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## Developments in the Financial System during the Second Quarter of 1989

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*Central Bank of Nigeria*

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## DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE SECOND QUARTER OF 1989

The financial system was under intense pressure in the second quarter of 1989 following the measures adopted by the monetary authorities to reduce the liquidity of the banking system and thereby combat the inflationary pressure in the economy and continued depreciation of the Naira exchange rate. The gradual strengthening of the squeeze on liquidity was accompanied by liquidity crisis among some banks towards the end of the quarter.

The system, however, continued to show rapid growth in the number of banks and non-bank financial intermediaries as well as the level of activities in both money and capital markets were higher relative to the comparable quarter of 1988.

### Institutional Developments

The banking industry expanded further during the quarter with the entry of nine new banks comprising seven merchant and two commercial banks. The new merchant banks were Metropolitan, Leads, Nationwide, Kapital, Ivory, Cititrust, and Devcom Merchant Bank Limited. With these, the number of merchant banks in the country increased from 26 to 33. The new commercial banks were Ecobank and Access Bank Nigeria Limited. Their opening brought the total number of commercial banks to 46 at the end of June, 1989.

### Money Supply

The steep upward trend in the level of money supply, narrowly defined (M1), continued in the second quarter. At ₦24.0 billion at the end of June 1989, M1 rose by ₦1.4 billion or 6.1 per cent during the quarter, compared with the increases of ₦1.5 billion or 7.1 per cent in the preceding quarter and ₦993.3 million or 6.3 per cent in the corresponding period of 1988. The expansion in M1 in the six-month period ending June, was 13.7 per cent as against the target of 14.65 for the whole year. The major factors which influenced the expansion in M1 during the quarter were the increase of ₦543.6 million in "other assets" (Net) of the banking system and the ₦787.6 million fall in quasi-money (See Table 1).

The broad measure of money supply (M2) also increased by ₦599.8 million or 1.3 per cent to ₦47.3 billion, due wholly to the substantial rise in M1. The rise compared with the increases of ₦3.9 billion or 9.1 per cent in the preceding quarter and ₦2.3 billion or 6.9 per cent in the corresponding quarter of 1988.

### Bank Credit

Aggregate bank credit to the domestic economy rose marginally by ₦2.6 million to ₦56.5 billion during the quarter, in contrast to a decline of ₦ 813.4 million or 1.4 per cent in the preceding quarter. In the corresponding quarter of 1988, an increase of ₦950.3 million or 2.1 per cent was recorded. Over the level at the end of 1988, aggregate

bank credit outstanding at the end of June 1989 declined by 1.4 per cent as against the target expansion rate of 9.5 per cent for the whole of 1989. Accounting wholly for the increase during the review quarter was the rise in credit to the private sector which offset the fall in net claims on the Government sector.

### Credit to Government

At ₦25.9 billion at the end of June, 1989, bank claims on government was ₦285.5 million or 1.1 per cent lower than the end-March 1989 level and ₦1.6 billion or 5.9 per cent below the level at the end of 1988. Credit to the sector was thus well within the 8.3 per cent target maximum growth rate for 1989. In the preceding quarter, a fall of ₦1.3 billion or 4.9 per cent was observed while in the corresponding period of 1988, an increase of ₦455.2 million or 1.9 per cent was recorded. Accounting wholly for the decline in the review quarter was the substantial fall of ₦1.4 billion or 21.7 per cent in commercial banks' claims which more than offset the respective increases of ₦1.1 billion or 5.7 per cent and ₦29.1 million or 21.5 per cent in Central Bank and merchant banks' claims on the sector. Arising from the pressure on their liquidity, the commercial banks rediscounted substantial portions of their eligible assets, particularly treasury bills, and also reduced their investment in development stocks. Central Bank's lending to Government, on the other hand, increased mainly as a result of the rediscounts and the rise in Ways and Means advances.

### Credit to the Private Sector

Bank credit to the private sector rose by ₦288.2 million or 1.0 per cent to ₦30.6 billion, compared with the increases of ₦526.8 million or 1.8 per cent in the first quarter of 1989 and ₦495.1 million or 2.3 per cent in the second quarter of 1988. The increase during the quarter under review was traceable to commercial and merchant banks' credit which together rose by ₦1.3 billion or 4.8 per cent to ₦29.3 billion. Over the level at the end of 1988, the banks' claims on the sector rose by ₦2.0 billion or 7.2 per cent, compared with the permissible expansion rate of 10.7 per cent stipulated for the whole of 1989. Central Bank's credit to the sector, on the other hand, fell by ₦1.1 billion or 45.9 per cent to ₦1.3 billion during the quarter.

### Foreign Assets

Foreign assets of the banking system rose marginally by ₦53.5 million or 0.3 per cent to ₦15.9 billion during the quarter. This compared with a much larger increase of ₦5.5 billion or 54.0 per cent in the preceding quarter but contrasted with the ₦179.5 million or 2.5 per cent fall observed in the corresponding quarter of 1988. The increase during

the quarter reflected merchant banks' holding which rose by ₦213.9 million or 7.5 per cent to ₦3.1 billion. On the other hand, holdings by the Central Bank and commercial banks fell by ₦123.3 million or 1.6 per cent and ₦37.2 million or 0.7 per cent, respectively.

#### Commercial Banking

Total assets/liabilities of the commercial banks dropped by ₦1.3 billion or 2.0 per cent to ₦62.3 billion during the quarter as public sector agencies complied with the directive to transfer their deposits from the banks to the CBN. The fall contrasted with the increases of ₦4.3 billion or 7.3 per cent and ₦1.8 billion or 3.4 per cent in the preceding quarter and comparable period of 1988, respectively. In order to meet the relatively large outflow in deposits, the banks reduced investments and increased their "other liabilities".

At ₦21.0 billion at the end of the review quarter, commercial banks' loans and advances rose by ₦453.1 million or 2.2 per cent, compared with the increase of ₦500.1 million or 2.5 per cent in the preceding quarter and the 1.7 per cent permissible expansion rate for the second quarter of 1989. Over the level at the end of 1988, the growth rate was 4.8 per cent – 0.8 percentage point higher than the 4.0 per cent target ceiling prescribed for the first two quarters of 1989.

The sectoral distribution of the banks' total loans and advances, outstanding, showed that the banks' performance deviated from policy targets. Allocation to the high priority sectors, for example, averaged 46.0 per cent monthly as against the 50.0 per cent minimum prescribed. This was lower than the 46.4 per cent achieved in the preceding quarter but still represented an improvement when compared with the 45.3 per cent achieved in the corresponding period of 1988. While the allocation of 15.0 per cent to agriculture was equal to the prescribed target minimum, the share of 31.0 per cent for manufacturing enterprises fell short of the prescribed target of 35.0 per cent by 4.0 percentage points. "Other sectors", on the other hand, collectively absorbed 54.0 per cent as against the 50.0 per cent maximum stipulated.

Total deposit liabilities of the banks dropped by ₦3.7 billion or 11.8 per cent to ₦27.8 billion, in contrast to the respective increases of ₦2.4 billion or 8.3 per cent and ₦2.2 billion or 8.7 per cent in the preceding quarter and the corresponding quarter of 1988. The fall in the review quarter, which followed the withdrawal of public sector deposits from the banks, reflected declines in both demand and time deposit liabilities (See table 2).

Aggregate investments by the commercial banks stood at ₦7.3 billion at the end of the quarter, showing a significant fall of ₦3.0 billion or 29.0 per cent, in contrast to the increases of ₦1.5 billion or 17.6 per cent in the preceding quarter and ₦1.0 billion or 9.8 per cent in the corresponding quarter of 1988. The drop in the review period reflected the decline in the banks' holding of treasury bills (₦2.9 billion or 45.5 per cent) and development stocks (₦225.3 million

or 65.2 per cent) (See Table 2).

#### Merchant Banking

At ₦20.7 billion at the end of June 1989, merchant banks' total assets/liabilities rose by ₦778.3 million or 3.9 per cent during the review quarter, compared with the increases of ₦2.7 billion or 16.0 per cent and ₦645.1 million or 5.1 per cent in the preceding quarter and the corresponding quarter of 1988, respectively. Funds derived mainly from increases in deposits including certificates of deposit and balance held for other banks, were utilized largely to repay part of money on call from other banks and to raise the levels of loans and investments.

The banks' total loans and advances outstanding stood at ₦5.1 billion, showing an increase of ₦263.7 million or 5.4 per cent during the quarter as against the prescribed ceiling of 1.7 per cent for the second quarter of 1989. Between end-December 1988 and end-June 1989, loans and advances increased by 16.3 per cent as against the 4.0 per cent maximum limit prescribed. The rise in the review quarter compared with the increase of ₦457.3 million or 10.3 per cent in the preceding quarter and the rise of ₦292.3 million or 8.3 per cent in the comparable period of 1988.

As in the preceding quarter, the banks' sectoral credit allocation showed that banks complied with policy guidelines as allocation to the high priority sectors averaged 54.7 per cent monthly, compared with 50.0 per cent prescribed minimum target. Although allocation to manufacturing enterprises fell short of the prescribed target of 40.0 per cent by 0.2 percentage point, agricultural production received 4.9 percentage points in excess of the stipulated minimum target of 10.0 per cent. The share of "other sector", on the other hand, was 4.7 percentage points below the stipulated maximum limit of 50.0 per cent.

Total investments, outstanding, rose by ₦448.8 million or 26.0 per cent to ₦2.2 billion during the quarter, compared with the increases of ₦110.1 million or 6.8 per cent in the preceding quarter and ₦29.5 million or 1.3 per cent in the corresponding period of 1988, respectively. The increase during the review quarter was reflected largely in the "other" items category of investments.

The value of equipment on lease rose by ₦317.3 million or 35.4 per cent to ₦1.2 billion. As a percentage of total assets, equipment on lease accounted for 5.9 per cent compared with the 15.0 per cent maximum allowed.

Deposit liabilities of the banks rose by ₦248.9 million or 3.9 per cent to ₦6.7 billion, compared with the increases of ₦1.6 billion or 33.1 per cent in the preceding quarter and ₦201.9 million or 5.7 per cent in the corresponding quarter of 1988. Both the demand and time deposit types contributed to the increase during the quarter, with the latter accounting for the bulk.

## FINANCIAL MARKETS:

### Capital Market

Transactions on the Nigerian Stock Exchange recorded substantial growth during the quarter in terms of number of deals, volume and value of traded securities. However, only one company approached the new issues market for funds, compared with these in the preceding quarter.

A total of 8644 deals worth ₦271.9 million were traded on the Nigerian Stock Exchange in the review quarter, compared with 7519 deals valued at ₦103.6 million in the preceding quarter. The substantial increase in value during the quarter under review was attributable mainly to trading in government stocks as some banks divested portions of their holding to boost their liquidity positions, following the transfer of public sector deposits from the commercial and merchant banks to the CBN.

In the primary market, Paterson Zochonis (PZ) Industries Limited floated the ₦60.0 million, 16½ per cent "Floating Rate" Redeemable Debenture Stock 1997/2004.

Under the on-going privatisation programme of the Federal Government, National Oil and Chemical Marketing Company offered for sale 16,800,000 shares of 50 kobo at ₦2.00 per share. Also, the Barclays Bank (PLC) sold off its shares in Union Bank (Nigeria) Limited to members of the Nigerian public. The issue involved 50,803,200 ordinary shares of 25 kobo at 87.5 kobo per share.

Federal Government Development Stocks worth ₦20.0 million matured during the quarter and were redeemed. Consequently, total Federal Government Development Stock outstanding at the end of the review period amounted to ₦4,729.0 million.

### Money Market

Activities in the money market increased during the second quarter of 1989, following the pressure on bank liquidity arising from the measures adopted to curb excess liquidity in the system. Banks increased their use of inter-bank debt instruments and rediscounted a substantial amount of their eligible assets.

The total value of money market assets outstanding stood at ₦45.8 billion, reflecting a rise of ₦274.1 million or 0.6 per cent during the quarter. This compared with the higher increase of ₦830.1 million or 1.9 per cent in the preceding quarter. Accounting for the increase in the review period were the increases of ₦275.2 million or 11.3 per cent in certificates of deposit and ₦31.4 million or 96.9 per cent in eligible development stocks. Treasury bills and treasury certificates, outstanding, however, remained unchanged at their respective end-March 1989 levels of ₦35.5 billion and ₦6.9 billion.

Gross rediscounts of treasury bills and treasury certificates amounted to ₦8.4 billion during the quarter, compared with ₦2.8 billion in the preceding quarter. More than 50 per cent (₦4.6 billion) of total rediscounts during the review quarter

represented Central Bank's assistance to the money market in June alone.

Money and Banking Office  
Domestic Finance Division  
Research Department

Table 1

**MONETARY AND CREDIT DEVELOPMENTS IN THE SECOND QUARTER OF 1989**  
(N' Million)

	June	March	December	June	Changes Between		Changes Between		Changes Between	
	1989	1989	1988	1988	(1) & (2)	(2) & (3)	(2) & (3)	(1) & (4)	(1) & (4)	
	(1)	(2)	(3)	(4)	Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
<b>CREDIT TO DOMESTIC ECONOMY (NET)</b>	56,515.6	56,512.9	57,326.3	51,322.9	+2.7	+0.0	-813.4	-1.4	+5,192.7	+10.1
<b>CREDIT TO PRIVATE SECTOR</b>	30,588.6	30,300.4	29,773.6	26,032.9	+288.2	+1.0	+526.8	+1.8	+4,555.7	+17.5
(i) Central Bank	1,251.2	2,312.4	2,418.6	1,882.9	-1,061.2	-45.9	-106.2	-4.4	-631.7	-33.5
(ii) Commercial Banks	22,176.3	21,564.2	20,828.9	18,803.6	+612.1	+2.8	+735.3	+3.5	+3,372.7	+17.9
(iii) Merchant Banks	7,161.1	6,423.8	6,526.1	5,346.4	+737.3	+11.5	+102.3	-1.6	+1,814.7	+33.9
<b>CREDIT TO GOVERNMENT SECTOR (NET)</b>	25,927.0	26,212.5	27,552.7	25,280.0	-285.5	-1.1	-1,340.2	-4.9	+647.0	+2.6
(i) Central Bank <sup>1</sup>	20,599.0	19,484.7	21,767.2	16,254.7	+1,114.3	+5.7	-2,282.5	-10.5	+4,344.3	+26.7
(ii) Commercial Banks <sup>2</sup>	5,163.6	6,592.5	5,728.9	8,842.5	-1,428.9	-21.7	+863.6	+15.1	-3,678.9	-41.6
(iii) Merchant Banks	164.4	135.3	56.6	192.8	+29.1	+21.5	+78.7	+139.0	-29.4	-14.7
<b>FOREIGN ASSETS (NET)</b>	15,859.4	15,805.9	10,267.0	8,850.6	+53.5	+0.3	+5,538.9	+54.0	+1,008.8	+79.2
(i) Central Bank <sup>3</sup>	7,799.4	7,922.6	3,289.5	3,535.9	-123.2	-1.6	+4,633.1	+140.9	+4,263.5	+120.6
(ii) Commercial Banks	5,007.1	5,044.3	4,469.1	3,481.4	-37.2	-0.7	+575.2	+12.9	+1,525.7	+43.8
(iii) Merchant Banks	3,052.9	2,839.0	2,508.4	1,833.3	+213.9	+7.5	+330.6	+13.2	+1,219.6	+66.5
<b>OTHER ASSETS (NET)</b>	-25,095.8	-25,639.4	-24,813.0	-21,690.4	+543.6	+2.1	-826.4	-3.3	-3,405.7	-15.7
<b>TOTAL MONETARY ASSETS</b>	47,279.2	46,679.4	42,780.3	38,483.1	+599.8	+1.3	+3,899.1	+9.1	+8,796.1	+22.9
<b>QUASI MONEY</b>	23,237.8	24,025.4	21,613.7	21,754.5	-787.6	-3.3	+2,393.7	+11.1	+1,483.3	+6.8
<b>MONEY SUPPLY</b>	24,041.4	22,654.0	21,148.6	16,728.6	+1,387.4	+6.1	+1,505.4	+7.1	+7,312.8	+43.7
(i) Currency Outside Banks	10,400.3	10,027.2	9,412.3	6,922.0	+373.1	+3.7	+614.9	+6.5	+3,478.3	+50.2
(ii) Private Sector Demand Deposits	13,641.1	12,626.8	11,736.3	9,806.6	+1,014.3	+8.0	+890.5	+7.6	+3,834.5	+39.1
<b>TOTAL MONETARY LIABILITIES</b>	47,279.2	46,679.4	42,780.3	38,483.1	+599.8	+1.3	+3,899.1	+9.1	+8,796.1	+22.9
<b>FED., GOV'T DEMAND DEPOSITS</b>	13,822.4	7,237.7	7,105.1	7,040.7	+6,584.7	+91.0	+132.6	+1.9	+6,781.7	+96.3

<sup>1</sup> Less Federal Govt. deposit with the Central Bank and Fed. Govt. external assets

<sup>2</sup> Less Federal Govt. demand deposits with commercial banks

<sup>3</sup> Includes Federal Government External Assets

Table 2

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

Accounts	June*	March	June	Percentage	
	1989	1989	1988	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
<b>ASSETS</b>					
1. Cash and cash items	2,308.1	2,125.5	1,627.0	+8.6	+30.6
(a) Vault cash	838.4	802.1	555.8	+4.5	+44.3
(b) Balance at Central Bank	1,469.7	1,323.4	1,071.2	+11.1	+37.2
2. Balance held with	8,815.0	8,463.9	5,643.6	+4.2	+56.2
(a) Banks in Nigeria	3,067.9	2,678.1	1,536.6	+14.6	+99.7
(b) Banks outside Nigeria	5,064.0	4,914.7	3,588.4	+3.0	+41.1
(c) Offices and branches outside Nigeria	683.1	671.1	518.6	+1.8	+31.7
3. Loans and Advances	21,004.7	20,551.6	18,178.5	+2.2	+15.5
(a) Banks in Nigeria	1.6	29.3	1.1	-94.5	+45.5
(b) Other customers	20,412.1	20,042.3	17,989.1	+1.9	+13.5
(i) Banks' Subsidiaries	(-)	(-)	(-)	-	-
(ii) Federal Government	(151.7)	(205.0)	(146.0)	-26.0	+3.9
(iii) State Governments	(504.6)	(543.3)	(499.5)	-7.1	+1.0
(iv) Local Governments	(21.5)	(28.0)	(22.8)	-23.2	-5.7
(v) Other	(19,734.3)	(19,266.0)	(17,320.8)	+2.4	+13.9
(c) Banks outside Nigeria	-	-	-	-	-
(d) Money at call outside Banks	33.5	11.0	11.5	+204.5	+191.3
(e) Bills discounted	557.5	469.0	188.3	+18.9	+196.1
(i) Payable in Nigeria	(556.2)	(468.4)	(187.3)	+18.7	+197.0
(ii) Payable outside Nigeria	(1.3)	(0.6)	(1.0)	+116.7	+30.0
4. Investment	7,312.9	10,296.2	10,048.4	-29.0	-27.2
(a) In Nigeria	7,312.9	10,296.2	10,048.3	-29.0	-27.2
(i) Treasury bills	(3,478.1)	(6,380.1)	(6,416.9)	-45.5	-45.8
(ii) Treasury certificates	(2,277.4)	(2,230.7)	(2,457.7)	+2.1	-7.3
(iii) Development stocks	(120.4)	(345.7)	(409.2)	-65.2	-70.6
(iv) Bankers' Unit Fund	(-)	(5.9)	(6.0)	-100.0	-1.7
(v) Certificates of Deposit	(1,131.8)	(892.8)	(516.0)	+26.8	+119.3
(vi) Stabilization Securities	(-)	(-)	(-)	-	-
(vii) Other	(305.2)	(341.0)	(240.5)	-10.5	+26.9
(b) Abroad	-	-	2.1	-	-100.1
5. Other Assets	22,866.4	22,133.5	18,352.2	+3.3	+24.6
TOTAL	62,307.1	63,570.7	53,884.0	-2.0	+15.6
<b>LIABILITIES</b>					
1. Capital: Issued, paid-up & reserve	2,283.1	2,109.8	1,750.4	+8.2	+30.4
2. Balance held for	1,319.4	1,209.2	1,020.8	+9.1	+29.3
(a) Banks in Nigeria	602.2	685.1	587.9	-21.1	+2.4
(b) Other banks outside Nigeria	217.9	185.3	216.7	+17.6	+0.6
(c) Offices & branches outside Nig.	499.2	338.8	216.2	+47.3	+130.1
3. Money at call from other banks	713.7	798.2	290.2	-10.6	+145.9
(a) In Nigeria	689.7	780.2	290.2	-11.6	+137.7
(b) Outside Nigeria	24.0	18.0	-	+33.3	0.0
4. Loans and advances from	140.2	241.3	465.7	-41.9	-69.9
(a) Central Bank of Nigeria	-	82.5	20.0	-100.0	+312.5
(b) Other banks in Nigeria	21.2	16.5	16.5	+28.5	+28.5
(c) Other banks outside Nigeria	-	-	190.1	-	-100.0
(d) Other creditors	119.0	142.3	239.1	-16.4	-50.2
5. Deposits	27,775.7	31,482.7	27,103.8	-11.8	+2.5
(a) Demand	10,844.4	12,310.4	9,098.1	-11.9	+19.2
(b) Savings	8,374.9	7,753.8	6,133.1	+8.0	+36.6
(c) Time	8,556.4	11,418.5	11,872.6	-25.1	-27.9
6. Certificates of Deposit	110.7	75.4	86.3	+46.8	+28.3
7. Other Liabilities	29,964.3	27,654.1	23,166.8	+8.4	+29.3
TOTAL	62,307.1	63,570.7	53,884.0	-2.0	+15.6

\* Provisional

Table 3

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

Sectors	Prescribed Percentage for		Quarterly Average Performance in the		Deviation from Target in	
	1988	1989	2nd quarter 1988	2nd quarter 1989	2nd quarter 1988	2nd quarter 1989
A. High Priority Sectors	50.0	50.0	45.3	46.0	-4.7	-4.0
(i) Agricultural Production (Agric Forestry and Fishery)	(15.0)	(15.0)	(15.0)	(15.0)	(0.0)	(0.0)
(ii) Manufacturing Enterprises <sup>1</sup> (Including agro-allied Industries)	(35.0)	(35.0)	(30.3)	(31.0)	(-4.7)	(-4.0)
B. Other Sectors Comprising mining and quarrying construction, exports, public utilities, transports, communication, government, imports, domestic trade, money at call, credit and financial institution, personal and professional and miscellaneous	50.0	50.0	54.7	54.0	+4.7	+4.0
<b>TOTAL A+B</b>	100.0	100.0	100.0	100.0	-	-

<sup>1</sup> From 1987, this is defined as all manufacturing enterprises and agro-allied enterprises. It does not include mining, quarrying and construction which were classified under the sector uptill 1986.

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

Table 4

Accounts	June*	March	June	Percentage	
	1989	1989	1988	change between	
	(1)	(2)	(3)	(1) & (2)	(2) & (3)
<b>ASSETS</b>					
1. Cash and cash items	(35.2)	129.8	194.0	-127.1	-118.1
(a) Vault cash	3.7	2.4	0.7	+54.2	+428.6
(b) Balance at Central Bank	(38.9)	127.4	193.3	-130.5	-120.1
2. Balance held with	4,219.7	3,891.8	2,135.5	+8.4	+97.6
(a) Banks in Nigeria	690.9	622.1	229.8	+11.1	+200.7
(b) Banks outside Nigeria	3,528.8	3,269.7	1,905.7	+7.9	+85.2
(c) Offices and branches outside Nigeria	-	-	-	-	-
3. Loans and Advances	5,140.1	4,876.4	3,791.1	+5.4	+35.6
(a) Banks in Nigeria	10.0	9.5	8.2	+5.3	+22.0
(b) Other customers	4,528.2	4,377.4	3,782.9	+3.4	+19.7
(i) Banks' Subsidiaries	(-)	(-)	(-)	-	-
(ii) Federal Government	(5.1)	(2.6)	(0.3)	+96.2	+1,600.0
(iii) State Governments	(53.1)	(46.0)	(38.2)	+15.4	+39.0
(iv) Local Governments	(7.5)	(-)	(-)	(0.0)	-
(v) Other	(4,462.5)	(4,328.8)	(3,545.9)	+3.1	+25.8
(c) Banks outside Nigeria	-	-	-	-	-
(d) Money at call outside Banks	50.9	47.0	59.8	+8.3	-14.9
(e) Bills discounted	551.0	442.5	198.5	+24.5	+177.6
(i) Payable in Nigeria	(551.0)	(442.5)	(198.5)	+24.5	+177.6
(ii) Payable outside Nigeria	(-)	(-)	(-)	-	-
4. Factored Debts	(-)	(-)	(-)	-	-
5. Investment	2,176.0	1,727.2	2,302.3	+26.0	-5.5
(a) In Nigeria	2,176.0	1,727.2	2,302.3	+26.0	-5.5
(i) Treasury bills	(163.8)	(126.3)	(145.1)	+29.7	+12.9
(ii) Treasury certificates	(7.8)	(7.8)	(24.9)	0.0	-68.7
(iii) Development stocks	(11.2)	(13.6)	(22.5)	-17.6	-50.2
(iv) Bankers' Unit Fund	(-)	(-)	(-)	-	-
(v) Certificates of Deposit	(574.7)	(1,438.5)	(720.2)	-60.0	20.2
(vi) Stabilization Securities	(-)	(-)	(-)	-	-
(vii) Other	(418.5)	(141.8)	(157.0)	+195.1	+166.6
(b) Abroad	-	-	-	-	-
6. Equipment on Lease	1,212.9	895.6	626.9	+35.4	+93.5
7. Other Assets	8,014.5	8,428.9	4,172.7	-4.9	+92.1
<b>TOTAL</b>	<b>20,728.0</b>	<b>19,949.7</b>	<b>13,222.5</b>	<b>+3.9</b>	<b>+56.8</b>
<b>LIABILITIES</b>					
1. Capital: Issued, paid-up & reserve	725.8	582.0	350.6	+24.7	+107.0
2. Balance held for	931.1	734.8	189.1	+26.7	+392.4
(a) Banks in Nigeria	490.0	357.4	116.8	+37.1	+319.5
(b) Other banks outside Nigeria	441.1	377.4	72.3	+16.9	+510.1
(c) Offices & branches outside Nig.	-	-	-	-	-
3. Money at call from other banks	1,749.2	2,290.4	1,274.5	-23.6	+37.3
(a) In Nigeria	1,714.3	2,237.1	1,245.1	-23.4	+37.7
(b) Outside Nigeria	34.9	53.3	29.4	-34.5	+18.7
4. Loans and advances from	46.1	42.5	27.0	+8.5	+70.7
(a) Central Bank of Nigeria	16.8	-	4.2	0.0	+300.0
(b) Other banks in Nigeria	19.0	32.2	-	-41.0	0.0
(c) Other banks outside Nigeria	-	-	-	-	-
(d) Other creditors	10.3	10.3	22.8	0.0	-54.8
5. Deposits	6,662.3	6,413.4	3,742.8	+3.9	+78.0
(a) Demand	1,439.6	1,339.1	545.5	+7.5	+163.9
(b) Savings	6.7	-	-	0.0	0.0
(c) Time	5,216.0	5,074.3	3,197.3	+2.8	+63.1
6. Certificates of Deposit	1,170.9	915.4	393.1	+27.9	+197.9
7. Other Liabilities	9,442.6	8,971.2	7,245.4	+5.3	+30.3
<b>TOTAL</b>	<b>20,728.0</b>	<b>19,949.7</b>	<b>13,222.5</b>	<b>+3.9</b>	<b>+56.8</b>

\* Provisional



Table 5

**MERCHANT BANKS' LOANS AND ADVANCES<sup>1</sup> BY PURPOSE**  
(Percentage)

Sectors	Prescribed Percentage for		Quarterly Average Performance in the		Deviation from Target in	
	1988	1989	2nd quarter 1988	2nd quarter 1989	2nd quarter 1988	2nd quarter 1989
A. High Priority Sectors	50.0	50.0	56.6	54.7	+6.6	+4.7
(i) Agricultural Production (Agric, Forestry and Fishery)	(10.0)	(10.0)	(11.0)	(14.9)	(+1.0)	(+4.9)
(ii) Manufacturing Enterprises (Including agro-allied Industries)	(40.0)	(40.0)	(45.6)	(39.8)	(+5.6)	(-0.2)
B. Other Sectors	50.0	50.0	43.4	45.3	-6.6	-4.7
Comprising mining and quarrying construction, exports, public utilities, transport, communication, government, imports, domestic trade, money at call outside bank, credit and financial institution, personal and professional and miscellaneous						
TOTAL A + B	100.0	100.0	100.0	100.0	-	-

<sup>1</sup> Only Money at Call Outside banks was included in Merchant Banks' loans and Advances from 1988.