Returns

Investment Type	Target Annual Return
Tier 1 Equity	25-35% IRR
Tier 2 Equity	20-28% IRR
Tier 3 Debt	18-22% Fixed

# Risk Management

## Key Risks and Mitigations

Risk	Mitigation
Currency Devaluation	NVCT stablecoin provides USD hedge
Regulatory Changes	Active CBN engagement and compliance

Risk	Mitigation
Credit Risk	Rigorous due diligence and diversification
Governance Risk	Board control and monitoring systems
Concentration Risk	Portfolio diversification across regions

## Exit Strategy

1. **Trade Sale:** Sell to strategic investors (regional/international banks)
2. **IPO:** List portfolio company on NGX
3. **Management Buyout:** Facilitate MBO with financing support
4. **Inter-Portfolio Merger:** Consolidate within NBHC portfolio
5. **Long-Term Hold:** Generate returns through dividends

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## Conclusion

The NVC Nigeria Bank Holding Company framework provides a structured approach to deploying substantial capital into Nigeria's banking sector at a critical inflection point. By partnering with Nigerian banks facing recapitalization requirements, NVC contributes to:

1. **Financial Sector Stability:** Strengthening bank capital bases
2. **Economic Growth:** Enabling increased lending capacity
3. **Job Preservation:** Preventing bank failures and job losses
4. **Technology Advancement:** Modernizing payment infrastructure
5. **Agricultural Development:** Expanding access to agricultural finance
6. **International Integration:** Connecting Nigeria to global payment networks

This framework positions NVC as a valued partner in Nigeria's journey toward a \$1 trillion economy by 2030.

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**NVC Fund Holdings**

Nigeria Bank Holding Company Division  
Strategic Investments Unit

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## Appendix A: Nigerian Banks Requiring Recapitalization

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### Banks Not Yet Compliant (As of November 2025)

Bank	License Type	Current Capital (Est.)	Gap to Compliance
Unity Bank PLC	National	₦73.1B	₦126.9B
Polaris Bank	National	~₦100B	~₦100B
Keystone Bank	National	~₦80B	~₦120B
Heritage Bank	National	~₦60B	~₦140B
SunTrust Bank	National	~₦40B	~₦160B
Globus Bank	National	~₦50B	~₦150B
Titan Trust Bank	National	~₦70B	~₦130B
Parallex Bank	Regional	~₦15B	~₦35B
Signature Bank	Regional	~₦12B	~₦38B
Others	Various	Various	Various

Note: Estimates based on public disclosures. Final figures subject to due diligence verification.

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## Appendix B: Regulatory References

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1. **CBN Recapitalization Circular (March 28, 2024)**
2. [https://www.cbn.gov.ng/Out/2024/CCD/Recapitalization\\_MARCH\\_2024.pdf](https://www.cbn.gov.ng/Out/2024/CCD/Recapitalization_MARCH_2024.pdf)
3. **Banks and Other Financial Institutions Act (BOFIA) 2020**
4. Section 9: Minimum paid-up share capital requirements
5. **CBN Banking Supervision Guidelines**
6. Capital adequacy and risk management requirements
7. **SEC Investment and Securities Act**
8. Public offer and takeover regulations
9. **NDIC Act**
10. Deposit insurance and bank resolution framework