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Central Bank of Nigeria

Press Release

CBN Approves Financial Accommodation For Unity Bank and Providus Bank Merger

The Central Bank of Nigeria (CBN) has granted approval for a pivotal financial accommodation to support the proposed merger between Unity Bank Plc and Providus Bank Limited. This strategic move is designed to bolster the stability of Nigeria's financial system and avert potential systemic risks.

The merger is contingent upon the financial support from the CBN. The fund will be instrumental in addressing Unity Bank's total obligations to the Central Bank and other stakeholders. It is unequivocal to state that the CBN's action is in accordance with the provisions of Section 42 (2) of the CBN Act, 2007. This arrangement is crucial for the financial health and operational stability of the post-merger organisation.

Furthermore, it is important to emphasise that no Nigerian bank currently faces a precarious situation comparable to that of Heritage Bank, which was recently liquidated. The CBN remains committed to safeguarding depositors' interests and ensuring the smooth functioning of the banking sector through proactive measures and strategic interventions.

The CBN's decision underscores its dedication to maintaining financial stability and promoting confidence in the banking system during this transformative period.

A handwritten signature in black ink, appearing to be 'Hakama Sidi Ali'.

Hakama Sidi Ali (Mrs.)
Ag. Director, Corporate Communications

August 06, 2024