MOSES F. OTU

NON-PERFORMING ASSETS OF THE BANKING SYSTEM IN NIGERIA: COMPLEMENTARY MEASURES

By
M. F. OTU*

Introduction

The current reforms in the financial system are to reposition the banking industry to effectively play their financial intermediation role. In Nigeria, however, the underdeveloped state of the capital market, the dearth of instruments in the money market, as well as inadequate inflow of direct foreign investment, place the banking system as the best alternative source of funding investments in the economy. Expectedly, bank-lending channel play a significant role in determining the rate of expansion or contraction of private investments and output growth.

To encourage the banking industry to play these desired roles effectively, the regulatory authorities continue to provide the required policies and fine-tune the banking environment to enable the banks operate optimally. This includes occasional adjustment of the policy variables, and the prudential measures aim at smoothing the playing field for the banks. Despites these measures, however, it has been observed that while the deposits rate are low, the lending rates remain unacceptably high. This results in a wide interest rate spread between the lending rate and the deposits rates with its attendant distortions. Besides the high lending rate, banks exhibit apathy in lending to the real sector for productive purposes as they prefer to lend to the short-term end of the market, which attracts high rate of turnover especially, general commerce, speculating in the foreign exchange market as well as investing in government securities. The argument for this preference is that banks deposits are largely short tenured and therefore expedient that the funds be used for short term transactions, in order to prevent mismatch of assets and liabilities. The tendency to concentrate loans in few high profile areas had been alleged to have exacerbated the deteriorating quality of assets in the banking system. The concern is that any adverse developments in such sector, would trigger off a contagious effect in which many banks would be affected. This trend is particularly worrisome as some key sectors of the economy are starved of the much needed investment funds.

The broad objective of this article is, therefore, to examine the structure of the non-performing assets of the banking system in Nigeria with the view of ascertaining loan concentration. Further attempt would be made to

*Moses F. Otu is Assistant Director in the Research Department, CBN. The views expressed in this paper are personal to the author. They do not in any way represent the opinion of the Central Bank of Nigeria. I wish to acknowledge the assistance of my following colleagues: J. Adams, V. Atoi, and O. Ben-Obi(Mrs) who generated the data used for this study.

examine the causes of deteriorating assets and explore the complementary options for managing the non-performing loans.

Following this introduction as section one, the rest of the paper is structured thus: section two focuses on definitional and conceptual issues, section three covers the literature review while section four addresses the methodology and trend of non-performing assets and the sectoral contributions. Section five, presents the complementary options and the concluding remarks.

2.0 Literature Review And Definitional Issues:
2.1 Literature Review

Banks are unavoidably involved in risk taking by the nature of their business operations. Types and various forms of risks faced by banks are well documented in the literature (Sundarajan and Balino, 1991; Ebhodaghe,1992; and Forguson, 2003), For instance, banks face the risk of not being able to meet their obligations to depositors to whom they have issued demandable claims. This is called liquidity risk. There is also the likelihood of borrowers failing to repay as agreed i.e risk of default or credit risk. Similarly, there is the possibility that the mechanism processes and controls employed by banks to carry out its functions fail to achieve desired results i.e operational risk. These are a few of the broadly defined risks face by the banks. To stay in business, banks generally adopt risk mitigating principle to minimize their risk exposure by rigorously screening lending opportunities available, using unique expertise as well as continuously monitor and obtain repayment (Donli, 2004). This presupposes that competency in the overall risk analysis, and effective monitoring mechanism could minimize the incidence of non-performing facilities in the banking system.

Many studies have also indicated that besides individual bank's specific endogenous factors, there are also some exogenous factors such as adverse developments in the macro-economy, policy reversals; lapses in the regulatory/supervisory framework as well as weak legal/judicial system, that could precipitate or exacerbate poor quality assets.

2.1 Definitional Issues:

One of the core objectives of the regulatory authority is the stability of the financial system, which depends on the soundness of the banks exemplified by good quality assets, high profitability and sustainable earnings. Conversely, the stability of the system is impaired by poor quality credit facilities which like loans, advances, overdrafts, commercial papers, bankers acceptances, and bills discounted. To check the deterioration of banks assets, banks are required to review their credit portfolio periodically with a view to recognizing any defect in their quality and properly classify them accordingly.

Assets are classified as either "performing" or "non-performing". A credit facility is adjudged performing if payments of both principal and interest are paid up to date in accordance with the agreed repayment terms. On the other hand, a credit facility is deemed non-performing when any of the following conditions exists: interest or principal is due and unpaid for 90 days or more; and interest payments equal to 90 days interest or more have been capitalized, rescheduled or rolled over into a new loan.

Within the broad classification of non-performing credit, three sub-categories are recognized, namely; substandard, doubtful or lost. A substandard facility is one that displays a well defined weaknesses which could affect the ability of borrowers to repay, such as inadequate cash flow to service debt obligations, under capitalization or insufficient working capital, absence of adequate financial information or collateral documentation, irregular payment of principal and or interest, and inactive accounts where withdrawals exceed repayments or where repayments can hardly cover interest changes (CBN, 2004).

Doubtful facilities are those on which unpaid principal and/or interest remain outstanding for at least 180 days but less than 360 days, and are not secured by legal title to leased assets or perfected realizable collateral in the process of collection or realization. In respect of doubtful credit, in addition to the weaknesses associated with the sub-standard facilities, there is also an indication that full repayment of the debt is not certain or that realizable collateral values wouldl be insufficient to cover banks exposure. The case of lost facilities is associated with credit which the principal and/ or interest remain outstanding for 360 days or more and are not secured by legal title to leased assets or perfected realizable collateral in the course of collection or realization.

As a result of the deterioration in the quality of risk assets and a rise in the level of non-performing loans and advances, banks are required to make adequate financial for the envisaged operational losses. The concept of provisioning revolves around hedging against anticipated future credit losses by taking appropriate precautionary actions which encourage banks to reflect their true financial conditions. Increasing non-performing facilities implies increase provisioning, which results in diminution of banks earnings, profitability and capital. Generally, provisioning is an indication of inefficiency and has a strong negative relationship with stability of the system.

3.0 Causes of Poor Asset Quality

Numerous reasons have been adduced for the causes of default in credit resulting to non-performing assets. These among others, includes :

3.1 Macroeconomic Environment:

Borrowers from the banking system are integral part of the global economy, to a large extent, the stress in the economy has a direct impact on their operations. The Nigeria economy is characterized by decaying infrastructure, high inflation, depreciating value of the naira, large fiscal deficits, heavy external and internal debt burden that have resulted in overall slow growth of the economy. The unfriendly macroeconomic environment constrained borrowers from honouring their obligations to banks. A case in point is the borrowers with high import content operations; the devaluation of the naira ensures that foreign inputs prices shot up resulting in high cost of production, which in turn precipitated greater domestic capacity underutilization, thereby reducing the ability of the borrowers to repay their loans (Ogunleye, 1993).

3.2 Policy and Regulatory Environment

The macroeconomic policy of government, which revolve around full employment, price and exchange rate stability are usually in conflict with the private sector goal of wealth maximization. Realizing the cardinal role of the banking system in the attainment of government's macroeconomic objectives, the monetary authority intervenes to regulate the financial environment in order to minimize distortions in government's policy objectives. Some of such interventions include issuance of minimum capital requirement and Prudential Guidelines, cash reserve requirement ratio, withdrawal of public sector funds, and, investment in Small and Medium Enterprises and review of other prudential ratios. In implementing these policies the government envisaged improvements of the economy in its entirety, but often, time than not, such policies have adverse effect on the banking system. Participation of some banks in agricultural credit, and small and medium enterprises funding for instance, have resulted in default in the repayment of such loans and advances.

3.3 Poor Corporate Governance and Sharp Practices

One of the major contributors to the high non-performing facilities in the bank is absence of strong corporate governance in the banking system. This implies non-adherence to standard and best practices as stipulated by the authorities and a weak internal control procedure. Donli (2004) noted that a very significant characteristic of mismanagement is in the negative attitude and behaviour of bank managers which is difficult to reverse by the application of external policies and measures. Mismanagement in respect of loan and advances manifest through non-adherence to standard practices in approval of credit; mismatching of assets and liabilities, prevalence of over extension of facilities, fictitious collateralizations. Others and equally important factors include insider abuse facilities. The banks extend credit facilities to their directors and management staff without adhering to their credit policies. For instance, the extent of insider loans to total loans in selected banks in liquidation as at the date of closure ranged from 60 – 95.9 per cent. Furthermore, the ratio of non-performing loans to total loans of this lending ranged from 86 per cent to 99.9 per cent (NDIC 1993). The circumstances and the conditions in which some of the facilities were granted made it extremely difficult to recover the loans.

3.4 Poor Borrowers Habit and Values

Following the mismanagement and insider abuse, is what might be termed poor cultural values and retaliatory measures undertaken by borrowers to punish the management and the corrupt staff of the banks. Some of the loans facilities granted have no collaterals and not properly documented owing to the fact that the rules were compromised for a fee. Frivolous charges are deducted upfront before the disbursements are made to the borrower. Invariably, the amount collected by the borrower would be far less than the budgeted sum for the project. The borrower will be unwilling to repay the loan even if he has the means to repay. Further more, the bank will not have the moral justification to seek legal redress to recover the funds. In addition, the legal process is very cumbersome and takes a longer time for the bank to obtain justice. The exposure of the banks to these harsh environments constrained their operations and in the bit to satisfy their shareholders, they undertake unprofessional practices and risky investments which result in poor quality assets.

3.5 Undisclosed Information

Project managers can only appraised a project base on information available to them. Some loan beneficiaries with a negative borrowing culture contracted loans with the intention of not repaying from the inception. They usually withhold vital information in respect of the potential returns and risks associated with the project and connive with the insiders to push their proposals through. These facilities often are diverted for personal use and for projects that were not specified in the proposal. The active connivance of insider and uncultured beneficiaries results in bad loans which swells the non-performing assets of the banks. Non-disclosure of vital information and the inability of the desk officer to obtain superior data about the project often mislead them to make wrong judgments.

4. 0 Methodology

Data used in this study was generated from the Banking Analysis System (BAS) and banks statutory returns. The period of the study covered 1999 to 2005. Quarterly data that was aggregated to generate annual data was used for asset quality examination. While the sectoral analysis which covers ten sectors of the economy was restricted to recent developments in the first half, 2005. Various ratios computed include; Total non-performing assets/Total loans and advances; substandard loans/Total loans and advances; doubtful loans/Total loans and advances; loss assets/Total loans and advances; and loan provisioning/ Total loans and advances for all the sectors.

The banks were segmented into 'ten big' and 'ten small banks'. The ten big banks command about 55 percent of the total assets and deposits of the industry. This informed the choice of the banks since their activities capture a significant proportion of the industry and to enhance comparison on performance in terms of size, and other analysis such as examination of impact of loan concentration on quality of assets. The small banks were randomly picked between the eleventh bank (in terms of size of deposits) and the eighty ninth bank.

5.0 Trend and Sectoral Analysis of Non-Performing Assets

5.1 Trend

Analyses of loans and advances, non-performing assets, non-performing credit to total credit and loan loss provisioning are presented in Table1. The presentation showed that Loans and advances increased from N485 billion in 1999 to N929.0 billion in 2002, and peaked at N1,346 billion in 2004. The average growth rate of loans and advances within the period was 21.0 per cent. Similarly, the non-performing credit during the reviewed period increased from N101 billion in 1999 to N187.0 in 2002, and reached a high of N306.0 billion in 2004. The average growth rate of non-performing credit average 22.5 per cent implying that non-performing credit expanded much faster than total loan and advances. Non-performing credit as a proportion of total loans and advances averaged 20.3. this ratio is considered to be very high when compared to a ratio of between 8 – 10 per cent widely accepted international standard.

Further analysis shows that loan loss provision of N64.5 billion in 1999, increased to N138.8 billion in 2002 and to N223.4 billion in 2004. The high loan loss provision constrained the optimal operation banks thereby making the banking system to be inefficient and vulnerable to fluctuations in earnings and profitability.

5.2 Sectoral Analysis of Non-Performing Assets

This section, examines the performance of the ten big banks compared with the ten small banks; also sectoral performance was undertaken to examine the impact of loan concentration on asset quality.

(a) Analysis By Size of Operation.

Analysis of the non-performing assets in terms of bank size indicates that the big banks performed better than the small banks. While the total non-performing loans for the 10 big banks stood at 23.8 per cent the smaller banks recorded 39.3 per cent. The composition of the non-performing assets of the big banks shows that the loss amount and loan provisioning contributed 9.3 per cent and 10.8 per cent, respectively (Table 1Aand 1B) These ratios were much higher in the smaller banks, with the respective figures at 14.4 per cent and 18.4 per cent. The Non-performing assets were classified into substandard, doubtful, loss components. The proportionate share of these classes as a fraction of total loans and advances was computed as shown in (Figure1A and 1B).

This analysis shows that the big banks are relatively more efficient and enjoy greater customer's confidence than the small banks. To win customers and rekindle confidence, the smaller banks engage in some risky ventures.

FIGURE 1B OF NON-PERFORMING ASSETS BY SECTORS IN TEN BIG BANKS AS AT MARCH 2005

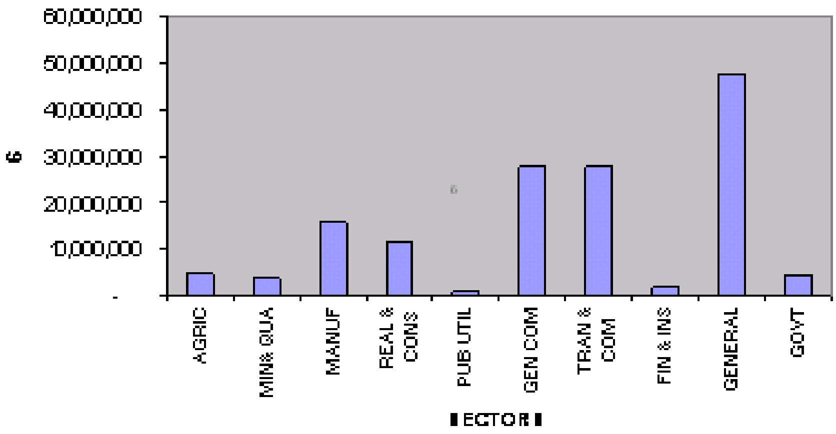


FIGURE 2A NON- PERFORMING ASSET
TEN SMALL BANKS AS AT MARCH, 2

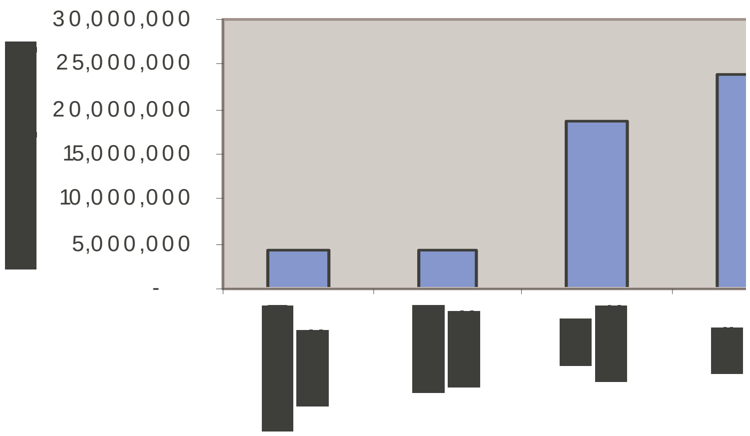
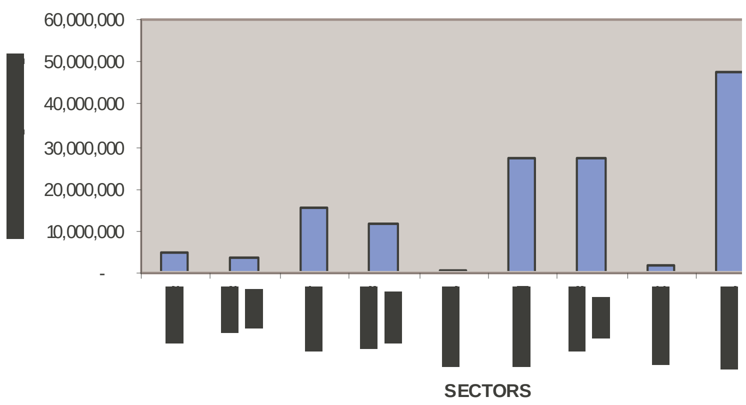


FIGURE 2B NON-PERFORMING ASSETS BY SECTORS IN TEN SMALL BANKS AS AT MARCH, 2005



(b) Sectoral Performance

Breakdown of non-performing assets into sub-sectors indicates that in nominal terms the big banks incurred N145.4 billion while the smaller banks recorded N50.9 billion. However, when this is weighed against

Agriculture, and mining and quarrying consistently sustained low values in both the "big banks" and the "small banks". In the three classes of non-performing loan, (i.e. substandard assets, doubtful assets, loss assets) manufacturing and general commerce sub-sectors maintained relatively high values in both categories of banks which stood at 9.5 and 17.3 per cent(Figure2A and 2B), respectively, in the "big banks and 15.2 and 23.5 per cent.

This performance could be attributed to several factors including, lack of expertise to assess the loans proposal, macroeconomic downtown, change in government policies and endogenous factors peculiar to each bank. Similarly the unclassified sub-sector (general) also sustained a higher value of non-performing assets (Table 2A and 2B).

The findings in this section identify loan concentration as a problem in Nigerian banking system. The concentration of loan and advances in few areas by the banks potent danger; probably due to high turn over in these areas that attracts the banks in total disregard to any adverse developments. The implications of this are that a shock in this area would have a bandwagon effect in the system.

5.2 Existing Measures and Complementary Options for Resolution

In this section, the existing measures implemented by the authorities in order to ensure stability in the system would be highlighted. Other complementary measures aimed at strengthening the existing policies, would also be proposed.

(a) Existing Policies and Measures

The increasing non-performing assets of the banking system are a threat to the existence of the banks as they affect the profitability, income and the confidence of the public in the banking system. It is fair that the menace be tackled before another round of crises in the system resurfaced. The highlights of some of the efforts taken by the authorities to address the problem include:

(i) Monetary, Credit, Foreign Trade and Exchange Policy Guidelines

Annually, the CBN issues the monetary policy guidelines incorporating the prudential guidelines for credit classification and income recognition. With effect from 2004/2005 fiscal year, the medium term framework for conduct of monetary policy was adopted in recognition of the fact that monetary policy impacts on the ultimate objectives with a substantial lag. Provision of the monetary programme has been effective in regulating, monitoring and the reviewing of credit development in the banking system.

(ii) Credit Risk Management System

The establishment of credit risk management system (CRMS) by the CBN was to provide a central data base in order to prevent predatory borrowers from wrecking havoc in the banking system. The deposit money banks (DMBs) are expected to access the system to ascertain the status and other vital information concerning loan applicants before extending facilities to the borrower. The banks on their own part are expected to render online, update returns on all loans granted in excess of N1.00 million. The aim of this was to prevent recycling the same borrowers in the system, which in the event of any adverse development would cause a chain reaction and cripple the entire system.

(iii) Credit Moderation Circulars

The development in the financial markets and performance of the economy over the year, necessitated the issuance of supplementary circulars. A graphic example of such circulars among others, include: granting of credits to all tiers of government and their agencies, insider – related credits and guidelines on electronic banking in Nigeria. These circulars had been found to moderate adverse developments in the system.

(iv) Minimum Paid Up Capital

Capital provides a cushion to absorb abnormal losses not cover by current earnings thereby enabling banks to regain equilibrium and to return to normal earning pattern. One of the consequences of the huge non-performing assets is the erosion of the capital base of the banks. In response to the need for adequate capital, the monetary authorities continued to review the minimum capital of the banks. The most recent re-capitalization policy of N25 billion for banks is an attempt to shore up the bank capital base and enhance public confidence in the banking industry.

(v) Bank Credit Expansion Provisions

To encourage banks to adhere to regulatory guidelines and exercise caution in granting new credit facilities, the CBN stipulates conditions for banks to meet before undertaking credit expansion. These include: Specified cash reserve requirement, Specified liquidity ratio, prudential guidelines, minimum capital requirement, capital adequacy ratio; and, sound management. In addition, the BOFI Acts limits the amount of credits to a single customer and requires insiders to declare their interests in credits.

Banks are required to meet set conditions before extending new credit facilities, and also to furnish the CRMS with any facility above N1.0 million. Because banks hardly met these conditions, they shy away from updating the CRMS and also deny themselves access to the provisions made available to them to enhance assessment of borrowers.

(vi) Contingency Planning for Systemic Distress

To prevent systemic distress in the banking system, the contingency planning framework, which provides detailed policy actions and trigger points necessary to curtail crises, was put in place in 2003. The effective implementation of the policy is expected to bring about greater supervisory surveillance on the banking system with attendant quick resolution of any banking related problem.

(b)Complementary Measures

Given the existing non-performing assets resolution policies, the scourge of the problem remains unabated in the system. There is therefore the need to re-enforce the existing measures for greater effectiveness. The measures and options proposed include:

(a) Debt factoring: This involves packaging of the non-performing assets of a bank for sale to individual companies. It is normally private sector driven where the buyer enforces recovery of the loan facilities. The biggest advantage of debt factoring is that it provides a large and quick boost to cash flow which is valuable to banks that have liquidity problem. It also reduces the time spent on credit recovery as some customers may respect debt factors and pay more quickly.

(b) Loan Acquisition Companies: This is an arrangement in which a group of institutional investors acquire the non-performing assets of a bank. Such acquisitions may be by way of sale with recourse or without recourse. In respect of sale with recourse, the banks' balance sheet still reflects the quantum of non-performing assets offered for sale while in the case of without recourse, the balance sheet value of the credit is reduced by the amount of the delinquent credit sold whether or not recovery by the buyer is effected.

(c) Asset Management Company: This is a company that is established for the purpose of acquiring the non-performing assets of banks with a view to freeing such banks from the burden of provisioning requirements. This is a situation where the AMC inject fresh funds with the bank in order to alleviate the banks liquidity problems.

(d) Loan Guarantee Scheme: A type of insurance against default provided by a credit guarantee association or other associations enables 'sound' borrowers who lack collateral security or unable to obtain loans for other reasons to obtain credit they require through banks in the normal way. It is an approach to promote the establishment and development of small businesses usually anchored by the public sector. The government agrees to under write 70 percent of approved loans made to such firms in exchange for 2.5percent annual premium on this portion, and on condition that the lending institution underwrites the balance of 30 percent. This scheme is a modified version of the agricultural credit guarantee scheme already existing in Nigeria, the only difference is the annual subscription imposed on the beneficiaries. All European union member states (except Denmark), the USA, Japan, and other countries have similar scheme.

These complementary options are capable of reducing non-performing assets of the banking system, bring fresh cash flows to improve the liquidity position of the banks, and also reduce the time spent on chasing loan recoveries.

(6.0) Summary and Conclusion

An attempt has been made in this paper to examine the causes and structure of non-performing assets and explores complementary options for resolving the issue in the banking system. The results of the findings show that the level of non-performing assets is unacceptably high. It averaged 23 percent, implying that for every ₦100.0 credit extended, ₦23.0 is bad. It has also been established that there is loan concentration in the system, which means that if there is any adverse development in that particular sub-sector, there could be a systemic effect in which many banks would be affected. The 10 big banks were more efficient than the smaller banks in extension of credit facilities. The bane of the small banks could be due to lack of competitive edge and expertise in credit administration. This pushes them into extending risky loans in order to remain relevant. The persistent and increasing trend of non-performing assets is suggestive that the existing measures are not robust enough to curtail the menace of non-performing assets. To this end, complementary measures should be considered for in the management of non-performing loans for increased stability of the banking system.

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TABLE 1: Asset Quality in Banks

Year	Assets (N billion)	Loans Advances (L&A) (N billion)	Non-Performing Credit (NPC) (N billion)	NPC/ L&A (%)	Loan Loss Provisions (N billion)	Ca Ad (N bil
1999	1,184.0	485.0	101.0	21.0	64.5	
2000	1,748.0	652.0	109.0	17.0	85.0	
2001	2,031.0	789.0	126.0	16.0	94.2	
2002	2,479.0	929.0	187.0	20.1	138.8	
2003	2,767.0	915.0	236.0	25.0	227.0	
2004*	3,415.0	1,346.0	306.0	22.7	223.4	

* Provisional

Source: BAS and Returns from the Banks

TABLE 2: NON-PERFORMING ASSETS OF BANKS FIRST QUAR 2005

Table 2A: THE TEN BIG BANKS

Non-Performing Loans	Proportion of NPLs (N'000)	% of NPLs to TLs&Adv	Tota & Ad (N'00
Substandard Amount	10,319,311	1.7	**610,**
Doubtful Amount	12,520,270	2.1	
Loss Amount	56,642,508	9.3	
Loss Provision	65,927,668	10.8	
TOTAL NON-PERFORMING LOANS (NPLs)	**145,409,757**	**23.8**	

Source: Same as in Table 1

TABLE 2B THE SMALL BANKS

Non-Performing Loans	Proportion of NPLs (N'000)	% of NPLs to TLs&Adv	Total I & Adv. (N'000)
Substandard Amount	4,235,396	3.3	**129,72**
Doubtful Amount	4,152,563	3.2	
Loss Amount	18,710,511	14.4	
Loss Provision	23,882,390	18.4	
TOTAL NON-PERFORMING	**50,980,860**	**39.3**	

Source: Same as Table 1

TABLE 3: Sectoral Breakdown of Non-Performin Assets

Table 3A THE BIG BANKS

SECTOR	Proportion of NPLs to Sectors (N'000)	% of Secto NPLs TNPL
AGRICULTURE	4,978,282	0.8
MINING & QUARRYING	3,925,703	0.6
MANUFACTURING	15,632,634	2.6
REAL ESTATE & CONSTRUCTION	11,447,813	1.9
PUBLIC UTILITIES	759,263	0.1
GENERAL COMMERCE	27,482,681	4.5
TRANSPORT & COMMUNICATION	27,486,024	4.5
FINANCE & INSURANCE	1,853,739	0.3
GENERAL	47,680,187	7.8
GOVERNMENT	4,163,431	0.7
TOTAL	**145,409,757**	**23.8**

Source: Same as Table 1

Table: 3B SMALL BANKS

SECTOR	Proportion of NPAs to Sectors (N'000)	% of Secto NPLs TNPLs
AGRICULTURE	2,695,798	2.1
MINING & QUARRYING	1,736,875	1.3
MANUFACTURING	7,340,590	5.7
REAL ESTATE & CONSTRUCTION	5,497,189	4.2
PUBLIC UTILITIES	3,919,980	3.0
GENERAL COMMERCE	10,629,993	8.2
TRANSPORT & COMMUNICATION	4,287,677	3.3
FINANCE & INSURANCE	4,219,010	3.3
GENERAL	10,650,284	8.2
GOVERNMENT	3,464	-
TOTAL	**50,980,860**	**39.3**

Source: Same as Table 1

TABLE 4A
NON-PERFORMING ASSETS OF THE TEN BIGGEST BANKS AS
2005

SECTOR	SA/T NPL	DA/T NPL	LA/T NPL	LP/T NPL
AGRICULTURE	3.9	5.1	3.1	3.3
MINING & QUARRYING	2.6	6.5	1.9	2.7
MANUFACTURING	6.2	9.0	11.1	11.5
REAL ESTATE & CONSTRUCTION	8.5	4.2	8.3	8.1
PUBLIC UTILITIES	0.6	0.6	0.5	0.5
GENERAL COMMERCE	11.2	18.9	19.5	19.6
TRANSPORT & COMMUNICATION	5.2	4.4	22.8	20.4
FINANCE & INSURANCE	1.0	1.0	1.3	1.3
GENERAL	55.6	42.0	29.6	30.2
GOVERNMENT	5.2	8.3	1.7	2.5
TOTAL	100.0	100.0	100.0	100.0
% of NPLs across Sectors to TNPLs	7.1	8.6	39.0	45.3

Source: Same as Table 1

TABLE 4B
NON-PERFORMING ASSETS OF THE TEN SMALLER BANKS
QUARTER, 2005

SECTOR	SA/T NPL	DA/T NPL	LA/T NPL	LP/T NPL
AGRICULTURE	6.7	6.8	5.1	4.9
MINING & QUARRYING	7.3	7.5	2.3	2.9
MANUFACTURING	19.4	13.7	13.6	14.3
REAL ESTATE & CONSTRUCTION	4.7	1.6	10.6	13.6
PUBLIC UTILITIES	7.8	8.5	9.6	6.0
GENERAL COMMERCE	23.9	31.0	19.6	19.6
TRANSPORT & COMMUNICATION	12.8	12.1	7.9	7.4
FINANCE & INSURANCE	7.1	9.7	7.4	9.0
GENERAL	10.4	9.2	23.9	22.4
GOVERNMENT	-	-	-	0.0
TOTAL	100	100	100	100
% of NPLs across Sectors to TNPLs	8.3	8.1	36.7	46.8

Source: Same as Table 1