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Finance Division Domestic

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DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE THIRD QUARTER OF 1988

The impact of the 1988 reflationary package continued to manifest itself in the economy as key monetary aggregates showed further growth during the quarter. Money supply, narrowly defined (M1) rose by 1.6 per cent due largely to the expansion in bank credit. Broad money also rose by 1.4 per cent following increases in both M1 and quasi-money.

Institutional Developments:

Two new banks — Republic Bank (Nig.) Limited (commercial) and Century Merchant Bank (Nig.) Limited— were granted banking licences during the quarter. When they commence business, the number of commercial and merchant banks operating in the country would be 37 and 20, respectively.

Money Supply:

The upward movement in monetary aggregates continued, though at lower rates during the third quarter of the year. Specifically, M1 increased by ₦269.1 million or 1.6 per cent to ₦17.2 billion, compared with increases of ₦1.0 billion or 6.4 per cent in the preceding quarter and ₦592.7 million or 5.0 per cent in the corresponding quarter of 1987. The monthly average level of M1 stood at ₦17.3 billion during the quarter, vis-a-vis ₦16.5 billion in the preceding quarter and ₦12.2 billion in the comparable quarter of 1987. The factor which influenced the growth in money stock was the sharp rise of ₦3.2 billion or 7.0 per cent in the credit to the domestic economy. The expansionary impact of this factor was partially offset by the contractionary effect of the declines in foreign and "Other" assets (net) of the banking system and the increase in quasi-money (see Table 1). This increase in M1 was reflected wholly in the currency component as the demand deposit component declined. Consequently, the deposit ratio of money stock fell to 55.6 per cent from 59.0 per cent in the preceding quarter.

The growth in M1, coupled with the rise in quasi-money, influenced a rise in broad money (M2) by ₦485.3 million or 1.4 per cent to ₦35.4 billion. This mirrors the higher increase of ₦2.3 billion or 7.0 per cent in the preceding month. The monthly average level of M2 was ₦35.4 billion, compared with ₦34.0 billion in the preceding quarter and ₦25.3 billion in the corresponding quarter of 1987.

Banking System's Credit:

Aggregate bank credit to the domestic economy rose by ₦3.2 billion or 7.0 per cent to ₦49.0 billion during the quarter. In the preceding quarter, aggregate bank credit to the domestic economy rose by ₦922.6 million or 2.1 per cent. However, in the corresponding quarter of 1987, a decline of ₦814.9 million or 2.1 per cent was recorded. Government absorbed 69.4 per cent of the total increase, while the balance (30.6 per cent) went to the private sector. Thus, bank claims on the government sector rose by ₦2.2 billion or 8.8 per cent to ₦27.3 billion. Similarly an increase of ₦455.1 million or 1.9 per cent was recorded in the preceding quarter, however, in the corresponding quarter of 1987, claims on government declined by ₦1.2 billion, or by 6.0 per cent. Central Bank's lending accounted wholly for the

increase in credit to Government as commercial banks' claims on the sector fell. Credit to the private sector also rose, by ₦975.1 million or 4.7 per cent to ₦21.7 billion, compared with the rise of ₦467.6 million or 2.3 per cent in the preceding quarter. The bulk (83.2 per cent) of the increase was traced to commercial banks whose credit to the sector rose by ₦810.9 million or 4.3 per cent to ₦19.6 billion, as the Central Banks' claims on the sector went up by ₦164.2 million or 8.7 per cent to ₦2.0 billion.

Foreign Assets:

Foreign assets of the banking system fell by ₦275.4 million or 3.9 per cent to ₦6.7 billion, compared with a decline of ₦185.0 million or 2.6 per cent in the preceding quarter and an increase of ₦1.7 billion or 41.3 per cent in the corresponding quarter of 1987. The fall during the third quarter was traced wholly to the Central Bank's holdings which fell by ₦528.4 million or 14.9 per cent to ₦3.0 billion, as the disbursement of foreign exchange exceeded the receipt. Commercial banks' holdings, on the other hand, increased by ₦253.0 million or 7.3 per cent to ₦3.7 billion and was largely held as balances with correspondent banks abroad.

Commercial Banking:

Total assets/liabilities of the commercial banking system totalled ₦54.6 billion at the end of the third quarter of 1988. This represents an increase of ₦765.7 million or 1.4 per cent during the quarter, compared with an increase of ₦1.8 billion or 3.5 per cent in the preceding quarter, and ₦2.8 billion or 6.7 per cent in the corresponding quarter of 1987.

The prescribed target of 2.7 per cent was exceeded, as loans and advances extended by the commercial banks rose by ₦673.7 million or 3.7 per cent by end-September 1988. This performance is similar to the increase of ₦685.0 million or 3.9 per cent in the preceding quarter and ₦267.0 million or 1.6 per cent in the corresponding period of 1987.

The banks continued to deviate from the prescribed targets set for the sectoral allocation of their loans and advances. Thus, their loans and advances to the high priority sectors averaged 46.3 per cent, as against the minimum prescribed target of 50.0 per cent. This performance however, is an improvement when compared with 45.3 per cent achieved in the preceding quarter. Similarly, the share of agriculture exceeded the prescribed minimum target of 15.0 per cent by 0.7 percentage point; allocation to manufacturing fell short of the prescribed target of 35.0 per cent by 4.4 percentage points. "Other" sectors collectively exceeded the prescribed target by 3.7 percentage points, compared with 7.6 percentage points in the corresponding period of 1987 (see Table 3).

Total investment of the banks fell further by ₦1.2 billion or 11.7 per cent to ₦8.9 billion. This compared with a decline of ₦181.6 million or 1.8 per cent in the preceding quarter but contrasted with an increase of ₦559.6 million or 8.5 per cent in the corresponding period of 1987: The decline between June and September 1988, was traced

largely to the banks' disinvestment in treasury bills and certificates.

Deposit liabilities increased by ₦92.2 million or 0.3 per cent to ₦27.2 billion, compared with the increases of ₦2.2 billion or 8.8 per cent in the preceding quarter, and ₦1.3 billion or 7.1 per cent in the corresponding quarter of 1987. The increase was accounted for wholly by the rise in savings deposits as demand and time deposits declined.

Merchant Banking:

Total assets/liabilities of the merchant banks rose by ₦1.3 billion or 9.7 per cent to ₦14.5 billion. In the preceding quarter, the increase was ₦645.1 million, or 5.1 per cent, while in the corresponding quarter of 1987, a net decline of ₦173.3 million, or 1.6 per cent was recorded. The main sources of investible funds were the increases in deposit and other liabilities and balances held for other banks. These funds were utilised mainly to expand the levels of balances held with other banks, loans and advances, equipment on lease and "other" assets.

Against the prescribed ceiling of 2.7 per cent for the third quarter of the year, total loans and advances rose by ₦152.3 million or 4.0 per cent to ₦4.0 billion during the quarter (see Table 4), similarly, an increase of ₦292.3 million or 8.4 per cent was recorded in the preceding quarter, however, a decline of ₦168.9 million or 4.5 per cent was witnessed in the corresponding quarter of 1987. There was full compliance with respect to sectoral allocation of loans and advances. In compliance with the prescribed minimum allocation of 50.0 per cent for the high priority sectors, the banks achieved a monthly average of 59.8 per cent, or 9.8 percentage points above the prescribed minimum target. However, in the corresponding quarter of 1987, there was a shortfall of 4.3 percentage points. The enhanced lending to the priority sectors was reflected in both the agricultural and manufacturing enterprises sub-sectors. "Other" sectors collectively absorbed 40.2 per cent, compared with 54.3 per cent achieved in the corresponding quarter of 1987 and the prescribed maximum target of 50.0 per cent (see Table 5).

Total investments outstanding declined by ₦38.7 million or 3.6 per cent to ₦1.0 billion, vis-a-vis increases of ₦29.4 million or 1.3 per cent and ₦180.4 million or 20.6 per cent in the preceding quarter, and the corresponding quarter of 1987, respectively. The decline during the quarter was traced mainly to the fall in the banks' holdings of treasury bills and treasury certificates. The value of equipment leasing totalled ₦733.8 million at the end of the quarter, representing an increase of ₦106.9 million or 17.1 per cent during the quarter, compared with the increase of ₦81.9 million or 15.0 per cent in the preceding quarter. As a proportion of total assets, the value of equipment on lease was 5.1 per cent against the prescribed maximum target of 15.0 per cent.

Deposit liabilities of the system rose by ₦355.2 million or 9.5 per cent to ₦4.1 billion, compared with ₦201.9 million or 5.7 per cent rise in the preceding quarter. Demand deposits accounted for 78.0 per cent of total increase while 22.0 per cent of the increase was traced to time deposits.

Money Market:

The value of money market assets outstanding totalled

₦32.3 billion. This represents a decline of ₦1.1 billion or 3.2 per cent during the quarter. Of the total amount outstanding, treasury bills constituted ₦23.9 billion or 74.1 per cent, while treasury certificates accounted for ₦6.6 billion or 20.3 per cent. The Central Bank held 51.7 and 50.0 per cent of treasury bills and certificates outstanding, respectively, at the end of the quarter.

Money and Banking Office
Domestic Finance Division
Research Department.

MONETARY AND CREDIT DEVELOPMENTS DURING THE THIRD QUARTER OF 1988
(N' Million)

Table 1

	September**	June**	March**	September**	Changes Between		Changes Between		Changes Between	
	1988	1988	1988	1987	(1) & (2)		(2) & (3)		(1) & (4)	
	(1)	(2)	(3)	(4)	Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
CREDIT TO DOMESTIC ECONOMY (NET) . . .	48,969.8	45,783.6	44,860.9	37,030.3	+ 3,186.2	7.0	+ 922.7	+ 2.1	+ 11,939.5	+ 32.2
CREDIT TO PRIVATE SECTOR	21,661.6	20,686.5	20,218.9	18,085.6	+ 975.1	+ 4.7	+ 467.6	+ 2.3	+ 3,576.0	+ 19.8
(i) Central Bank	2,047.1	1,882.9	1,932.4	1,645.6	+ 164.2	+ 8.7	- 49.5	- 2.6	+ 401.5	+ 24.4
(ii) Commercial Banks	19,614.5	18,803.6	18,286.5	16,440.0	+ 810.9	+ 4.3	+ 517.1	+ 2.8	+ 3,174.5	+ 19.3
CREDIT TO GOVERNMENT SECTOR (NET) .	27,308.2	25,097.1	24,642.0	18,944.7	+ 2,211.1	+ 8.8	+ 455.1	+ 1.9	+ 8,363.5	+ 44.2
(i) Central Bank ¹	19,924.2	16,254.7	16,900.9	12,406.1	+ 3,669.5	+ 22.6	- 646.2	- 3.8	+ 7,518.1	+ 60.6
(ii) Commercial Banks ²	7,384.0	8,842.4	7,741.1	6,538.6	- 1,458.4	- 16.5	+ 1,101.3	+ 14.2	+ 845.4	+ 12.9
(iii) Federal Savings Bank	-	-	-	-	-	-	-	-	-	-
FOREIGN ASSETS (NET)	6,741.9	7,017.3	7,202.3	5,977.4	- 275.4	- 3.9	- 185.0	- 2.6	+ 764.5	+ 12.8
(i) Central Bank ³	3,007.5	3,535.9	4,419.4	4,159.0	- 528.4	- 14.9	- 883.5	- 20.0	- 1,151.5	- 27.7
(ii) Commercial Banks	3,734.4	3,481.4	2,782.9	1,818.4	+ 253.0	+ 7.3	+ 698.5	+ 25.1	+ 1,916.0	+ 105.4
OTHER ASSETS (NET) ⁴	- 20,321.6	- 17,896.1	- 19,432.3	- 16,985.8	- 2,425.5	- 13.6	+ 1,536.2	+ 7.9	- 3,335.8	- 19.6
TOTAL MONETARY ASSETS	35,390.1	34,904.8	32,630.9	26,021.9	+ 485.3	+ 1.4	+ 2,273.9	+ 7.0	+ 9,368.2	+ 36.0
QUASI MONEY	18,221.8	18,005.6	16,746.9	13,618.0	+ 216.2	+ 1.2	+ 1,258.7	+ 7.5	+ 4,603.8	+ 33.8
MONEY SUPPLY	17,168.3	16,899.2	15,884.0	12,403.9	+ 269.1	+ 1.6	+ 1,015.2	+ 6.4	+ 4,764.4	+ 38.4
(i) Currency Outside Banks	7,622.9	6,923.2	6,539.3	5,191.3	+ 699.7	+ 10.1	+ 383.9	+ 5.9	+ 2,431.6	+ 46.8
(ii) Private Sector Demand Deposits	9,545.4	9,976.0	9,344.7	7,212.6	- 403.6	- 4.3	+ 631.3	+ 6.8	+ 2,332.8	+ 32.3
TOTAL MONETARY LIABILITIES	35,390.1	34,904.8	32,630.9	26,021.9	+ 485.3	+ 1.4	+ 2,273.9	+ 7.0	+ 9,368.2	+ 36.0
FED. GOV'T. DEMAND DEPOSITS	6,003.1	7,040.7	8,745.1	4,002.7	- 1,037.6	- 14.7	- 1,704.4	19.5	+ 2,000.4	+ 50.0

¹ Less Federal Govt. deposit with the Central Bank and Fed. Govt. external assets

² Less Federal Govt. demand deposits with commercial banks

³ Includes Federal Government External Assets

**Revised

COMMERCIAL BANKING SYSTEM
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
(N' Million)

Table 2

Accounts	**September 1987	June 1987	September 1986	Percentage Change Between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. CASH AND CASH ITEMS. . . .	1,458.0	1,627.3	1,468.3	10.4	-0.7
(a) Vault cash	540.1	556.1	443.2	-2.9	+21.9
(b) Balance at Central Bank	917.9	1,071.2	1,025.1	-14.3	-10.5
2. BALANCE HELD WITH.	6,015.8	5,661.1	3,891.0	+6.3	+54.6
(a) Banks in Nigeria.	1,754.9	1,559.6	1,262.0	+12.5	+39.1
(b) Banks outside Nigeria.	3,741.1	3,582.9	2,425.1	+4.4	+54.3
(c) Offices and branches outside Nigeria	519.8	518.6	203.9	-0.2	+154.9
3. LOANS AND ADVANCES	18,868.7	18,195.0	16,221.6	+3.7	+16.3
(a) Banks in Nigeria.	1.1	1.1	57.8	-	-98.1
(b) Other customers.	18,620.0	17,994.1	16,041.8	+3.5	+16.1
(i) Banks' Subsidiaries	(-)	(-)	(-)	-	-
(ii) Federal Government	(273.6)	(146.0)	(68.0)	+87.4	+302.4
(iii) State Governments	(454.1)	(499.6)	(519.1)	+9.1	-12.5
(iv) Local Governments.	(22.9)	(22.8)	(36.1)	+0.4	-36.6
(v) Other.	(17,869.4)	(17,325.7)	(15,418.5)	+3.1	+15.9
(c) Banks outside Nigeria.	-	-	-	-	-
(d) Money at call outside					
Central Bank.	16.0	11.50	15.7	+39.1	+180.7
(e) Bills discounted	231.6	188.3	116.3	+23.0	+99.1
(i) Payable in Nigeria	(231.1)	(187.6)	(114.1)	+23.2	+102.5
(ii) Payable outside Nigeria	(0.5)	(0.7)	(2.2)	-28.6	-77.3
4. INVESTMENT	8,871.5	10,048.4	7,112.2	-11.7	+24.7
(a) In Nigeria	8,871.5	10,046.3	7,112.2	-11.7	+24.7
(i) Treasury bills	(5,218.3)	(647.0)	(5,255.9)	-18.7	-0.7
(ii) Treasury certificates	(2,217.3)	(2,457.7)	(1,003.6)	+9.8	+120.9
(iii) Development stocks	(406.0)	(109.2)	(497.7)	-0.8	-18.4
(iv) Bankers' Unit Fund	(9.0)	(6.0)	(8.6)	+50.0	+4.7
(v) Certificates of Deposit	(754.9)	(516.0)	(220.6)	+46.3	+242.2
(vi) Stabilization Securities.	(-)	(-)	(-)	-	-
(vii) Other.	(266.0)	(240.4)	(125.8)	+10.7	+111.5
(b) Abroad	-	2.1	-	-100.0	-
5. OTHER ASSETS	19,435.7	18,352.2	15,149.8	+5.9	+28.3
TOTAL.	54,649.7	53,884.0	43,842.9	+1.4	+24.7
LIABILITIES					
1. CAPITAL: ISSUED, PAID-UP & RESERVES.	1,847.6	1,750.4	1,571.0	+5.6	+17.6
2. Balance held for.	1,113.6	1,020.8	1,262.3	+9.1	-11.8
(a) Banks in Nigeria.	776.3	587.9	449.6	+32.1	+72.7
(b) Other banks outside Nigeria	135.5	216.7	560.6	-37.5	-75.8
(c) Offices & branches outside Nigeria	201.8	216.2	252.1	-6.7	-20.0
3. MONEY AT CALL FROM OTHER BANKS	222.1	290.2	183.4	-23.5	+21.1
(a) In Nigeria	222.1	290.2	183.4	-23.5	+21.1
(b) Outside Nigeria	-	-	-	-	-
4. LOANS AND ADVANCES FROM	318.8	465.7	248.4	-31.5	+28.3
(a) Central Bank of Nigeria	3.5	20.0	-	-82.5	-
(b) Other Banks in Nigeria	16.5	16.5	12.0	-	+37.5
(c) Other Banks outside Nig	189.7	190.1	-	-0.2	-
(d) Other Creditors	109.1	239.1	236.4	-54.4	-53.9
5. DEPOSITS.	27,196.0	27,103.8	20,090.8	+0.3	+35.4
(a) Demand	8,974.2	9,698.1	6,472.8	-7.5	+38.6
(b) Savings	6,611.4	6,133.1	4,900.7	+7.8	+34.9
(c) Time	11,610.4	11,872.6	8,717.3	-2.2	+33.2
6. CERTIFICATES OF DEPOSIT	89.8	86.3	96.6	+4.1	-7.0
7. OTHER LIABILITIES	23,861.8	23,166.8	20,390.4	+3.0	+17.0
TOTAL.	54,649.7	53,884.0	43,842.9	+1.4	+24.7

**Revised

**COMMERCIAL BANKS' LOANS AND ADVANCES BY PURPOSE
(PERCENTAGE)**

Table 3

Sectors	Prescribed Percentage for		Quarterly Average Performance in the		Deviations from Targets in	
	1987	1988	3rd Quarter 1987	3rd Quarter 1988	3rd Quarter 1987	3rd Quarter 1988
A. High Priority Sectors	50.0	50.0	42.4	46.3	- 7.6	- 3.7
(i) Agricultural Production (Agric., Forestry and Fishing)	(15.0)	(15.0)	(13.1)	(15.7)	- 1.9	+ 0.7
(ii) Manufacturing Enterprises ¹ (Including agro-allied Industries)	(35.0)	(35.0)	(29.3)	(30.6)	- 5.7	- 4.4
B. Other Sectors Comprising mining and quarrying construction, exports, public utilities, transport and communication, Government, imports, domestic, trade, credit and financial institutions, Money at call, personal and professional, and miscellaneous.	50.0	50.0	57.6	53.7	+ 7.6	+ 3.7
TOTAL A + B	100.0	100.0	100.0	100.0	-	-

¹ From 1987, this is defined as all manufacturing enterprises and agro-allied industries. It does not include mining, quarrying and construction which were classified under this sector up till 1986.

MERCHANT BANKING SYSTEM
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
(N' Million)

Table 4

Accounts	September	June	September	Percentage	
	1988	1988	1987	Changes Between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. CASH AND CASH ITEMS	258.3	194.0	313.8	+ 33.1	- 17.7
(a) Vault cash	0.9	0.7	1.2	+ 28.6	- 25.0
(b) Balance at Central Bank	257.3	193.3	312.6	+ 33.1	- 17.7
2. BALANCE HELD WITH	2,477.8	2,135.5	1,531.1	+ 16.0	+ 61.8
(a) Banks in Nigeria	240.5	229.8	251.3	+ 4.7	- 4.3
(b) Banks outside Nigeria	2,237.3	1,905.7	1,279.8	+17.4	+ 74.8
(c) Offices and branches outside Nigeria	-	-	-	-	-
3. LOANS AND ADVANCES	4,003.2	3,850.9	2,773.2*	+ 4.0	+ 44.4
(a) Banks in Nigeria	9.0	8.2	11.9	+ 9.8	- 24.4
(b) Other customers	3,655.3	3,782.9	2,530.2	- 3.4	+ 44.5
(i) Banks' Subsidiaries	(-)	(-)	(-)	-	-
(ii) Federal Government	(0.4)	(0.3)	(-)	+ 33.3	-
(iii) State Governments	(21.0)	(38.2)	(12.3)	- 45.0	+ 70.7
(iv) Local Governments	(-)	(-)	(-)	-	-
(v) Other	(3,633.9)	(3,545.9)	(2,523.1)	+ 2.5	+ 44.0
(c) Banks outside Nigeria	-	-	-	-	-
(d) Money at call outside Banks	102.4	59.8	5.2	+ 71.2	+ 1,869.2
(e) Bills discounted	236.5	198.5	220.7*	+ 19.1	+ 7.2
(i) Payable in Nigeria	(236.5)	(198.5)	(220.7*)	(+ 19.1)	(+ 7.2)
(ii) Payable outside Nigeria	(-)	(-)	(-)	(-)	(-)
4. Factored Debts	(-)	(-)	(-)	(-)	(-)
5. INVESTMENT	1,031.0	1,069.7	1,024.2	- 3.6	+ 0.7
(a) In Nigeria					
(i) Treasury bills	(103.1)	(145.1)	(231.1)	- 29.0	- 55.4
(ii) Treasury certificates	(7.8)	(24.9)	(13.1)	- 68.7	- 40.5
(iii) Development stocks	(56.6)	(22.5)	(5.2)	+ 151.6	+ 988.5
(iv) Bankers' Unit Fund	(-)	(-)	(-)	-	-
(v) Certificates of Deposit	(575.5)	(720.2)	(622.2)	- 20.1	- 7.5
(vi) Stabilization Securities	(-)	(-)	(-)	-	-
(vii) Other	(288.1)	(157.0)	(152.6)	+ 83.5	+ 83.5
(b) Abroad	-	-	-	-	-
6. Equipment on lease	733.8	626.9	330.6	+17.1	+122.0
7. Other Assets	6,004.5	5,345.5	4,533.7	+ 12.3	+ 32.4
TOTAL	14,508.6	13,222.5	10,506.6	+ 9.7	+ 38.1
LIABILITIES					
1. CAPITAL: ISSUED, PAID-UP & RESERVES	383.7	350.7	237.7	+ 9.4	+ 61.4
2. Balance held for	294.4	189.1	64.3	+ 55.7	+357.9
(a) Banks in Nigeria	156.5	116.8	0.8	+ 34.0	+ 19,462.5
(b) Other banks outside Nigeria	137.3	72.3	63.5	+ 89.9	+ 116.2
(c) Offices & branches outside Nigeria	0.6	-	-	-	-
3. MONEY AT CALL FROM OTHER BANKS	1,181.0	1,274.5	887.0	- 7.3	+ 33.2
(a) In Nigeria	1,148.0	1,245.1	887.0	- 7.8	+ 29.4
(b) Outside Nigeria	33.0	29.4	-	+12.2	-
4. LOANS AND ADVANCES FROM	19.5	27.0	20.7	- 27.8	- 5.8
(a) Central Bank of Nigeria	-	4.2	2.5	- 100.0	- 100.0
(b) Other banks in Nigeria	-	-	-	-	-
(c) Other banks outside Nigeria	-	-	-	-	-
(d) Other creditors	19.5	22.8	18.2	- 14.5	+ 7.1
5. DEPOSITS	4,098.0	3,742.8	2,784.5	+ 9.5	+ 47.2
(a) Demand	822.7	545.5	383.6	+ 50.8	+ 114.5
(b) Savings	-	-	-	-	-
(c) Time	3,275.3	3,197.3	2,400.9	+ 2.4	+ 36.4
6. CERTIFICATES OF DEPOSIT	451.8	393.1	389.5	+ 14.9	+ 16.0
7. OTHER LIABILITIES	8,080.2	7,245.4	6,122.9	+ 11.5	+ 32.0
TOTAL	14,508.6	13,222.5	10,506.6	+ 9.7	+ 38.1

* Revised

MERCHANT BANKS' LOANS AND ADVANCES BY PURPOSE
(PERCENTAGE)

Table 5

Sectors	Prescribed Percentage for		Monthly Average Performance in the		Deviations from Targets in	
	1987	1988	3rd Quarter 1987	3rd Quarter 1988	3rd Quarter 1987	3rd Quarter 1988
A. High Priority Sectors	50.5	50.0	45.7	59.8	- 4.3	+ 9.8
(i) Agricultural Production (Agric., Forestry and Fishing)	(10.0)	(10.0)	(7.7)	(12.1)	(- 2.3)	+ 2.1
(ii) Manufacturing Enterprises* (Including agro-allied Industries)	(40.0)	(40.0)	(38.0)	(47.7)	(- 2.0)	+ 7.7
B. Other Sectors Comprising mining and quarrying, construction, exports, public utilities, transport and communication, Government, imports, domestic trade, credit and financial institutions, money at call/ personal and professional and miscellaneous.	50.0	50.0	54.3	40.2	+ 4.3	- 9.8
TOTAL A + B	100.0	100.0	100.0	100.0	-	-

* From 1987, this is defined as all manufacturing enterprises and agro-allied industries. It does not include mining, quarrying and construction which were classified under this sector up till 1986.