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DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE FIRST QUARTER OF 1987

Money supply as measured by both M1 and M2 declined in the first quarter of 1987 due mainly to declines in net foreign assets and "other" assets net of the banking system. Banking system credit, on the other hand increased although at a slower pace than in the last quarter of 1986.

While both the money and capital markets remained active during the quarter, the tempo of activities slowed down considerably from the December 1986 level.

Institutional developments

The number of reporting banks increased by four (two commercial and two merchant) to 45, comprising 31 commercial and 14 merchant banks. The new commercial banks were the Lion Bank and Premier Bank Nigeria Limited while Nigbel and First Inter-State were the additions to merchant banks.

Also, the number of brokerage firms in the nation's capital market rose by 4 to 26, following the admission of Investicon Nigeria Limited, Pabofin Securities Limited, Apex Securities Limited and Farida Investment and Finance Limited as dealing members of the Nigerian Stock Exchange.

Money supply

Money supply, narrowly defined (M1), declined seasonally by ₦489.7 million or 3.8 per cent to ₦12.2 billion during the first quarter of 1987, compared with the declines of ₦267.8 million or 2.0 per cent and ₦701.5 million or 5.7 per cent in the corresponding quarters of 1986 and 1985, respectively. The decline contrasted with the significant increase of ₦836.0 million or 7.0 per cent in the last quarter of 1986. On a monthly average basis, M1 stood at ₦12.3 billion during the quarter, compared to ₦12.5 billion in the corresponding quarter of 1986.

The factors responsible for the contraction in narrow money were the increase of ₦296.1 million in quasi-money and the declines in other assets (net) of the banking system (₦799.0 million) and foreign assets (₦694.8 million). The contractionary impact of these factors on M1 was substantially offset by the expansionary effect of the increase of ₦1.3 billion in aggregate bank credit to the domestic economy.

The increase of ₦296.1 million in quasi-money only partially offset the fall of ₦489.7 million in the narrow money (M1). Consequently the broad money (M2) fell by ₦193.6 million or 0.8 per cent to ₦24.0 billion during the quarter under review. This compared with the decline of ₦126.6 million or 0.5 per cent in the preceding month. In the preceding quarter, M2 rose by ₦345.0 million over the level in the previous quarter.

Banking system's credit

At ₦38.1 billion, aggregate bank credit (net) outstanding to the domestic economy at the end of the first quarter of 1987, showed an increase of ₦1.3 billion or 3.5 per cent over the level at the end of the preceding quarter. This compared with the increase of ₦1.8 billion recorded in the preceding quarter. In

contrast to the development in the preceding quarter when the bulk of the increase (82.3 per cent) in the system's credit went to the private sector, the government sector absorbed 88.1 per cent of the increase in the review period.

Credit to government (net) rose by ₦1.1 billion or 5.9 per cent to ₦20.6 billion in the review quarter, compared with the rise of ₦325.7 million or 1.7 per cent in the last quarter of 1986. A remarkable development during the quarter under review was the substantial shift in commercial bank resources into treasury obligations. The banks' claims on government rose by ₦889.5 million or 19.5 per cent during the quarter. This was in sharp contrast to the large fall of ₦3.2 billion or 41.5 per cent in the last quarter of 1986. Central Bank's claims on government increased by only 1.7 per cent, compared with the 31.5 per cent increase in the preceding quarter.

Credit to the private sector rose by ₦154.9 million or 0.9 per cent to ₦17.5 billion in the first quarter of 1987, compared with the 9.6 per cent increase recorded in the fourth quarter of 1986. Accounting mainly for the low credit growth were the discontinuation of Central Bank's credit to the commodity boards, following their abolition at the end of 1986, and the sluggish growth in commercial bank credit to the sector. Credit by commercial banks to the sector rose by ₦186.7 million or 1.2 per cent, compared with the increase of ₦1.5 billion or 10.6 per cent in the preceding quarter. The moderation in expansion rate was attributable largely to the exercise of caution on the part of the commercial banks as some of them faced liquidity problems while others faced the compelling need to keep within the stipulated credit ceiling.

External assets

External assets of the banking system fell by ₦694.8 million or 13.8 per cent to ₦4.3 billion. This contrasted with the increase of ₦2.4 billion or 95.3 per cent rise recorded in the fourth quarter of 1986 which, however, reflected the impact of the naira exchange rate depreciation. An increase of ₦126.1 million or 8.9 per cent was observed on the commercial banks' accounts while the Central Bank's holding fell by ₦820.9 million or 22.8 per cent. Consequently, the share of commercial banks of the system's total foreign assets holding rose by 7.5 percentage points to 35.6 per cent during the quarter. Their share of the total a year earlier was a mere 1.8 per cent.

Other assets

The decline in the banking system's "other assets" (net) observed since the third quarter of 1986 continued into the first quarter of 1987 when it fell further by ₦799.0 million or 4.5 per cent. In the fourth quarter of 1986, "other assets" (net) declined significantly by ₦4.4 billion or 33.5 per cent. The fall reflected largely the contractionary influence of the second-tier foreign exchange market (SFEM) on the liquidity of the system.

Commercial banking

During the first quarter of 1987, total assets/liabilities of the commercial banks grew by ₦720.1 million or 1.8 per cent to ₦40.3 billion, compared with the 12.4 per cent rate of increase in the preceding quarter. Sources of new funds to the banks during the review period were the increases in deposit liabilities, capital plus reserves as funds mobilized from other banks. These, in addition to funds from holdings of other assets (net) and cash balances, were utilised mainly in expanding loans and investments. (See Table 2).

Total deposit liabilities stood at ₦17.9 billion at the end of March 1987, reflecting a decline of ₦192.7 million or 1.1 per cent below the end-December 1986 level. This contrasted with increases of ₦88.4 million or 0.5 per cent and ₦602.8 million or 3.4 per cent in the fourth and first quarters of 1986, respectively. During the quarter under review, there was noticeable shift from demand deposit holdings to time and savings deposits. While demand deposits declined by ₦488.6 million, time and savings deposit increased by ₦295.9 million. The shift was attributable largely to the rise in time and savings deposit rates from 8½ to 12 per cent (minimum) and 9½ to 11 per cent per annum, respectively.

Investments grew by ₦196.6 million or 3.4 per cent to ₦5.9 billion, compared with the increase of ₦168.5 million or 1.5 per cent in the corresponding quarter of 1986. In the preceding quarter, however, the level of investments declined by 34.6 per cent. The increase observed during the review period occurred largely in treasury bills holdings (₦667.1 million).

Commercial banks' loans and advances increased by 0.6 per cent to ₦15.8 billion, compared with the increases of 10.9 per cent in the preceding quarter and 3.9 per cent in the first quarter of 1986. The 0.6 per cent rate of expansion achieved during the review quarter kept within the 8.0 per cent ceiling stipulated for the banks in fiscal 1987.

As indicated earlier, the squeeze on commercial banks liquidity and the conscious efforts on the part of many banks to keep within the guidelines' ceiling on credit influenced this development.

The sectoral distribution of total loans and advances outstanding showed that the banks failed to meet the prescribed minimum target set for the high priority sectors. (See Table 3). As against the prescribed minimum of 50 per cent, the high priority sectors received a monthly average ratio of 40.9 per cent, representing a shortfall of 9.1 percentage points. This compared with the much lower rate of 5.2 percentage points shortfall observed in the fourth quarter of 1986. At 11.9 per cent, allocation to the agricultural sector was 3.1 percentage points lower than the prescribed minimum target of 15.0 per cent. The manufacturing sector received 29 per cent as against the prescribed 35 per cent. On the other hand, allocation to the other sectors over-shot the guidelines' prescribed maximum of 50 per cent by 9.1 percentage points.

On monthly average basis, loan/deposit ratio of the commercial banking system increased from 86.2 per cent in the fourth quarter of 1986 to 86.6 per cent in the review period. Similarly, the system's liquidity

ratio declined from 43.6 to 42.8 per cent, while the cash ratio fell from 5.5 to 4.1 per cent.

Merchant banking

At the end of March 1987, total assets/liabilities of the merchant banks stood at ₦9.4 billion reflecting a rise of ₦990.9 million or 11.7 per cent over the end-December 1986 level. This compared with the increases of ₦2.3 billion or 38.4 per cent in the preceding quarter and ₦19.8 million or 0.4 per cent in the corresponding quarter of 1986.

The principal sources of funds to the banks during the quarter under review were the increases in other liabilities (₦865.4 million) certificates of deposit issued (₦56.1 million) and call loans from other banks (₦54.4 million). These funds were utilised to expand loans and advances by ₦377.5 million and investments in domestic securities by ₦177.6 million. Balances held with the Central Bank and other banks rose substantially. (See Table 4).

Total loans and advances outstanding increased by ₦377.5 million or 13.6 per cent to ₦3.1 billion during the quarter, compared with the increases of ₦392.6 million or 16.5 per cent in the preceding quarter and ₦84.8 million or 4.7 per cent in the corresponding period of 1986. As a proportion of total assets (less contingent liabilities), aggregate loans and advances averaged 14.9 per cent monthly during the quarter—10.1 percentage points lower than the prescribed ceiling of 55.0 per cent.

The sectoral breakdown of these loans and advances on a monthly average basis showed that the priority sectors (agriculture and manufacturing) absorbed 46.6 per cent of total—3.4 percentage points below the 50.0 per cent minimum target stipulated for the banks in fiscal 1987. The share of agriculture was 8.0 per cent, compared with the prescribed minimum of 10.0 per cent while manufacturing enterprises absorbed 38.6 per cent as against the prescribed minimum of 40.0 per cent. On the other hand, the other sectors attracted 53.4 per cent of the total, compared with the stipulated maximum of 50.0 per cent (See Table 5).

Merchant banks' investments mainly in money market assets, totalled ₦544.9 million at the end of March 1987, representing an increase of ₦177.6 million or 48.4 per cent. In contrast, the banks' investments declined by ₦485.4 million or 56.9 per cent in the preceding quarter, and ₦56.7 million or 4.5 per cent in the corresponding quarter of 1986.

The value of equipments on lease was ₦195.0 million at the end of the review quarter, compared with ₦153.1 million at the end of December, 1986 and ₦95.3 million at the end of March, 1986. As a proportion of total assets, the value of equipments on lease was 2.1 per cent at the end of the review quarter compared with 1.8 per cent in the preceding quarter. The prescribed maximum is 15.0 per cent.

Total deposit liabilities of the banks declined further by ₦50.3 million or 2.1 per cent to ₦2.3 billion in the quarter under review. In the preceding quarter ended December 1986, the level fell by ₦33.0 million or 1.4 per cent. The decline in the review quarter was reflected wholly in time deposits as demand deposit liabilities rose.

Financial markets

Activities on the primary market remained dull during the first quarter of 1987. Unlike in the preceding quarter when six (five private and one public) companies raised a total of ₦11.5 million, only five new issues worth ₦1.0 million were made by five companies (all private) during the quarter. However, arrangements were concluded during the quarter for a company in the insurance industry, Amicable Insurance Company Limited, to go public. By this, the company would become the first insurance company to be quoted on the Nigerian Stock Exchange and the fifth to be listed in the Second-Tier Securities Market (SSM), after Grommac, Juli Pharmacy and Stores, Delta Glass and Aluminium Extrusion Industries.

Compared to the volume and value of transactions during the fourth quarter of 1986, trading activities on the stock exchange slowed down during the first quarter of 1987. The number of deals fell from 7,270 in the last quarter of 1986 to 5,967 while the value dropped from ₦203.8 million to ₦149.9 million. Trading in government stocks accounted for the decline in the value of transactions as the value of industrials traded rose, but not enough to offset the fall in gilt-edge securities. The value of Federal Government

Stocks traded was ₦141.8 million, reflecting a decline of ₦55.5 million from the level in the preceding quarter. However, it represented 94.6 per cent of total value of transactions during the quarter.

The value of money market assets outstanding at the end of March 1987, stood at ₦28.2 billion, showing a significant rise of ₦3.9 billion or 16.2 per cent over the end-December 1986 level in contrast to the ₦53.4 million or 0.2 per cent decline in the preceding quarter. The bulk of the increase was accounted for by the ₦3.8 billion special issue of treasury bills made in January 1987. Treasury certificates outstanding remained unchanged at its level in the preceding quarter.

The Central Bank continued to be the dominant holder of both the treasury bills and certificates outstanding. The monthly average ratio of the Bank's holdings to the total outstanding was 60.7 per cent in the review quarter, compared with 59.2 per cent in the last quarter of 1986.

MONEY AND BANKING OFFICE RESEARCH DEPARTMENT

TABLE 1

MONETARY AND CREDIT DEVELOPMENTS IN THE FIRST QUARTER OF 1987

(N Million)

	March 1987	December 1986	September 1986	March 1986	Changes between (1) & (2)		Changes between (2) & (3)		Changes between (1) & (4)	
	(1)	(2)	(3)	(4)	Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
CREDIT TO DOMESTIC ECONOMY (NET)...	38,120.4	36,820.3	34,976.4	33,129.6	+1,300.1	+3.5	+1,843.9	+5.3	+4,990.8	+15.1
CREDIT TO PRIVATE SECTOR.....	17,519.9	17,365.0	15,846.9	14,299.7	+154.9	+0.9	+1,518.1	+9.6	+3,220.2	+22.5
(i) Central Bank.....	1,594.7	1,626.5	1,621.5	1,562.8	-31.8	-2.0	+5.0	+0.3	+31.9	+2.0
(ii) Commercial Banks.....	15,925.2	15,738.5	14,225.4	12,736.9	+186.7	+1.2	+1,513.1	+10.6	+3,188.3	+25.0
CREDIT TO GOVERNMENT SECTOR (NET)	20,600.5	19,455.3	19,129.6	18,829.9	+1,145.2	+5.9	+325.7	+1.7	+1,770.6	+9.4
(i) Central Bank ¹	15,140.1	14,884.4	11,321.8	8,520.2	+255.7	+1.7	+3,462.6	+31.5	+6,619.9	+77.7
(ii) Commercial Banks ²	5,460.4	4,570.9	7,807.8	10,309.7	+889.5	+19.5	-3,236.9	-41.5	-4,849.3	-47.0
(iii) Federal Savings Bank.....	—	—	—	—	—	—	—	—	—	—
FOREIGN ASSETS (NET).....	4,324.0	5,018.8	2,570.1	1,638.7	-694.8	-13.8	+2,448.7	+95.3	+2,685.3	+163.9
(i) Central Bank ³	2,785.2	3,606.1	2,054.3	1,609.0	-820.9	-22.8	+1,551.8	+75.5	+1,176.2	+73.1
(ii) Commercial Banks.....	1,538.8	1,412.7	515.8	29.7	+126.1	+8.9	+896.9	+173.9	+1,509.1	+5,081.1
OTHER ASSETS (NET).....	-18,422.0	-17,623.0	-13,203.9	-10,604.7	-799.0	-4.5	-4,419.1	-33.5	-7,817.3	-73.7
TOTAL MONETARY ASSETS.....	24,022.4	24,216.0	24,342.6	24,163.6	-193.6	-0.8	-126.6	-0.5	-141.2	-0.6
QUASI MONEY.....	11,783.8	11,487.7	12,450.3	11,162.7	+296.1	+2.6	-962.6	-7.7	+621.1	+5.6
MONEY SUPPLY.....	12,238.6	12,728.3	11,892.3	13,000.9	-489.7	-3.8	+836.0	+7.0	-762.3	-5.9
(i) Currency Outside Banks.....	4,880.3	5,177.9	4,880.1	4,927.3	-297.6	-5.7	+297.8	+6.1	-47.0	-1.0
(ii) Private Sector Demand Deposits.....	7,358.3	7,550.4	7,012.2	8,073.6	-192.1	-2.5	+538.2	+7.7	-715.3	-8.9
TOTAL MONETARY LIABILITIES.....	24,022.4	24,216.0	24,342.6	24,163.6	-193.6	-0.8	-126.6	-0.5	-141.2	-0.6
FED. GOVT. DEMAND DEPOSITS.....	3,412.6	3,292.7	2,894.6	3,226.4	-119.9	-3.6	+398.1	+13.0	+186.2	+5.8

¹ Less Federal Government deposit with the Central Bank and Fed. Govt. external assets² Less Federal Government demand deposit with Commercial Banks³ Includes Federal Government External Assets.

TABLE 2

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

ACCOUNTS	March (1987)	December (1986)	March (1986)	Percentage change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items	1,223.3	1,488.4	931.9	- 17.8	+ 31.3
(a) Vault cash	427.0	518.4	333.2	- 17.7	+ 28.4
(b) Balance at Central Bank	796.3	970.0	598.7	- 17.9	+ 33.0
2. Balance held with	2,879.4	2,226.7	707.5	+ 29.3	+306.9
(a) Banks in Nigeria	777.1	601.6	354.6	+ 29.2	+119.1
(b) Banks outside Nigeria	1,353.2	1,469.3	338.8	- 32.9	+476.5
(c) Offices and branches outside Nigeria	149.1	155.8	14.1	- 4.3	+957.5
3. Loans and Advances	15,803.2	15,701.5	12,642.2	+ 0.6	+ 25.0
(a) Banks in Nigeria	82.0	44.6	14.2	+ 83.9	+477.5
(b) Other customers	14,952.4	14,808.3	12,166.7	+ 1.0	+ 22.9
(i) Banks' Subsidiaries	(—)	(—)	(—)	(—)	(—)
(ii) Federal Government	(40.2)	(40.5)	(90.2)	- 0.7	- 55.4
(iii) State Governments	(465.8)	(444.0)	(411.6)	+ 4.9	+ 13.2
(iv) Local Governments	(22.3)	(30.3)	(24.7)	- 26.4	- 9.7
(v) Other	(14,421.1)	(14,293.5)	11,640.0	+ 0.9	+ 23.9
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	636.2	617.2	395.9	+ 3.1	+ 60.7
(e) Bills discounted	132.5	231.4	65.4	- 42.7	+102.6
(i) Payable in Nigeria	(123.8)	(116.1)	(51.9)	+ 6.5	+138.3
(ii) Payable outside Nigeria	(8.7)	(115.3)	(13.5)	- 92.5	- 35.6
4. Factored Debts	—	—	—	—	—
5. Investments	5,911.8	5,715.2	11,044.4	+ 3.4	- 46.5
(a) In Nigeria	(5,911.8)	(5,223.3)	(11,044.4)	+ 13.2	- 46.5
(i) Treasury bills	(3,729.1)	(3,062.0)	(8,049.7)	+ 21.8	- 53.7
(ii) Treasury certificates	(1,357.6)	(1,360.6)	(2,342.1)	- 0.2	- 42.0
(iii) Development stocks	(554.6)	(545.7)	(421.3)	+ 1.6	+ 31.6
(iv) Bankers' Unit Fund	(17.5)	(17.5)	(18.5)	+ 0.0	- 5.4
(v) Certificates of Deposit	(181.6)	(154.1)	(121.3)	+ 17.8	+ 49.7
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	71.4	83.4	91.5	- 14.4	- 21.9
(b) Abroad	—	491.9	—	+ 0.0	—
6. Equipment on Lease	—	—	—	—	—
7. Other Assets	14,481.2	14,447.0	6,508.4	+ 0.2	+ 122.5
TOTAL	40,298.9	39,578.8	31,834.4	+ 1.8	+ 26.6
LIABILITIES					
1. Capital: Issued, Paid-Up & Reserves	1,363.4	1,298.7	1,132.8	+ 5.0	+ 201.4
2. Balance held for	1,245.8	984.7	454.9	+ 26.5	+ 173.9
(a) Banks in Nigeria	715.1	204.1	130.6	+ 250.4	+ 447.5
(b) Other banks outside Nigeria	302.1	406.0	241.5	- 25.6	+ 25.1
(c) Offices & branches outside Nigeria	228.6	374.6	82.8	- 39.0	+ 176.1
3. Money at call from other banks	234.3	155.4	45.6	+ 50.8	+ 413.8
(a) In Nigeria	234.3	155.4	45.6	+ 50.8	+ 413.8
(b) Outside Nigeria	—	—	—	—	—
4. Loans and advances from	119.7	118.9	86.8	+ 0.7	+ 37.9
(a) Central Bank of Nigeria	—	4.3	—	- 100.0	0.0
(b) Other banks in Nigeria	15.6	15.0	10.0	+ 4.0	+ 56.0
(c) Other banks outside Nigeria	41.5	39.0	12.5	+ 6.4	+ 232.0
(d) Other creditors	62.6	60.6	64.3	+ 3.3	- 2.6
5. Deposits	17,944.9	18,137.6	18,199.9	- 1.1	-1.4
(a) Demand	6,161.2	6,649.8	7,037.2	- 7.3	- 12.4
(b) Savings	4,468.6	4,270.1	3,857.9	+ 4.7	+ 15.8
(c) Time	7,315.1	7,217.7	7,304.8	+ 1.3	+ 0.1
6. Certificates of Deposit	41.0	49.9	20.9	- 17.8	+ 54.9
7. Other Liabilities	19,349.8	18,833.6	11,893.5	+ 9.7	+ 62.7
TOTAL	40,298.9	39,578.8	31,834.4	+ 1.8	+ 26.6

TABLE 3

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

	Prescribed Percentage for		Quarterly Average Performances in the		Deviations from Targets in	
	1986	1987	1st Quarter 1986	1st Quarter 1987	1st Quarter 1986	1st Quarter 1987
A.						
High Priority Sectors	59	50.0	53.4	40.9	5.6	—9.1
(i) Agricultural Production	(15.0)	(15.0)	(11.8)	(11.9)	(—3.2)	(—3.1)
(ii) Manufacturing Enterprises	(44.0) ¹	(35.0) ²	(41.6)	(29.0)	(—2.4)	(—6.0)
B. Other Sectors	41.0	50.0	46.6	59.1	+5.6	+9.1
Total A + B	100.0	100.0	100.0	100.0		

1/ In 1986, this was defined as all manufacturing enterprises, agro-allied industries, mining, quarrying and construction.

2/ From 1987, this is defined as all manufacturing enterprises and agro-allied industries. It does not include mining, quarrying and construction.

TABLE 4

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

ACCOUNTS	March 1987	Dec. 1986	March 1986	Percentage Change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items	442.5	161.0	88.4	+174.8	+400.6
(a) Vault cash	0.4	0.8	0.5	-50.0	-20.0
(b) Balance at Central Bank	442.1	160.2	87.9	+176.0	+403.0
2. Balance held with	1,262.5	1,151.3	273.6	+9.7	+361.4
(a) Banks in Nigeria	45.2	16.8	108.7	+169.0	-58.4
(b) Banks outside Nigeria	1,217.3	1,134.5	164.4	+7.3	+640.5
(c) Offices and branches outside Nigeria	—	—	0.5	—	-100.0
3. Loans and Advances	3,149.0	2,771.5	1,887.7	+13.6	+66.8
(a) Banks in Nigeria	2.0	2.0	2.3	0.0	-13.0
(b) Other customers	2,265.0	2,064.1	1,402.7	+9.7	+61.5
(i) Banks' Subsidiaries	(—)	(—)	(—)	(—)	—
(ii) Federal Government	(—)	(0.1)	(0.3)	-100.0	-100.0
(iii) State Governments	(3.4)	(5.0)	(22.4)	-32.0	-84.8
(iv) Local Governments	(—)	(—)	(—)	—	—
(v) Other	(226.6)	(2,059.0)	1,380.0	+9.8	+63.9
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	706.0	562.5	341.7	+25.5	+106.6
(e) Bills discounted	175.9	142.9	141.0	+23.1	+24.8
(i) Payable in Nigeria	(175.9)	(111.2)	(141.0)	+58.2	+24.8
(ii) Payable outside Nigeria	(—)	(31.7)	(—)	-100.0	0.0
4. Factored Debts	0.2	—	—	—	—
5. Investments	544.9	367.3	1,201.6	+48.4	-54.7
(a) In Nigeria	544.9	367.3	1,201.6	+48.4	-54.7
(i) Treasury bills	(159.7)	(98.0)	(869.2)	+63.0	-81.6
(ii) Treasury certificates	(35.2)	(50.2)	(148.6)	-29.9	-76.3
(iii) Development stocks	(1.2)	(11.7)	(8.1)	-89.7	-85.2
(iv) Bankers' Unit Fund	(61.5)	(0.0)	(53.2)	—	+15.6
(v) Certificates of Deposit	(217.3)	(107.8)	(112.5)	+101.6	+93.2
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	(70.1)	(99.6)	(10.0)	-29.6	+601.0
(b) Abroad	—	—	—	—	—
6. Equipment on Lease	195.0	153.1	95.3	+27.4	+104.6
7. Other Assets	3,842.1	3,841.1	1,474.3	+0.03	+150.6
TOTAL	9,436.2	8,445.3	5,020.9	+11.7	+87.9
LIABILITIES					
1. Capital: Issued, Paid-Up & Reserves	212.7	191.8	163.3	+10.9	+30.3
2. Balance held for	109.5	80.8	47.8	+35.5	+129.1
(a) Banks in Nigeria	59.7	79.6	27.5	-25.0	+117.1
(b) Other banks outside Nigeria	49.8	1.2	20.3	-405.0	+145.3
(c) Offices & branches outside Nigeria	—	—	—	—	—
3. Money at call from other banks	617.7	563.3	367.7	+9.7	+68.0
(a) In Nigeria	589.3	563.3	367.7	+4.6	+60.3
(b) Outside Nigeria	28.4	—	—	—	—
4. Loans and advances from	48.7	33.0	—	+47.6	—
(a) Central Bank of Nigeria	—	17.6	—	-100.0	—
(b) Other banks in Nigeria	27.2	—	—	—	—
(c) Other banks outside Nigeria	—	—	—	—	—
(d) Other creditors	21.5	15.4	—	+39.6	—
5. Deposits	2,291.3	2,341.6	1,833.4	-2.1	+25.0
(a) Demand	671.7	601.9	403.9	+11.6	+66.3
(b) Savings	—	—	—	—	—
(c) Time	1,619.6	1,739.7	1,429.5	-6.9	+13.3
6. Certificates of Deposit	215.4	159.3	141.6	+35.2	+52.1
7. Other Liabilities	5,940.9	5,075.5	2,457.1	+17.1	+140.8
TOTAL	9,436.2	8,445.3	5,020.9	+11.7	+87.9

TABLE 5**MERCHANT BANKS LOANS AND ADVANCES BY PURPOSE****(PERCENTAGES)**

	Prescribed Per-centage for		Quarterly Average performances in the		Deviations from Targets in	
	1986	1987	1st quarter 1986	1st Quarter 1987	1st Quarter 1986	1st Quarter 1987
A.						
High Priority Sectors	64.0	50.0	52.2	46.6	-11.8	-3.4
(i) Agricultural Production	(8.0)	(10.0)	(7.0)	(8.0)	(-1.0)	(-2.0)
(ii) Manufacturing Enterprises	(56.0) ¹	(40.0) ²	(45.2)	(38.6)	(-10.8)	(-1.4)
B.						
Other Sectors	36.0	50.0	47.8	53.4	+11.8	+3.4
TOTAL A+B	100.0	100.0	100.0	100.0		

1/ In 1986, this was defined as all manufacturing enterprises, agro-allied industries, mining, quarrying and construction.

2/ From 1987, this is defined as all manufacturing enterprises and agro-allied industries. It excludes mining, quarrying and construction enterprises.