

# CENTRAL BANK OF NIGERIA



Website: [www.cenbank.org](http://www.cenbank.org)

## **PRESS STATEMENT IN RESPECT OF SOCIETE GENERALE BANK OF NIGERIA LIMITED (SGBN)**

The attention of the Central Bank of Nigeria (CBN) has been drawn to the public's perception regarding the suspension of Societe Generale Bank of Nigeria Limited (SGBN) from the Clearing House for overdrawing its account with the CBN. The objective of this statement is to explain, that such action is in line with the Clearing House Rules. Banks are from time to time suspended from the clearing system and are readmitted as soon as the problems that led to their suspension are addressed.

The incidence of a bank overdrawing its account with the CBN is not new as it occurs in the process of the clearing house operations, where all transactions by all the participating banks are, on a regular basis, cleared daily with one another and ultimately, the net position is credited/debited in their accounts with the CBN. Where a bank, however, experiences persistent net debits and consequently overdraws its account with the CBN, the CBN provides a temporary overdraft accommodation, consistent with its role as the "Lender of Last Resort".

The CBN in addition to the regulatory safety net provided, has requested the SGBN shareholders to address the problem expeditiously. The CBN will like to assure the general public that it is alive to its responsibility and will continue to defend the financial system and ensure the stability of the banking industry.

**CENTRAL BANK OF NIGERIA**  
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