

DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE FOURTH QUARTER OF 1988

Introduction

Developments during the quarter continued to be influenced by expansionary monetary and fiscal policies adopted during the year. Narrow money (M1) rose by 16.8 per cent, compared with the 1.6 per cent increase in the preceding quarter. The increase was largely due to the rapid expansion in bank credit to the economy. Broad money (M2) also rose by 8.6 per cent. Money and capital markets recorded modest growth.

Institutional Developments

The size of the banking industry increased with the entry of ten new banks comprising of six commercial and four merchant banks, during the quarter. The new commercial banks are: Inland Bank Nigeria Limited, Commercial Trust Bank Limited, All States Trust Bank Limited, Intercity Bank Limited, Chartered Bank Limited, and North-South Bank Limited. With these, the number of commercial banks operating in the country rose from 36 to 42. The Merchant Banks are Rims Merchant Bank, Prime Merchant Bank, Century Merchant Bank and Centre Point Merchant Bank. Thus the number of merchant banks rose from 20 to 24 during the quarter.

Money Supply

The persistent increase in the monetary aggregates continued into the fourth quarter, as the narrow measure of money (M1) rose by ₦2.9 billion or 16.8 per cent to ₦20.1 billion. The increase was substantially higher than the rise of ₦269.1 million or 1.6 per cent in the preceding quarter but somewhat below the increase of ₦2.5 billion or 20.2 per cent in the corresponding quarter of 1987. The monthly average level of M1 during the quarter amounted to ₦18.7 billion, compared with ₦17.3 billion in the preceding quarter and ₦14.0 billion in the comparable quarter of 1987. The factors which influenced the growth in money supply were the increases in net bank credit to the domestic economy (₦2.7 billion or 5.4 per cent) and net foreign assets of the banking system (₦627.4 million or 9.3 per cent). The expansionary impact of these factors were, however, partially offset by the contractionary effects resulting from the decline in "other" assets (net) and increase in quasi-money (see Table 1). Both the currency and demand deposits components contributed to the increase in M1 with the latter accounting for 68.7 per cent of the increase. Consequently the deposit ratio of M1 rose to 57.5 per cent from 55.6 per cent at the end of the preceding quarter.

The increase in M1, reinforced by the lower increase in quasi-money, stimulated the growth in broad money (M2) by ₦3.1 billion or 8.6 per cent to ₦38.5 billion. This compared with the lower increase of ₦485.3 million or 1.4 per cent in the preceding month and the higher rise of ₦4.0 billion or 15.3 per cent in the comparable period of 1987. The monthly average level of M2 totalled ₦37.1 billion,

compared with ₦34.0 billion in the preceding quarter and ₦28.4 billion in the corresponding quarter of 1987.

Banking System Credit

Aggregate bank credit to the domestic economy rose by ₦2.7 billion or 5.4 per cent to ₦51.6 billion, compared with increases of ₦3.2 billion or 7.0 per cent in the preceding quarter and ₦4.6 billion or 12.7 per cent in corresponding quarter of 1987. Both the government sector and the private sector accounted for the increase, with the former contributing 56.6 per cent of the increase.

Bank claims on the government sector rose by ₦1.2 billion or 4.2 per cent to ₦28.5 billion. This compared with the increase of ₦2.2 billion or 8.8 per cent in the preceding quarter and ₦3.3 billion or 17.5 per cent in the corresponding quarter of 1987. Specifically, Central Bank credit to the sector rose by ₦1.4 billion or 6.8 per cent to ₦21.3 billion and accounted wholly for the increase during the quarter. Conversely commercial banks' credit to the government dropped by ₦196.9 million or 2.7 per cent to ₦7.2 billion.

The traditional end-of-the-year surge in demand for credit resulted in an increase in bank claims on the private sector by ₦1.5 billion or 7.0 per cent to ₦23.2 billion, compared with the rise of ₦975.1 million or 4.7 per cent in the preceding quarter. The increase was accounted for largely by commercial banks' credit which rose by ₦1.2 billion or 6.2 per cent to ₦20.8 billion.

Foreign Assets

Foreign assets, net of the banking system, rose by ₦627.4 million or 9.3 per cent to ₦7.4 billion as against a decline of ₦275.4 million or 3.9 per cent in the preceding quarter. In the corresponding quarter of 1987, an increase of ₦788.4 million or 13.2 per cent was recorded. The increase in the quarter, was largely induced by naira exchange rate depreciation, and as such notional. The ownership of the foreign assets was dominated by commercial banks' holdings which rose by ₦734.7 million or 19.7 per cent to ₦4.5 billion, compared with a fall of ₦107.3 million or 3.6 per cent to ₦2.9 billion in the Central Bank's holdings.

Commercial Banking

Total assets/liabilities of the commercial banking system totalled ₦59.2 billion at the end of the fourth quarter, representing an increase of ₦4.6 billion or 8.5 per cent during the quarter. This compared with the increase of ₦1.8 billion or 3.5 per cent in the preceding quarter. Funds derived mainly from increased deposit and 'other' liabilities were utilised largely to expand loans, balances with other banks, investments and 'other' assets.

Commercial banks' total loans and advances rose by ₦1.2 billion or 6.3 per cent to ₦20.1 billion during the quarter vis-a-vis the stipulated target of 4.3 per cent for the fourth

quarter of 1988. This increase compared with ₦673.7 million or 3.7 per cent in the preceding quarter and ₦825.2 million or 4.9 per cent in the corresponding quarter of 1987.

Generally, the banks veered away from targets stipulated for the sectoral allocation of the loans and advances. Specifically, aggregate loans and advances to the high priority sector averaged 45.8 per cent, as against the prescribed minimum target of 50.0 per cent. Although, this represented an improvement when compared with 42.5 per cent achieved in the preceding quarter, further analysis revealed that while the share of agriculture over-shot the prescribed minimum target of 15.0 per cent by 0.6 percentage point, allocation to manufacturing fell short of the prescribed target of 35.0 per cent by 4.8 percentage points. "Other" sectors collectively exceeded the prescribed target of 50.0 per cent by 4.2 percentage points (see Table 3).

Aggregate investments fell by ₦112.4 million or 1.3 per cent to ₦8.9 billion, compared with a decline of ₦1.2 billion or 11.1 per cent in the preceding quarter. In the corresponding quarter of 1987, an increase of ₦1.6 billion or 22.5 per cent was recorded. The decline during the quarter was reflected in the banks' holdings of debt instruments, particularly treasury certificates.

Deposit liabilities of the commercial banks rose by ₦1.9 billion or 6.9 per cent to ₦29.1 billion during the fourth quarter. This compared with the increase of ₦92.2 million or 0.3 per cent in the preceding quarter and ₦3.0 billion or 14.9 per cent in the comparable quarter of 1987. The increase was traced to the rise in demand (₦1.7 billion) and savings (₦511.4 million) deposit liabilities which more than offset the fall of ₦335.9 million in time deposit liabilities.

Merchant Banking

Total assets/liabilities of the merchant banking system rose by ₦2.7 billion or 18.6 per cent to ₦17.2 billion in the fourth quarter, compared with the increases of ₦1.3 billion or 9.7 per cent in the preceding quarter and ₦1.8 billion or 16.9 per cent in the corresponding quarter of 1987. The major sources of investible funds to the bank were balances held for banks (₦404.3 million), deposit liabilities (₦719.6 million), certificates of deposits (₦349.0 million), other liabilities (₦819.2 million) and money at call (₦315.5 million). These funds were used to expand loans and advances (₦547.4 million), balances with other banks (₦784.6 million), investments (₦586.1 million) and other assets (₦687.0 million).

Total loans and advances outstanding at the end of the quarter stood at ₦4.6 billion, representing an increase of ₦547.4 million or 13.7 per cent compared with the prescribed ceiling of 4.3 per cent for the quarter. Similarly, increases of ₦152.3 million or 4.0 per cent and ₦4.2 billion or 20.3 per cent were recorded in the preceding and corresponding periods in 1988 and 1987 respectively. The merchant banks as a group generally, complied with the CBN guidelines on sectoral allocation of credit during the quarter. Specifically, allocation to the high priority sector averaged 46.7 per cent compared with the prescribed minimum of 50.0

per cent. Agriculture absorbed 12.8 per cent against the minimum of 10.0 per cent while manufacturing received 43.9 per cent, compared with the stipulated minimum of 40.0 per cent. "Other" sectors collectively absorbed 43.3 per cent, compared with 51.8 per cent achieved in the preceding quarter and the prescribed maximum target of 50.0 per cent.

Total investment outstanding rose by ₦586.1 million or 56.9 per cent to ₦1.6 billion during the quarter, in contrast with the declines of ₦38.7 million or 3.6 per cent in the preceding quarter and ₦304.3 million or 28.8 per cent in the comparable period in 1987. This increase was reflected in the banks' holding of treasury certificates and certificate of deposits. Similarly, the value of equipment leasing rose by ₦56.3 million or 7.7 per cent to ₦790.1 million. This constituted 4.6 per cent of the total assets, compared with 5.1 per cent achieved in the preceding quarter and the prescribed maximum target of 15.0 per cent.

Deposit liabilities of the system rose by ₦719.6 million or 13.6 per cent to ₦4.8 billion, compared with the increases of ₦92.2 million or 0.3 per cent in the preceding quarter and ₦598.5 million or 21.5 per cent in the corresponding quarter of 1987. Time deposits accounted for the bulk (98.3 per cent) of the increase during the quarter.

FINANCIAL MARKETS

Money Market

The value of money market assets outstanding at the end of the quarter stood at ₦112.7 billion, representing an increase of ₦80.1 billion or 248.9 per cent over the preceding quarter. At ₦85.8 billion treasury bills accounted for 76.2 per cent of the outstanding money market assets, while treasury certificates and "Others" accounted for the remainder. Central Bank held 63.6 and 54.0 per cent of treasury bills and certificates outstanding at the end of the quarter, compared with 51.0 and 50.0 per cent at the end of the preceding quarter.

Capital Market

Trading activities in the Nigerian Stock Exchange declined during the quarter. A total of 11.2 million shares worth ₦12.6 million exchanged hands in 5911 deals, compared with 22.4 million shares valued at ₦23.8 million in 5117 deals in the preceding quarters. Analysis of the sectoral breakdown showed that the decline affected all the sectors. Specifically 6.8 million government shares valued at ₦6.9 million changed hands in 18 deals during the quarter, while equities totalling 4.3 million shares worth ₦5.7 million were transacted in 5893 deals. There was no transaction in the industrial loans and preference shares, during the quarter.

New Issues

The primary market recorded an impressive trading during the quarter. A total of 48,088,660 shares worth ₦180.99 million were raised through the new issue market. Of this amount ₦36.8 million was raised outside the Nigerian Stock Exchange, while ₦144.2 million were raised through the market.

Of the new issues raised through the market, two were equities while four were loan stocks. The two equities were the 3,260,000 ordinary shares of 50k offered by the West African Aluminium Products Limited at 52k per share (listed on the second-tier securities market) and Bendel Textile Mills Limited offer of ₦7.5 million worth of shares. And the four loan stocks were:

- (1) Nigerian Bottling Company: ₦50 million floating rate Redeemable Debenture Stock, 1993/1996 which carries a floating rate of 2.75% above the CBN Minimum Rediscount Rate subject to a guaranteed minimum of 13.75% and maximum of 19%; which was fully subscribed.
- (2) Enpee Industries: ₦15 million Floating Rate Mortgage Debenture Stock 1992/1995, with floating rate of 3.5% above CBN minimum rediscount rate subject to a minimum of 14% and maximum of 19%, and was 41.55 per cent under subscribed.
- (3) Premier Breweries Ltd: offer for a ₦10 million 16½% Loan Stock 1991/1995.
- (4) The Second Lagos State Government Bond: 15½ per cent floating Rate Revenue Bonds 1990/1999, which was 1.07 times subscribed.

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Table 1

MONETARY AND CREDIT DEVELOPMENTS DURING THE FOURTH QUARTER OF 1988
(₹ Million)

	December 1988*	September 1988	June 1988	December 1987	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)	51,633.9	48,969.8	45,783.6	41,390.8	+2,664.1	+5.4	+3,186.2	+7.0	+10,243.1	+24.8
CREDIT TO PRIVATE SECTOR	23,170.1	21,661.6	20,686.5	19,125.8	+1,508.5	+7.0	+975.1	+4.7	+4,044.3	+21.2
(i) Central Bank	2,341.2	2,047.1	1,882.9	1,917.3	+294.1	+14.4	+164.2	+8.7	+423.9	+22.1
(ii) Commercial Banks	20,828.9	19,614.5	18,803.6	17,208.5	+1,214.4	+6.2	+810.9	+4.3	+3,620.4	+21.0
CREDIT TO GOVERNMENT SECTOR (NET)	28,463.8	27,308.2	25,097.1	22,265.0	+1,155.6	+4.2	+2,211.1	+8.8	+6,198.8	+27.8
(i) Central Bank ¹	21,276.7	19,924.2	16,254.7	14,293.5	+1,352.5	+6.8	+3,669.5	+22.6	+6,983.2	+48.9
(ii) Commercial Banks ²	7,187.1	7,384.0	8,842.4	7,971.5	-196.9	-2.7	-1,458.4	-16.5	-784.4	-9.8
(iii) Federal Savings Bank	—	—	—	—	—	—	—	—	—	—
FOREIGN ASSETS (NET)	7,369.3	6,741.9	7,017.3	6,771.2	+627.4	+9.3	-275.4	-3.9	+598.1	+8.8
(i) Central Bank ³	2,900.2	3,007.5	3,535.9	4,660.1	-107.3	-3.6	-528.4	-14.9	-1,759.9	-37.8
(ii) Commercial Banks	4,469.1	3,734.4	3,481.4	2,111.1	+734.7	+19.7	+253.0	+7.3	+2,358.0	+111.7
OTHER ASSETS (NET)	-20,553.3	-20,321.6	-17,896.1	-18,167.4	-231.7	-1.1	-2,425.5	-13.6	-2,385.9	-13.1
TOTAL MONETARY ASSETS	38,449.9	35,390.1	34,904.8	29,994.6	+3,059.8	+8.6	+485.3	+1.4	+8,455.3	+28.2
QUASI MONEY	18,397.2	18,221.8	18,005.6	15,088.7	+175.4	+1.0	+216.2	+1.2	+3,308.5	+21.9
MONEY SUPPLY	20,052.7	17,168.3	16,899.2	14,905.9	+2,884.4	+16.8	+269.1	+1.6	+5,146.8	+34.5
(i) Currency Outside Banks	8,526.0	7,622.9	6,923.2	6,298.6	+903.1	+11.9	+699.7	+10.1	+2,227.4	+35.4
(ii) Private Sector Demand Deposits	11,526.7	9,545.4	9,976.0	8,607.3	+1,981.3	+20.8	-430.6	-4.3	+2,919.4	+33.9
TOTAL MONETARY LIABILITIES	38,449.9	35,390.1	34,904.8	29,994.6	+3,059.8	+8.6	+485.3	+1.4	+8,455.3	+28.2
FED. GOVT. DEMAND DEPOSITS	7,190.2	6,003.1	7,040.7	5,193.6	+1,187.1	+19.8	-1,037.6	-14.7	+1,996.6	+38.4

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

² Less Federal Government demand deposits with commercial banks

³ Includes Federal Government External Assets

* Provisional

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

Table 2

Account	December	September	December	Percentage	
	1988 ¹	1988	1987	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items	2,152.1	1,458.0	2,193.2	+ 47.6	- 1.9
(a) Vault cash	796.9	540.1	556.3	+ 47.6	+ 43.2
(b) Balance at Central Bank	1,355.1	917.9	1,636.9	+ 47.6	- 17.2
2. Balance held with	7,273.7	6,015.7	4,664.0	+ 20.9	+ 56.0
(a) Banks in Nigeria	2,467.1	1,754.9	1,673.3	+ 40.6	+ 47.4
(b) Banks outside Nigeria	4,192.8	3,741.0	2,728.4	+ 12.1	+ 53.7
(c) Offices and branches outside Nigeria	613.8	519.8	262.3	+ 18.1	+ 134.0
3. Loans and Advances	20,051.5	18,868.7	16,840.6	+ 5.2	+ 17.9
(a) Banks in Nigeria	—	1.1	82.8	- 100.0	- 100.0
(b) Other customers	19,461.2	18,620.0	16,525.7	+ 4.5	+ 17.8
(i) Banks' Subsidiaries	(—)	(—)	(—)	—	—
(ii) Federal Government	(230.3)	(273.6)	(142.8)	- 15.8	+ 61.3
(iii) State Government	(478.6)	(454.1)	(473.6)	+ 5.4	+ 1.1
(iv) Local Governments	(65.8)	(22.9)	(27.1)	+ 187.3	+ 142.8
(v) Other	(18,686.5)	(17,869.4)	(15,882.2)	+ 4.6	+ 17.7
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	199.3	16.0	6.7	+ 1,145.6	+ 2,874.6
(e) Bills discounted	391.1	231.6	225.5	+ 68.9	+ 73.4
(i) Payable in Nigeria	(128.2)	(231.1)	(224.9)	- 44.5	- 43.0
(ii) Payable outside Nigeria	(262.9)	(0.5)	(0.6)	+ 52,480.0	+ 43,716.7
4. Investment	8,759.1	8,871.5	8,714.7	- 1.3	+ 0.6
(a) In Nigeria	8,759.1	8,871.5	8,712.6	- 1.3	+ 0.5
(i) Treasury bills	(5,273.9)	(5,218.3)	(5,250.5)	+ 1.1	+ 0.4
(ii) Treasury certificates	(2,053.7)	(2,217.3)	(2,322.2)	+ 7.4	- 11.6
(iii) Development stocks	(405.0)	(406.0)	(537.2)	+ 0.2	- 24.6
(iv) Bankers' Unit Fund	(27.9)	(9.0)	(8.6)	+ 210.0	+ 224.4
(v) Certificates of Deposit	(759.1)	(754.9)	(444.9)	+ 0.6	+ 70.6
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	(257.5)	(266.0)	(149.1)	+ 3.2	+ 72.7
(b) Abroad	—	—	2.1	—	- 100.0
5. Other Assets including Money at call	20,989.9	19,435.7	17,415.9	+ 8.0	+ 20.5
TOTAL	59,226.2	54,649.6	49,828.4	+ 8.4	+ 18.9
LIABILITIES					
1. Capital: Issued, paid-up & reserve	1,932.4	1,847.6	1,545.7	+ 4.6	+ 24.8
2. Balance held for	895.5	1,113.6	1,418.6	- 19.6	- 36.9
(a) Banks in Nigeria	550.8	776.3	536.3	- 29.0	+ 2.7
(b) Other banks outside Nigeria	96.6	135.5	646.7	- 28.7	- 85.1
(c) Offices & branches outside Nigeria	248.1	201.8	235.6	+ 22.9	+ 5.3
3. Money at call from other banks	513.1	222.1	412.6	+ 131.0	+ 24.4
(a) In Nigeria	513.1	222.1	412.6	+ 131.0	+ 24.4
(b) Outside Nigeria	—	—	—	—	—
4. Loans and advances from	205.8	318.8	252.0	- 35.4	- 18.3
(a) Central Bank of Nigeria	82.5	3.5	6.5	+ 2,257.1	+ 1,169.2
(b) Other banks in Nigeria	16.5	16.5	12.0	—	+ 37.0
(c) Other banks outside Nigeria	—	189.7	—	- 100.00	—
(d) Other creditors	106.8	109.0	233.4	- 2.0	- 54.2
5. Deposits	29,065.1	27,196.0	23,086.8	+ 6.9	+ 25.9
(a) Demand	10,667.9	8,974.2	7,998.1	+ 18.9	+ 33.4
(b) Savings	7,122.7	6,611.3	5,206.7	+ 7.7	+ 36.8
(c) Time	11,274.5	11,610.4	9,882.0	- 2.9	+ 14.1
6. Certificates of Deposit	72.1	89.8	101.8	- 19.7	- 29.2
7. Other Liabilities	26,542.2	23,861.8	23,011.6	+ 11.2	+ 15.3
TOTAL	59,226.2	54,649.6	49,828.4	+ 8.4	+ 18.9

¹ Provisional

² Excluding Money at Call

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

Table 3

SECTORS	Prescribed Percentage for		Quarterly Average Performance in the		Deviation from Targets in	
	1987	1988	4th quarter 1987	4th quarter 1988	4th quarter 1987	4th quarter 1988
A. High Priority Sectors	50.0	50.0	42.5	45.8	- 7.5	- 4.2
(i) Agricultural Production (Agric, Forestry and Fishing)	(15.0)	(15.0)	(13.8)	(15.6)	- 1.2	+ 0.6
(ii) Manufacturing Enterprises ¹ Including agro-allied Industry	(35.0)	(35.0)	(28.7)	(30.2)	- 6.3	- 4.8
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	57.5	54.2	+ 7.5	+ 4.2
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 STATEMENTS OF ASSETS AND LIABILITIES
(N' Million)

Table 4

Account	December	September	December	Percentage change between	
	1988	1988	1987	(1) & (2)	(1) & (3)
	(1)	(2)	(3)		
ASSETS					
1. Cash and cash items	291.8	258.3	378.9	+ 13.0	- 23.0
(a) Vault cash	1.3	0.9	1.0	+ 44.4	+ 30.0
(b) Balance at Central Bank	290.5	257.3	377.9	+ 12.9	- 23.1
2. Balance held with	3,262.4	4,477.8	1,736.2	+ 31.7	+ 87.9
(a) Banks in Nigeria	496.0	240.5	447.4	+ 106.2	+ 10.9
(b) Banks outside Nigeria	2,766.3	2,237.3	1,288.8	+ 23.6	+ 114.6
(c) Offices and branches outside Nigeria	—	—	—	—	—
3. Loans and Advances	4,550.6	4,003.2	3,115.8	+ 13.7	+ 46.0
(a) Banks in Nigeria	—	9.0	1.6	- 100.0	+ 462.5
(b) Other customers	4,012.0	3,655.3	2,799.2	+ 9.8	+ 43.3
(i) Banks' Subsidiaries	(—)	(—)	(—)	—	—
(ii) Federal Government	(—)	(0.4)	(—)	- 100.0	0.0
(iii) State Government	(29.2)	(21.0)	(18.8)	+ 39.0	+ 55.3
(iv) Local Governments	(—)	(—)	(—)	—	—
(v) Other	(3,982.8)	(3,633.9)	(2,780.5)	+ 9.6	+ 43.2
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	260.8	102.4	44.1	+ 154.7	+ 491.4
(e) Bills discounted	277.8	236.6	270.9	+ 17.4	+ 2.6
(i) Payable in Nigeria	(277.8)	(236.6)	(270.9)	+ 17.4	+ 2.6
(ii) Payable outside Nigeria	(—)	(—)	(—)	—	—
4. Investment	1,617.1	1,031.0	1,360.7	+ 56.9	+ 18.8
(a) In Nigeria	1,617.1	1,031.0	1,360.7	+ 56.9	+ 18.8
(i) Treasury bills	(277.8)	(103.1)	(260.5)	+ 169.5	+ 6.6
(ii) Treasury certificates	(8.7)	(7.8)	(24.7)	+ 11.5	- 64.8
(iii) Development stocks	(13.6)	(56.6)	(5.2)	- 76.0	+ 161.5
(iv) Bankers' Unit Fund	(—)	(—)	(—)	—	—
(v) Certificates of Deposit	(1,102.4)	(575.5)	(903.4)	+ 91.6	+ 22.0
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	(214.8)	(288.1)	(166.8)	- 25.4	+ 28.8
(b) Abroad	—	—	—	—	—
5. Equipment on Lease	790.1	733.8	489.2	+ 7.7	+ 61.5
6. Other Assets	6,691.4	6,004.4	5,199.1	+ 11.4	+ 28.7
TOTAL	17,203.6	14,508.6	12,280.0	+ 18.6	+ 40.1
LIABILITIES					
1. Capital: Issued, paid-up & reserve	471.2	383.7	252.6	+ 22.8	+ 86.5
2. Balance held for	698.7	294.4	163.5	+ 137.3	+ 327.3
(a) Banks in Nigeria	476.8	156.5	103.7	+ 204.7	+ 359.8
(b) Other banks outside Nigeria	221.9	137.3	59.8	+ 61.6	+ 271.1
(c) Offices & branches outside Nigeria	—	0.6	—	- 100.0	0.0
3. Money at call from other banks	1,496.5	1,181.0	1,140.3	+ 26.7	+ 31.2
(a) In Nigeria	1,460.5	1,148.0	1,112.5	+ 27.2	+ 31.3
(b) Outside Nigeria	36.0	33.0	27.8	+ 9.1	+ 29.5
4. Loans and advances from	19.5	19.5	26.4	—	- 26.1
(a) Central Bank of Nigeria	—	—	—	—	—
(b) Other banks in Nigeria	—	—	—	—	—
(c) Other banks outside Nigeria	—	—	—	—	—
(d) Other creditors	19.5	19.5	26.4	—	- 26.1
5. Deposits	4,817.6	4,098.0	3,383.0	+ 17.6	+ 42.4
(a) Demand	834.8	822.7	560.1	+ 1.5	+ 49.0
(b) Savings	—	—	—	—	—
(c) Time	3,982.8	3,275.3	2,822.9	+ 21.6	+ 41.1
6. Certificates of Deposit	800.8	451.8	437.8	+ 77.2	+ 82.9
7. Other Liabilities	8,899.3	8,080.1	6,876.5	+ 10.1	+ 29.4
TOTAL	17,203.6	14,508.6	12,280.0	+ 18.6	+ 40.1

**MERCHANT BANKS' LOANS AND ADVANCES¹ BY PURPOSE
(PERCENTAGE)**

Table 5

SECTORS	Prescribed Percentage for		Quarter Average performance in the		Deviation from Targets in	
	1987	1988	4th quarter 1987	4th quarter 1988	4th quarter 1987	4th quarter 1988
A. HIGH PRIORITY SECTORS	50.0	50.0	48.2	56.7	- 1.8	+ 6.7
(i) Agricultural production (Agric, Forestry and Fishing)	(10.0)	(10.0)	(8.4)	(12.8)	(- 1.6)	(+ 2.8)
(ii) Manufacturing Enterprises* (Including agro-allied Industries)	(40.0)	(40.0)	(39.8)	(43.9)	(- 0.2)	(+ 3.9)
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	51.8	43.3	+ 1.8	- 6.7
TOTAL A+B	100.0	100.0	100.0	100.0	-	-

¹ Merchant banks' loans and Advances in 1987 included Money at call while this was excluded in 1988.

* 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.