

DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE FIRST QUARTER OF 1989

Influenced largely by the substantial increase in foreign assets of the banking system, narrow money stock (M1) rose significantly by 7.1 per cent during the first quarter of 1989, thus repeating the contra-seasonal growth observed in the corresponding period of 1988. Bank credit to the domestic economy rose moderately while other assets (net) declined substantially. Reinforced by a rise in quasi-money, the level of broad money (M2) also rose by 9.1 per cent compared with the rise of 7.7 per cent in the comparable period of 1988. Activity on the money and capital markets improved considerably during the quarter.

Money Supply

The upward growth in the narrow measure of money stock (M1) which characterised the four quarters of 1988, continued into the first quarter of 1989, as money supply (M1) rose by ₦1.5 billion or 7.1 per cent to ₦22.7 billion at the end of March 1989. This compared with the increases of ₦4.1 billion (revised) or 23.9 per cent and ₦967.0 million or 6.6 per cent in the preceding quarter and corresponding quarter of 1988, respectively. On a monthly average basis, M1 stood at ₦21.5 billion, compared with ₦18.6 billion in the preceding quarter.

The expansionary factors of M1 during the review quarter were the increase of ₦177.5 million in aggregate credit to the domestic economy and the rise of ₦5.5 billion in foreign assets of the banking system. The expansionary effects of these factors were, however, partly offset by the contractionary impact of the decline of ₦1.8 billion in "other" assets net of the banking system and the increase of ₦2.4 billion in quasi-money (see table 1). Both the currency and demand deposit components contributed to the increase in M1 with the latter accounting for 59.2 per cent of the increase. Consequently, the demand deposit ratio of M1 rose to 55.7 per cent from 55.5 per cent at the end of December 1988.

The growth in M1, reinforced by a substantial increase in quasi-money influenced the rise in broad money (M2) by ₦3.9 billion or 9.1 per cent to ₦46.7 billion, compared with the increases of ₦3.4 billion or 8.6 per cent in the preceding quarter and ₦2.5 billion or 7.7 per cent in the corresponding quarter of 1988.

Banking System Credit

Aggregate bank credit to the domestic economy rose by ₦177.5 million or 0.3 per cent to ₦57.5 billion at the end of the first quarter of 1989. This compared with the increases of ₦2.6 billion or 4.7 per cent in the preceding quarter and ₦4.0 billion or 8.5 per cent in the corresponding quarter of 1988. Credit to the private sector accounted wholly for the increase, as credit (net) to government declined.

At ₦31.3 billion, bank credit to the private sector rose by ₦1.5 billion or 5.1 per cent. This compared with the increases of ₦2.1 billion or 8.1 per cent in the corresponding period of 1988 and the rise of ₦2.5 billion or 9.2 per cent

in the preceding quarter. The increase in claims on the private sector was traceable to commercial and merchant banks' credit which rose by ₦810.3 million or 3.9 per cent and ₦813.1 million or 12.5 per cent respectively, while Central Bank's claims on the sector dropped by ₦106.1 million or 4.4 per cent to ₦2.3 billion at the end of the first quarter of 1989.

Claims on the government sector dropped by ₦1.3 billion or 4.9 per cent to ₦26.2 billion. These contrasted with the increase of ₦76.5 million or 0.3 per cent (revised) in the preceding quarter. Accounting wholly for the drop was the decline of ₦2.3 billion or 10.5 per cent in Central Bank's claims on the sector, which more than offset the increases of ₦863.6 million or 15.1 per cent and ₦78.7 million or 139.0 per cent in commercial and merchant banks' claims on the sector respectively.

Foreign Assets

Following further depreciation of the Naira, foreign assets of the banking system rose notionally by ₦5.5 billion or 53.9 per cent to ₦15.8 billion at the end of the first quarter of 1989. This compared with the increases of ₦1.4 billion or 16.4 per cent in the preceding quarter and ₦572.5 million or 7.1 per cent in the comparable quarter of 1988. The increase during the review quarter was reflected mainly in the Central Bank's holding of foreign assets, which rose by ₦4.6 billion or 140.8 per cent to ₦7.9 billion at the end of the quarter. Both commercial and merchant banks' holdings also rose by ₦575.2 million or 12.9 per cent and ₦330.5 million or 13.2 per cent respectively.

Commercial Banking

Total assets/liabilities of the commercial banks stood at ₦63.6 billion at the end of March 1989, showing an increase of ₦4.3 billion or 7.3 per cent during the quarter. This compared with the increase of ₦4.6 billion or 8.5 per cent in the preceding quarter. Investible funds during the review period were derived mainly from increases in deposit liabilities, balances held for other banks, and other liabilities. These were utilized to expand "other" assets, investments and balances held with other banks.

Commercial banks loans and advances outstanding rose by ₦500.1 million or 2.5 per cent to ₦20.6 billion at the end of the review quarters as against the permissible expansion rate of 2.3 per cent for the first quarter of 1989. The increase during the review quarter compared with the rise of ₦1.2 billion or 6.3 per cent in the preceding quarter and the increase of ₦745.8 million or 4.4 per cent in the corresponding quarter of 1988. A sectoral break-down of these loans showed that the banks continued to deviate from the policy target, as loans and advances to the high priority sector averaged 46.4 per cent compared with the prescribed minimum target of 50.0 per cent. This was however an improvement when compared with 45.8 and 44.2 per cent achieved in the preceding and corresponding quarters respectively. The share of agriculture exceeded the

prescribed minimum target of 15.0 per cent by 0.9 percentage point while allocation to the manufacturing sub-sector fell short of the stipulated target of 35.0 per cent by 4.5 percentage points. "Other" sectors collectively exceeded the prescribed target of 50.0 per cent by 3.6 percentage points (see Table 3).

Commercial banks' total investments rose by ₦1.5 billion or 17.6 per cent to ₦10.3 billion during the quarter under review. This contrasted with the declines of ₦112.4 million or 1.3 per cent in the preceding quarter and ₦835.8 million or 8.9 per cent in the corresponding quarter of 1988. The increase was reflected mainly in the banks' holdings of government securities largely in treasury bills which rose by ₦1.2 billion or 21.0 per cent while the banks' investments in treasury certificates and certificate of deposits rose marginally by ₦195.0 million or 9.6 per cent and ₦133.7 million or 17.6 per cent respectively (see Table 2).

Commercial banks' deposit liabilities rose by ₦2.4 billion or 8.3 per cent to ₦31.5 billion at the end of the first quarter of 1989. This compared with the increase of ₦1.9 billion or 6.9 per cent in the preceding quarter and the rise of ₦1.9 billion or 8.3 per cent in the corresponding quarter of 1988. All the deposit types contributed to the increase during the review quarter with the demand deposit accounting for the bulk (66.7 per cent).

Merchant Banking

Total assets/liabilities of the merchant banking system rose by ₦2.7 billion or 16.0 per cent to ₦19.9 billion at the end of the first quarter of 1989, compared with the increase of ₦2.7 billion or 18.6 per cent in the preceding quarter and the rise of ₦297.4 million or 2.4 per cent in the corresponding quarter of 1988. Investible funds accrued mainly from increases in deposit liabilities, money at call from other banks and the drop in cash and cash items. These were utilized to expand mainly investments, balances held with other banks and other assets.

Total loans and advances of the merchant banking system rose by ₦457.3 million or 10.3 per cent to ₦4.9 billion at the end of the first quarter of 1989, compared with the prescribed ceiling of 2.3 per cent for the quarter. The increase during the review quarter compares with the rise of ₦547.4 million or 13.7 per cent and ₦268.5 million or 8.3 per cent in the preceding and corresponding quarters respectively. The banks' sectoral allocation of loans and advances showed compliance with policy guideline as allocation to the high priority sector averaged 53.6 per cent, compared with the budget stipulation of 50.0 per cent. However, allocation to the agricultural sector exceeded the 10.0 per cent prescribed minimum by 3.4 percentage points, while manufacturing enterprises exceeded the prescribed ceiling of 40.0 per cent by 0.2 percentage point. Correspondingly, "other" sector collectively absorbed 46.4 per cent as against 50.0 per cent prescribed for the sector (see Table 5).

Merchant banks' total investments rose by ₦110.1 million or 6.8 per cent to ₦1.7 billion during the quarter, compared with the increase of ₦586.1 million or 56.9 per cent in the preceding quarter, but contrasted with the decline of ₦157.8 million or 6.9 per cent in the corresponding quarter of 1988.

The increase during the quarter under review was wholly accounted for by the banks' investment in certificate of deposits.

The value of merchant banks' equipment on lease totalled ₦895.6 million, showing an increase of ₦105.5 million or 13.4 per cent during the quarter under review. As a percentage of total assets, the value of equipment on lease was 4.5 per cent, compared with the 15.0 per cent maximum allowed.

Deposit liabilities of the banks rose by ₦1.6 billion or 33.1 per cent to ₦6.4 billion. This compared with the increases of ₦719.6 million or 13.6 per cent in the preceding quarter and ₦157.9 million or 4.7 per cent in the corresponding quarter of 1988. Both the demand and time deposits accounted for the increase with the latter accounting for 79.1 per cent of the total.

FINANCIAL MARKETS:

Capital Market

Trading in the primary and secondary capital market was relatively active during the first quarter of 1989. Although, the number of deals dropped marginally, the volume and value of traded securities on the secondary market increased substantially, while three companies approached the new issues market for funds.

A total of 94.0 million shares, worth ₦90.6 million in 5468 deals were traded on the Nigerian Stock Exchange during the first quarter of 1989. This compared with 11.2 million shares worth ₦12.6 million traded in 5911 deals in the preceding quarter. The substantial increase in volume and value during the quarter under review is attributable mainly to trading in government securities, even though the ₦10.0 million Federal Republic of Nigeria Fifth Development Stocks matured and were redeemed during the quarter.

Three new companies raised a total of ₦408.4 million from the primary market during the first quarter of 1989. The details of the new issues are

- (1) Newpark Nigeria Limited 5,140,000 ordinary shares of 50k at 51k per share ;
- (2) Owena Bank Limited 12,000,000 ordinary shares of 50k at 95k per share ; and
- (3) Okitipupa Oil Palm Company 35 ordinary shares of 50k at 55k per share .

Following the privatisation programme of the Federal Government, the shares of the following two companies were offered for sale during the quarter under review:

- (a) Flour Mills Nigeria Limited (offer for sale, 6,900,000 ordinary shares of 50k at 80k per share), and
- (b) African Petroleum Nigeria Limited (offer for sale 17,280,000 ordinary shares of 50k at ₦1.90 per share).

Money Market

Total money market assets outstanding increased by ₦830.1 million or 1.9 per cent to ₦45.4 billion at the end of the first quarter of 1989, as compared with the increase of ₦80.1 billion or 248.9 per cent recorded in the preceding quarter. Accounting for the increase in the first quarter of 1989 were the increase of ₦570.0 million and ₦288.0

million in certificates of deposits and commercial papers respectively. While there was a special issue of treasury certificates worth ₦150.0 million, treasury bills worth ₦35.5 million were issued to replace matured ones of the same value, during the quarter.

Money and Banking Office
Domestic Finance Division
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Table 1

MONETARY AND CREDIT DEVELOPMENTS DURING THE FIRST QUARTER OF 1989

(N 'Million)

	March 1989 (1)	December 1988 (2)	September 1988 (3)	March 1988 (4)	Changes Between (1) & (2)		Changes Between (2) & (3)		Changes Between (1) & (4)	
					Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
CREDIT TO DOMESTIC ECONOMY (NET)	57,503.7	57,326.2	54,729.0	50,909.7	+177.5	+0.3	+2,597.2	+4.7	+6,594.0	+13.0
CREDIT TO PRIVATE SECTOR	31,291.2	29,773.5	27,252.8	27,530.2	+1,517.7	+5.1	+2,520.7	+9.2	+3,761.0	+13.7
(i) Central Bank	2,312.4	2,418.5	2,047.1	1,932.4	- 106.1	+4.4	+371.4	+18.1	+380.0	+19.7
(ii) Commercial Banks	21,639.2	20,828.9	19,614.4	19,429.1	+810.3	+3.9	+1,214.5	+6.2	+2,210.1	+11.4
(iii) Merchant Banks	7,339.2	6,526.1	5,591.3	6,168.7	+813.1	+12.5	+934.8	+16.7	+1,170.5	+19.0
CREDIT TO GOVERNMENT SECTOR (NET)	26,212.5	27,552.7	27,476.2	23,379.5	- 1,340.2	-4.9	+76.5	+0.3	+2,833.0	+12.1
(i) Central Bank ¹	19,484.7	21,767.2	19,924.2	16,900.9	- 2,282.5	- 10.5	+1,843.0	+9.3	+2,583.8	+15.3
(ii) Commercial Banks ²	6,592.5	5,728.9	7,384.1	6,423.0	+863.6	+15.1	- 1,655.2	- 22.4	+169.5	+2.6
(iii) Merchant Banks	135.3	56.6	167.9	55.6	+78.7	+139.0	- 111.3	- 66.3	+79.7	+143.3
FOREIGN ASSETS (NET)	15,805.9	10,267.1	8,822.7	8,637.2	+5,538.8	+53.9	+1,444.4	+16.4	+7,168.7	+83.0
(i) Central Bank ³	7,922.6	3,289.5	3,007.5	4,419.4	+4,633.1	+140.8	+282.0	+9.4	+3,503.2	+79.3
(ii) Commercial Banks	5,044.3	4,469.1	3,734.4	2,782.9	+575.2	+12.9	+734.7	+19.7	+2,261.4	+81.3
(iii) Merchant Banks	2,839.0	2,508.5	2,080.9	1,434.9	+330.5	+13.2	+427.6	+20.5	+1,404.1	+97.9
OTHER ASSETS (NET)	- 26,630.2	- 24,813.0	- 24,157.8	-24,970.2	- 1,817.2	- 7.3	- 655.2	-2.7	- 1,660.0	- 6.6
TOTAL MONETARY ASSETS	46,679.4	42,780.2	39,393.9	34,576.7	+3,899.2	+9.1	+3,386.3	+8.6	+12,102.7	+35.0
QUASI MONEY	24,025.4	21,631.7	22,319.7	18,882.7	+2,393.7	+11.1	- 688.0	-3.1	+5,142.7	+27.2
MONEY SUPPLY	22,654.0	21,148.6	17,074.2	15,694.0	+1,505.4	+7.1	+4,074.4	+23.9	+6,960.0	+44.3
(i) Currency Outside Banks	10,027.2	9,412.3	7,622.0	6,538.1	+614.9	+6.5	+1,790.3	+23.5	+3,489.1	+53.4
(ii) Private Sector Demand Deposits	12,626.8	11,736.3	9,452.2	9,155.9	+890.5	+7.6	+2,284.1	+24.2	+3,470.9	+37.9
TOTAL MONETARY LIABILITIES	46,679.4	42,780.2	39,393.9	34,576.7	+3,899.2	+9.1	+3,386.3	+8.6	+12,102.7	+310.4
FED. GOVT. DEMAND DEPOSITS	9,237.7	8,688.2	6,003.1	10,150.2	+549.5	+6.3	+2,685.1	+44.7	- 912.5	- 9.0

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

2. Less Federal Govt. demand deposits with Commercial Banks.

3. Includes Federal Government External Assets.

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

Table 2

Accounts	March 1989	December 1988	March 1988	Percentage change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items	2,125.5	2,152.0	1,572.0	- 1.2	+ 35.2
(a) Vault cash	802.1	796.9	490.0	+ 0.7	+ 63.7
(b) Balance at Central Bank	1,323.4	1,355.1	1,082.0	- 2.3	+ 22.3
2. Balance held with	8,463.9	7,273.7	4,981.8	+ 16.4	+ 69.9
(a) Banks in Nigeria	2,678.1	2,467.1	1,477.5	+ 8.6	+ 81.3
(b) Banks outside Nigeria	4,914.7	4,192.8	3,023.9	+ 17.2	+ 62.5
(c) Offices and branches outside Nigeria	671.1	613.8	480.4	+ 9.3	+ 39.7
3. Loans and Advances	20,551.6	20,051.5	17,547.7	+ 2.5	+ 17.1
(a) Banks in Nigeria	29.3	0.0	0.8	0.0	- 100.0
(b) Other customers	20,042.3	19,461.2	17,318.6	+ 3.0	+ 15.7
(i) Banks' Subsidiaries	(-)	(-)	(-)	-	-
(ii) Federal Government	(205.0)	(230.3)	(73.1)	- 11.0	+ 180.4
(iii) State Governments	(543.3)	(478.6)	(569.5)	+ 13.5	- 4.6
(iv) Local Governments	(28.0)	(65.8)	(25.0)	- 57.4	+ 12.0
(v) Other	(19,266.0)	(18,686.5)	(16,651.0)	+ 3.1	+ 15.7
(c) Banks outside Nigeria	-	-	-	-	-
(d) Money at call outside Central Bank	11.0	199.3	37.7	- 94.5	+ 29.2
(e) Bills discounted	469.0	391.0	190.6	+ 19.9	+ 146.1
(i) Payable in Nigeria	(468.4)	(128.2)	(189.8)	+ 265.4	+ 146.8
(ii) Payable outside Nigeria	(0.6)	(262.8)	(0.8)	- 99.8	- 25.0
4. Investment	10,296.2	8,759.1	9,049.6	+ 17.5	+ 13.8
(a) In Nigeria	10,296.2	8,759.1	9,047.5	+ 17.5	+ 13.8
(i) Treasury bills	(6,380.1)	(5,273.9)	(5,333.1)	+ 21.0	+ 19.6
(ii) Treasury certificates	(2,230.7)	(2,035.7)	(2,447.8)	+ 9.6	- 8.9
(iii) Development stocks	(345.7)	(405.0)	(445.1)	- 14.6	- 22.3
(iv) Bankers' Unit Fund	(5.9)	(27.9)	(8.0)	- 78.9	- 26.3
(v) Certificates of Deposit	(892.8)	(759.1)	(480.1)	+ 17.6	+ 86.0
(vi) Stabilization Securities	(-)	(-)	(-)	-	-
(vii) Other	(341.0)	(257.5)	(333.5)	+ 32.4	+ 2.2
(b) Abroad	-	-	2.1	-	- 100.0
5. Other Assets	22,135.5	20,989.9	18,899.5	+ 5.5	+ 17.1
TOTAL	63,570.7	59,226.2	52,050.6	+ 7.3	+ 22.1
LIABILITIES					
1. Capital: Issued, paid-up & reserve	2,109.8	1,932.4	1,707.3	+ 9.2	+ 23.6
2. Balance held for	1,209.2	895.5	1,227.1	+ 35.0	- 1.5
(a) Banks in Nigeria	685.1	550.8	502.7	+ 24.4	+ 36.3
(b) Other banks outside Nigeria	185.3	96.6	544.8	+ 91.8	- 66.0
(c) Offices & branches outside Nigeria	338.8	248.1	179.6	+ 36.6	+ 88.6
3. Money at call from other banks	798.2	513.1	334.1	+ 55.6	+ 138.9
(a) In Nigeria	780.2	513.1	334.1	+ 52.1	+ 133.5
(b) Outside Nigeria	18.0	-	-	0.0	0.0
4. Loans and advances from	241.3	205.8	299.4	+ 17.2	- 19.4
(a) Central Bank of Nigeria	82.5	82.5	54.0	0.0	+ 52.8
(b) Other banks in Nigeria	16.5	16.5	12.0	0.0	+ 37.5
(c) Other banks outside Nigeria	-	-	-	-	-
(d) Other creditors	142.3	106.8	233.4	+ 33.2	- 54.2
5. Deposits	31,482.7	29,065.1	24,908.1	+ 8.3	+ 26.4
(a) Demand	12,310.4	10,667.9	8,161.3	+ 15.4	+ 50.8
(b) Savings	7,753.8	7,122.7	5,728.4	+ 8.9	+ 35.4
(c) Time	11,418.5	11,274.5	11,018.4	+ 1.3	+ 3.6
6. Certificates of Deposit	75.4	72.1	84.9	+ 4.6	- 11.2
7. Other Liabilities	27,654.1	26,542.2	23,489.7	+ 4.2	+ 17.7
TOTAL	63,570.7	59,226.2	52,050.6	+ 7.3	+ 22.1

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

Table 3

SECTORS	Prescribed Percentage for		Quarterly Average Performance in the		Deviation from Targets in	
	1988	1989	1st quarter 1988	1st quarter 1989	1st quarter 1988	1st quarter 1989
A. High Priority Sectors	50.0	50.0	44.3	46.4	- 5.7	- 3.6
(i) Agricultural Production (Agric, Forestry and Fishery)	(15.0)	(15.0)	(14.8)	(15.9)	(- 0.2)	(+ 0.9)
(ii) Manufacturing Enterprises ¹ (Including agro-allied Industry)	(35.0)	(35.0)	(29.5)	(30.5)	(- 5.6)	(- 4.5)
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	55.7	53.6	+ 5.7	+ 3.6
Total A + B	100.0	100.0	100.0	100.0	0.0	0.0

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	March	December	March	Percentage change between	
	1989	1988	1988	(1) & (2)	(1) & (3)
	(1)	(2)	(3)		
ASSETS					
1. Cash and cash items	129.8	291.8	234.1	- 55.5	- 44.0
(a) Vault cash	2.4	1.3	1.2	+ 84.6	+100.0
(b) Balance at Central Bank	127.6	290.5	232.9	- 56.1	- 45.1
2. Balance held with	3,891.8	3,262.4	1,643.1	+ 19.3	+ 136.9
(a) Banks in Nigeria	622.1	496.1	153.1	+ 25.4	+ 306.9
(b) Banks outside Nigeria	3,269.7	2,766.4	1,490.0	+ 18.2	+ 119.6
(c) Offices and branches outside Nigeria	—	—	—	—	—
3. Loans and Advances	4,876.4	4,419.1	3,497.8	+ 10.3	+ 39.4
(a) Banks in Nigeria	9.5	—	1.6	0.0	+ 493.8
(b) Other customers	4,377.4	4,012.0	3,176.4	+ 9.1	+ 37.8
(i) Banks' Subsidiaries	(—)	(—)	(—)	—	—
(ii) Federal Government	(2.6)	(—)	(—)	0.0	0.0
(iii) State Government	(46.0)	(29.2)	(23.9)	+ 57.5	+ 92.5
(iv) Local Governments	(—)	(—)	(—)	—	—
(v) Other	(4,328.8)	(3,982.8)	(3,152.5)	+ 8.7	+ 37.3
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	47.0	260.8	29.9	- 82.0	+ 57.2
(e) Bills discounted	442.5	277.8	289.9	+ 59.3	+ 52.6
(i) Payable in Nigeria	(442.5)	(277.8)	(289.9)	+ 59.3	+ 52.6
(ii) Payable outside Nigeria	(—)	(—)	(—)	—	—
4. Factored Debt	(—)	(—)	(—)	—	—
5. Investment	1,727.2	1,617.1	996.4	+ 6.8	+ 73.3
(a) In Nigeria	1,727.2	1,617.1	996.4	+ 6.8	+ 73.3
(i) Treasury bills	(126.3)	(277.8)	(89.6)	- 54.5	+ 41.0
(ii) Treasury certificates	(7.8)	(8.8)	(24.8)	- 11.4	- 68.5
(iii) Development stocks	(13.6)	(13.6)	(28.0)	0.0	- 51.4
(iv) Bankers' Unit Fund	(—)	(—)	(—)	—	—
(v) Certificates of Deposit	(1,438.5)	(1,102.1)	(719.7)	+ 30.5	+ 99.9
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	(141.0)	(214.8)	(134.3)	- 34.4	+ 5.0
(b) Abroad	—	—	—	—	—
Equipment on Lease	895.6	790.1	545.0	+ 13.4	+ 64.3
Other Assets	8,428.9	6,691.4	5,661.0	+ 26.0	+ 48.9
TOTAL	19,949.7	17,203.6	12,577.4	+ 16.0	+ 58.6
LIABILITIES					
1. Capital: issued, paid-up & reserve	582.0	471.2	310.8	+ 23.5	+ 87.3
2. Balance held for	734.8	698.7	173.1	+ 5.2	+ 324.5
(a) Banks in Nigeria	357.4	476.8	118.0	- 25.0	+ 202.9
(b) Other banks outside Nigeria	377.4	221.9	55.1	+ 70.1	+ 584.9
(c) Offices & branches outside Nigeria	—	—	—	—	—
3. Money at call from other banks	2,290.4	1,496.5	1,126.5	+ 53.1	+ 103.3
(a) In Nigeria	2,237.1	1,460.5	1,099.4	+ 53.2	+ 103.5
(b) Outside Nigeria	53.3	36.0	27.1	+ 48.1	+ 96.7
4. Loans and advances from	42.5	19.5	25.2	+ 117.9	+ 68.7
(a) Central Bank of Nigeria	—	—	2.3	0.0	- 100.0
(b) Other banks in Nigeria	32.2	—	—	—	—
(c) Other banks outside Nigeria	—	—	—	—	—
(d) Other creditors	10.3	19.5	22.9	- 47.2	- 14.8
5. Deposits	6,413.4	4,817.6	3,540.9	+ 33.1	+ 81.1
(a) Demand	1,339.1	834.8	650.3	+ 60.4	+ 105.9
(b) Savings	—	—	—	—	—
(c) Time	5,074.3	3,982.8	2,890.6	+ 27.4	+ 75.5
6. Certificates of Deposit	915.4	800.8	465.4	+ 14.3	+ 96.7
7. Other Liabilities	8,971.2	8,899.3	6,935.6	+ 0.8	+ 29.4
TOTAL	19,949.7	17,203.6	12,577.4	+ 16.0	+ 58.6

MERCHANT BANKS LOANS AND ADVANCES¹ BY PURPOSE
(PERCENTAGE)

Table 5

SECTORS	Prescribed Percentage for		Quarterly Average performance in the		Deviation from Targets in	
	1988	1989	1st quarter 1988	1st quarter 1989	1st quarter 1988	1st quarter 1989
A. HIGH PRIORITY SECTORS	50.0	50.0	59.0	53.6	+ 9.0	+ 3.6
(i) Agricultural production (Agric, Forestry and Fishing)	(10.0)	(10.0)	(10.5)	13.4	+ 0.5	- 3.4
(ii) (Manufacturing Enterprises ²) (including agro-allied industries)	(40.0)	(40.0)	(48.5)	40.2	+ 8.5	- 0.2
B. OTHER SECTORS Comprising mining and quarrying construction, exports, public utilities, transport, communication, Government, Imports, domestic Trade, Credit and Financial Institutions, money at call, personal and professional and miscellaneous	50.0	50.0	41.0	46.4	- 9.0	- 3.6
TOTAL A+B	100.0	100.0	100.0	100.0	0.0	0.0

¹ Merchant Banks Loans and Advances in 1987, included Money at call, while this was excluded in 1988.

² It does not include mining, quarrying and construction which were classified under this sector up till 1986.