

DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE FOURTH QUARTER OF 1986

Introduction

At the end of the fourth quarter of 1986, money supply, M1, showed a sharp increase over the level at the end of the preceding quarter and thus halted the persistent quarterly decline which had characterised 1986. Furthermore, M1 rose in each month of the quarter in contrast with the month-to-month fluctuations in the preceding three quarters. However, the fourth quarter level of M1 was still lower than the peak attained in January 1986 and the end-December 1985 level.

Aggregate banking system credit increased sharply during the quarter, reflecting sharp increases in commercial bank credit to the private sector. Foreign assets (net) also rose sharply, mainly as a result of the revaluation of these assets following the sharp depreciation of the naira.

Activities in the capital market, increased due partly to increased cash requirements by firms following the slide in the naira exchange rate. In the money market, new issues of Treasury Securities were made only to retire matured securities.

Money Supply

At ₦13.1 billion at the end of the fourth quarter, M1 rose by ₦1.2 billion or 10.2 per cent in contrast to the declines of 2.7, 6.0 and 2.0 per cent recorded in the third, second and first quarters of 1986, respectively. Nevertheless, as in preceding quarters, M1, at the end of the fourth quarter, was below the end-December 1985 level. On monthly average basis, M1 stood at ₦12.6 billion in the fourth quarter, compared with ₦12.1 billion in the preceding quarter and ₦12.9 billion in the corresponding quarter of 1985. During the quarter, both components of money stock accounted for the increase, with demand deposits accounting for the bulk (75.5 per cent).

The expansion of M1 during the quarter was due to the increase of ₦1.8 billion in aggregate credit (net) to the domestic economy, the rise of ₦2.4 billion in foreign assets of the banking system and the decline of ₦962.6 million in quasi money. The expansionary impact of these factors on M1 was partly off-set by the contractionary effect of the decline of ₦4.0 billion in 'other' assets (net) of the banking system (see Table 1).

Reflecting the increase of ₦1.2 billion in M1 and the partly offsetting decline of ₦962.6 million in quasi money, the broad measure of money stock (M2) rose by ₦250.1 million or 1.0 per cent, compared with the rise of ₦771.4 million or 3.3 per cent in the preceding quarter. The decline in quasi-money reflected the draw-down of fixed deposits by corporate holders seeking to meet their enlarged working capital requirements brought about by the SFEM. The savings component of quasi-money, in contrast, rose. The monthly average level of broad money during the review quarter was ₦24.0 billion, compared with ₦23.6 billion in the preceding quarter and ₦23.4 billion in the corresponding quarter of 1985.

Deposits transferred by merchant and commercial banks to the Central Bank in accordance with the Bank's directive on deposits awaiting foreign exchange allocation, rose to ₦4.2 billion from ₦3.1 billion at the end of the third quarter (see Table 1). Largely as a result of this development, the other liabilities of the CBN rose substantially and accounted for the

fall of ₦4.0 billion or 30.6 per cent in other assets (net) of the banking system.

Banking System's Credit

Aggregate credit (net) to the domestic economy rose by ₦1.8 billion or 5.3 per cent to ₦36.8 billion during the quarter under review. The increase in the period was lower than the increase of ₦2.2 billion recorded in the preceding quarter. About 80 per cent of the increase was accounted for by the private sector while the public sector accounted for about 20 per cent. Banking system's credit to the private sector at the end of the quarter amounted to ₦17.4 billion, showing an increase of ₦1.5 billion or 9.6 per cent, compared with increases of ₦1.2 billion or 8.1 per cent and ₦584.8 million or 4.5 per cent in the preceding quarter and corresponding quarter of 1985, respectively. Commercial banks accounted for 99.7 per cent of the increase during the quarter.

Credit (net) to the government sector rose during the quarter by ₦325.7 million or 1.7 per cent to ₦19.5 billion, compared with the increase of ₦984.6 million or 5.4 per cent in the preceding quarter. The rise in the quarter came wholly from the Central Bank as Commercial Banks discounted a substantial amount of government securities, in order to expand credit to the private sector.

External Assets

Foreign assets of the banking system at the end of the quarter totalled ₦5.0 billion, showing an increase of ₦2.4 billion or 95.3 per cent over the level at the end of the third quarter. This rise compared with the increases of ₦934.9 million or 57.2 per cent and ₦885.3 million or 93.6 per cent recorded in the preceding quarter and corresponding quarter of 1985, respectively. The bulk (63.4 per cent) of the increase in the review quarter reflected an increase in CBN holdings (see Table 1).

Commercial Banking

Total assets/liabilities of commercial banks at the end of the fourth quarter stood at ₦39.6 billion, representing an increase of ₦4.3 billion or 12.1 per cent over the preceding quarter's level. This increase compared with the increases of ₦2.2 billion or 6.7 per cent in the third quarter of 1986 and ₦1.0 billion or 3.3 per cent in the fourth quarter of 1985.

The major sources of investible funds were the increase of ₦3.5 billion in other liabilities, the draw-down of ₦3.0 billion in investment as well as the increase in balances held for other banks. These were utilised largely to increase other assets, loans and advances, balances held with other banks, and cash balances.

Arising mainly from increased demand for bank credit, particularly by the private sector of the economy, the banks' aggregate loans and advances increased by ₦1.5 billion or 10.9 per cent to ₦15.7 billion during the quarter. Consequently, the loan/deposit ratio of the banks rose from 78.4 per cent in the preceding quarter to 86.6 per cent. Aggregate loans and advances during the preceding quarter recorded an increase of ₦1.2 billion or 2.4 per cent, while in the corresponding quarter of 1985 the increase was by ₦496.0 million or 4.2 per cent.

Commercial banks generally failed to meet the minimum sectoral targets for the distribution of their loans and advances to the preferred sectors. The monthly average allocation to these sectors, which stood at 68.5 per cent in the review quarter, represented a shortfall of 9.5 percentage points, compared with the shortfall of 8.7 percentage points in the preceding quarter. The services sector recorded the largest shortfall of 4.9 percentage points. The agricultural and industrial enterprises sectors recorded shortfalls of 3.2 and 1.4 percentage points, respectively. The shortfall in industrial enterprises is traceable wholly to the fall in the manufacturing subsector. Residential building and construction received 0.6 percentage points more than the prescribed minimum share (see Table 3). The short-fall in the agricultural sector reflected shortfalls in credit to the grains and livestock subsectors. The 'others' subsector exceeded its minimum share by 0.1 percentage point. As in the preceding quarter, loans and advances to the less preferred sectors exceeded the maximum target, by 9.5 percentage points during the period.

The total deposit liabilities of the banks during the quarter rose by ₦88.4 million or 0.5 per cent to ₦18.1 billion. This contrasted with the decline of ₦137.3 million or 0.8 per cent in the preceding quarter but compared with the increase of ₦546.5 million or 3.2 per cent in the corresponding quarter of 1985. The rise in deposits during the quarter was accounted for by the increases in demand and savings deposits as time deposit declined.

As in the preceding quarter, commercial banks' investment declined substantially by ₦3.0 billion or 34.6 per cent. While investments abroad rose by ₦84.7 million or 20.8 per cent, the banks' investment in the domestic economy particularly in government short-term securities declined significantly. The divestment in government short-term debt instruments enabled the banks to generate funds to meet the increased demand for bank credit from the private sector. Largely as a result of the dis-investment in government debt instruments, the monthly average liquidity ratio of the banks fell from 56.4 per cent in the third quarter to 43.6 per cent in the fourth quarter. This was, however, still above the prescribed minimum liquidity ratio of 25.0 per cent for the banks.

Merchant Banking

Total assets/liabilities of the merchant banks during the quarter rose by ₦2.3 billion or 38.4 per cent to ₦8.4 billion, compared with the increases of ₦830.5 million or 15.8 per cent in the preceding quarter and ₦319.3 million or 6.8 per cent in the corresponding quarter of 1985. The main sources of investible funds were increases in other liabilities (₦2.1 billion), money at call from other banks (₦0.2 billion) as well as a reduction of ₦0.5 billion mainly in government securities. These funds were utilised mainly to expand loans and advances, balances held with other banks and other assets.

Deposit liabilities of the banks fell by ₦33.0 million or 1.4 per cent to ₦2.3 billion during the quarter, in contrast with the increase of ₦420.4 million or 21.5 per cent in the preceding quarter. The decline in the quarter was wholly accounted for by the fall in the demand deposit component as the time deposits rose marginally.

Loans and advances rose by ₦392.6 million or 16.5 per cent to ₦2.8 billion during the quarter (see Table 4). This compared with the increase of ₦386.3 million or 19.4 per cent in the preceding quarter. As with the commercial banks,

the rise in the banks' loans and advances during the period largely reflected increase in credit to the private sector.

The banks failed to achieve full compliance with the 1986 prescribed sectoral allocation of loans and advances. Against a prescribed minimum allocation of 79 per cent for the preferred sectors, the banks achieved a monthly average of 64.8 per cent, representing a shortfall of 14.2 percentage points, compared with the 17.8 percentage points shortfall in the preceding quarter. The shortfall in the quarter was largely accounted for by industrial enterprises with a shortfall of 9.0 percentage points. Agricultural and services sectors also received allocations that were 0.5 and 4.7 percentage points below the prescribed minimum. Correspondingly, the banks' sectoral allocation of loans and advances to the less preferred sectors exceeded the prescribed ceiling by 14.2 percentage points, compared with excess loans/advances of 17.8 percentage points in the preceding quarter (see Table 5).

Following the increased private sector demand for loans and advances, the banks reduced investment, particularly in government securities in order to expand loans to the private sector. Consequently, total investment declined further by ₦485.4 million or 56.9 per cent to ₦367.3 million in the quarter, compared with the drop of ₦441.3 million or 34.1 per cent in the preceding quarter. In the corresponding quarter of 1985, an increase of ₦38.9 million or 3.2 per cent was recorded.

The value of equipment on lease rose by ₦24.6 million or 19.1 per cent to ₦153.1 million. This compared with the increase of ₦29.0 million or 29.2 per cent in the preceding quarter. As a percentage of total assets, the value of equipment on lease at the end of the review quarter was 1.8 per cent as against 2.1 per cent in the preceding quarter.

Financial Market

Trading on the Nigerian Stock Exchange was very active as all sectors recorded increases in transactions during the quarter. The commencement of SFEM and the resultant increase in the naira cost of financing economic activities induced most institutional investors to offload some of their security holdings on the secondary market in order to raise funds required elsewhere. Consequently, total value of transactions during the quarter rose by ₦135.9 million or 212.0 per cent to ₦200.1 million. The value of Federal Government Stock traded totalled ₦194.8 million or 97.3 per cent of all the value of stocks traded.

In the new issues market, six companies raised a total of ₦11.5 million. Out of this amount, ₦4.5 million was by public offer while the balance was by private placement. The public offer was the 9,000,000 ordinary shares of 50k each offered for subscription through the Second-tier Securities Market (SSM) by Aluminium Extrusion Industries Limited. The private placement involved offers for subscription of ordinary and preference shares totalling ₦7.0 million.

Money market assets outstanding at the end of the fourth quarter totalled ₦24.2 billion, reflecting a decline of ₦53.4 million or 0.2 per cent during the quarter. In the preceding quarter and corresponding quarter of 1985, money market assets rose marginally by ₦75.9 million or 0.3 per cent and ₦254.0 million or 1.1 per cent, respectively. The decline during the quarter under review was largely accounted for by the declines in eligible development stocks (₦18.1 million) and commercial papers (₦32.8 million). Treasury bills and certificates outstanding at the end of the quarter remained

unchanged from the level at the end of the preceding quarter as new issues of these securities were utilised to replace those that matured. The proportion of these securities held by the Central Bank rose as commercial and merchant banks shifted from investments to loans and advances. Consequently, the Central Bank's holdings of treasury bills outstanding (including rediscounts) rose from ₦7.2 billion at the end of the third quarter to ₦11.6 billion at the end of the fourth quarter. Similarly, Central Banks' holdings of treasury certificates outstanding increased from ₦3.3 billion to ₦4.5 billion during the same period.

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Table 1
MONETARY AND CREDIT DEVELOPMENTS DURING THE FOURTH QUARTER OF 1986
 (N' Million)

	December	September	June	December	Changes Between		Changes Between		Changes Between	
	1986	1986	1986	1985	(1) & (2)		(2) & (3)		(1) & (4)	
	(1)	(2)	(3)	(4)	Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
CREDIT TO DOMESTIC ECONOMY (NET)....	36,820.3	34,976.4	32,807.4	32,680.3	+1,843.9	+5.3	+2,169.0	+6.6	+4,140.0	+12.7
CREDIT TO PRIVATE SECTOR.....	17,365.0	15,846.9	14,662.4	13,700.2	+1,518.1	+9.6	+1,184.5	+8.1	+3,664.8	+26.8
(i) Central Bank.....	1,626.5	1,621.5	1,597.0	1,423.6	+5.0	+0.3	+24.5	+1.5	+202.9	+14.2
(ii) Commercial Banks.....	15,738.5	14,225.4	13,065.4	12,276.6	+1,513.1	+10.6	+1,160.0	+8.9	+3,461.9	+28.2
CREDIT TO GOVERNMENT SECTOR (NET)	19,455.3	19,129.6	18,145.0	18,980.1	+325.7	+1.7	+984.6	+5.4	+475.2	+2.5
(i) Central Bank ¹	14,884.4	11,321.8	7,934.2	8,841.7	+3,562.6	+31.5	+3,387.6	+42.7	+6,042.7	+68.3
(ii) Commercial Banks ²	4,570.9	7,807.8	10,210.8	10,138.4	-3,236.9	-41.5	-2,403.0	-23.5	-5,567.5	-54.9
(iii) Federal Savings Bank.....	—	—	—	—	—	—	—	—	—	—
FOREIGN ASSETS (NET).....	5,018.8	2,570.1	1,635.2	1,831.1	+2,448.7	+95.3	+934.9	+57.2	+3,187.7	+174.1
(i) Central Bank ³	3,606.1	2,054.3	1,584.6	1,677.9	+1,551.8	+75.5	+469.7	+0.3	+1,928.2	+114.9
(ii) Commercial Banks.....	1,412.7	515.8	50.6	53.2	+896.9	+173.9	+465.2	+91.9	+1,259.5	+822.1
OTHER ASSETS (NET).....	-17,246.4	-13,203.9	-10,871.4	-10,692.8	-4,042.5	-30.6	-2,332.5	-21.5	-6,553.6	-61.3
TOTAL MONETARY ASSETS.....	24,592.7	24,342.6	23,571.2	23,818.6	+250.1	+1.0	+771.4	+3.3	+774.1	+3.2
QUASI MONEY.....	11,487.7	12,450.3	11,349.3	10,550.8	-962.6	-7.7	+1,101.0	+9.7	+936.9	+8.9
MONEY SUPPLY.....	13,105.0	11,892.3	12,221.9	13,267.8	+1,212.7	+10.2	-329.6	-2.7	-162.8	-1.2
(i) Currency Outside Banks.....	5,177.9	4,880.1	4,737.3	4,909.9	+297.8	+6.1	+142.8	+3.0	+268.0	+5.5
(ii) Private Sector Demand Deposits.....	7,927.1	7,012.2	7,484.6	8,357.9	+914.9	+13.0	-472.4	-6.3	-430.8	-5.1
TOTAL MONETARY LIABILITIES.....	24,592.7	24,342.6	23,571.2	23,818.6	+250.1	+1.0	+771.4	+3.3	+774.1	+3.2
FED., GOV'T. DEMAND DEPOSITS.....	3,292.7	2,894.6	2,723.3	3,290.3	+398.1	+13.8	+171.3	+6.3	+2.4	+0.1

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

Table 2

**COMMERCIAL BANKING SYSTEM
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES**

(N million)

Accounts	December	September	December	Percentage	
	1986	1986	1985	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items.....	1,488.4	1,090.7	805.3	+36.5	+84.8
(a) Vault cash	518.4	449.3	465.1	+15.4	+11.5
(b) Balance at Central Bank	970.0	641.4	340.2	+51.2	+185.1
2. Balance held with.....	2,226.7	704.0	797.3	+216.3	+179.3
(a) Banks in Nigeria	601.6	277.0	387.6	+117.2	+55.2
(b) Banks outside Nigeria	1,469.3	405.8	385.6	+262.1	+281.0
(c) Offices and branches outside Nigeria.....	155.8	21.2	24.1	+634.9	+546.5
3. Loans and Advances.....	15,701.2	14,152.0	12,170.3	+10.9	+29.0
(a) Banks in Nigeria	44.6	19.6	16.2	+127.6	+175.3
(b) Other customers.....	14,808.3	13,673.6	11,705.2	+8.3	+26.5
(i) Banks' Subsidiaries	(—)	(—)	(—)	—	—
(ii) Federal Government.....	(40.5)	(105.2)	(79.5)	-61.6	-49.1
(iii) State Governments	(444.0)	(394.2)	(449.4)	+12.6	-1.2
(iv) Local Governments.....	(30.3)	(23.1)	(20.5)	+31.2	+47.8
(v) Other.....	(14,293.5)	(13,151.1)	(11,155.8)	+8.7	+28.1
(c) Banks outside Nigeria.....	—	—	—	—	—
(d) Money at call outside Central Bank	617.2	331.4	401.7	+86.2	+53.6
(e) Bills discounted	231.4	127.4	47.2	+81.6	+390.3
(i) Payable in Nigeria	(116.1)	(73.8)	(42.4)	+57.3	+173.8
(ii) Payable outside Nigeria.....	(115.3)	(53.6)	(4.8)	+115.1	+2,302.1
4. Factored Debts	—	—	—	—	—
5. Investments	5,715.2	8,739.9	10,875.8	-34.6	-47.5
(a) In Nigeria.....	5,223.3	8,322.7	10,875.8	-37.3	-51.9
(i) Treasury bills.....	(3,062.0)	(4,995.3)	(7,990.9)	-38.7	-61.7
(ii) Treasury certificates.....	(1,360.6)	(2,468.2)	(2,264.0)	-44.9	-39.9
(iii) Development stocks.....	(545.7)	(599.0)	(395.7)	-8.9	+37.9
(iv) Bankers' Unit Fund.....	(17.5)	(18.5)	(18.5)	-5.4	-5.4
(v) Certificates of Deposit.....	(154.1)	(160.9)	(129.2)	-4.2	+19.3
(vi) Stabilisation Securities	(—)	(—)	(—)	—	—
(vii) Other.....	(83.4)	(90.8)	(77.5)	-8.1	+7.6
(b) Abroad.....	491.9	407.2	—	+20.8	—
6. Equipment on Lease	—	—	—	—	—
7. Other Assets.....	14,447.0	10,634.9	7,349.2	+35.8	+96.6
TOTAL.....	39,578.8	35,321.5	31,997.9	+12.1	+23.7
LIABILITIES					
1. Capital: Issued, paid-up & reserves.....	1,298.7	1,208.8	1,128.7	+7.4	+15.1
2. Balance held for	984.7	574.5	310.4	+71.4	+217.2
(a) Banks in Nigeria	204.1	225.2	60.8	-9.4	+235.7
(b) Other banks outside Nigeria.....	406.0	278.6	142.7	+45.7	+184.5
(c) Offices & branches outside Nigeria.....	374.6	70.7	106.9	+429.8	+250.4
3. Money at call from other banks	155.4	69.6	54.3	+123.3	+186.2
(a) In Nigeria.....	155.4	69.6	52.6	+123.3	+195.4
(b) Outside Nigeria	—	—	1.7	—	-100.0
4. Loans and advances from...	118.9	100.6	84.5	+18.2	+40.7
(a) Central Bank of Nigeria.....	4.3	—	—	—	—
(b) Other banks in Nigeria.....	15.0	15.0	10.0	0.0	+50.0
(c) Other banks outside Nigeria.....	39.0	22.8	10.0	+71.1	+290.0
(d) Other creditors	60.6	62.8	64.5	-3.7	-6.2
5. Deposits	18,137.6	18,049.2	17,597.1	+0.5	+3.1
(a) Demand	6,649.8	5,598.9	7,046.2	+18.8	-5.6
(b) Savings.....	4,270.1	3,998.7	3,700.0	+6.8	+15.4
(c) Time.....	7,217.7	8,451.6	6,850.9	-14.6	+5.4
6. Certificates of Deposit	49.9	24.4	20.4	+104.5	+144.6
7. Other Liabilities.....	18,833.6	15,294.4	12,802.5	+23.1	+47.1
TOTAL.....	39,578.8	35,321.5	31,997.5	+12.1	+23.7

MERCHANT BANKING SYSTEM
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES

Table 4

(N' million)

Accounts	December	September	December	Percentage	
	1986	1986	1985	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items.....	161.0	204.9	70.4	-21.4	+128.7
(a) Vault cash.....	0.8	0.4	0.3	+100.0	+166.7
(b) Balance at Central Bank.....	160.2	204.5	70.1	-21.7	+128.5
2. Balance held with.....	1,151.3	236.2	197.2	+387.4	+483.4
(a) Banks in Nigeria.....	16.8	58.8	60.9	-71.4	-72.4
(b) Banks outside Nigeria.....	1,134.5	177.4	136.0	+5,395.2	+734.2
(c) Offices and branches outside Nigeria.....	—	—	0.3	—	-100.0
3. Loans and Advances.....	2,771.5	2,378.9	1,802.9	+16.5	+53.7
(a) Banks in Nigeria.....	2.0	—	2.3	—	-13.0
(b) Other customers.....	2,064.1	1,738.3	1,323.8	+18.7	+55.9
(i) Banks' Subsidiaries.....	(—)	(—)	(—)	—	—
(ii) Federal Government.....	(0.1)	(0.2)	(0.3)	-0.5	-66.7
(iii) State Governments.....	(5.0)	(21.0)	(16.9)	-76.2	-70.4
(iv) Local Governments.....	(—)	(—)	(—)	—	—
(v) Other.....	(2,059.0)	(1,717.1)	(1,306.6)	+19.9	+57.6
(c) Banks outside Nigeria.....	—	—	—	—	—
(d) Money at call outside					
Central Bank.....	562.5	476.2	385.1	+18.1	+46.1
(e) Bills discounted.....	142.9	164.4	91.7	-13.1	+55.8
(i) Payable in Nigeria.....	(111.2)	(163.9)	(91.7)	-32.2	+21.3
(ii) Payable outside Nigeria.....	(31.7)	(0.5)	(—)	+6,240.0	—
4. Factored Debts.....	—	—	—	—	—
5. Investment.....	367.3	852.7	1,258.3	-56.9	-70.8
(a) In Nigeria.....	367.3	852.7	1,258.3	-56.9	-70.8
(i) Treasury bills.....	(98.0)	(385.5)	(1,027.1)	-74.6	-90.5
(ii) Treasury certificates.....	(50.2)	(218.3)	(105.0)	-77.0	-52.2
(iii) Development stocks.....	(11.7)	(82.3)	(33.1)	-85.8	-64.7
(iv) Bankers' Unit Fund.....	(0.0)	(0.0)	(1.8)	0.0	-100.0
(v) Certificates of Deposit.....	(107.8)	(102.0)	(82.5)	+5.6	+30.7
(vi) Stabilisation Securities.....	(—)	(—)	(—)	—	—
(vii) Other.....	(99.6)	(64.6)	(8.8)	+54.2	+1,031.8
(b) Abroad.....	—	—	—	—	—
6. Equipment on Lease.....	153.1	128.5	86.6	+19.1	+76.8
7. Other Assets.....	3,841.1	2,299.8	1,585.7	+67.0	+142.2
TOTAL.....	8,445.3	6,101.0	5,001.1	+38.4	+68.9
LIABILITIES					
1. Capital: Issued, paid-up & reserves.....	191.8	183.7	163.7	+4.4	+17.2
2. Balance held for.....	80.8	41.0	36.1	+97.1	+123.8
(a) Banks in Nigeria.....	79.6	19.1	23.9	+316.8	+233.1
(b) Other banks outside Nigeria.....	1.2	21.9	12.2	-94.5	-90.2
(c) Offices & branches outside Nigeria.....	—	—	—	—	—
3. Money at call from other banks.....	563.3	347.6	398.4	+62.1	+41.4
(a) In Nigeria.....	563.3	347.6	398.4	+62.1	+41.4
(b) Outside Nigeria.....	—	—	—	—	—
4. Loans and advances from... (a) Central Bank of Nigeria.....	33.0	14.7	—	+124.5	—
(h) Other banks in Nigeria.....	17.6	7.5	—	+134.7	—
(c) Other banks outside Nigeria.....	—	—	—	—	—
(d) Other creditors.....	15.4	7.2	—	+113.9	—
5. Deposits.....	2,341.6	2,374.6	1,848.7	-1.4	+26.7
(a) Demand.....	601.9	638.7	530.5	-5.8	+13.5
(b) Savings.....	—	—	—	—	—
(c) Time.....	1,739.7	1,735.9	1,318.2	+0.2	+32.0
6. Certificates of Deposit.....	159.3	142.2	72.5	+12.0	+119.7
7. Other Liabilities.....	5,075.5	2,997.2	2,481.7	+69.3	+104.5
TOTAL.....	8,445.3	6,101.0	5,001.1	+38.2	+68.9

Table 5

MERCHANT BANKS LOANS AND ADVANCES BY PURPOSE

A. PREFERRED SECTORS	Prescribed Percentage for		Quarterly Average Performance in 1985				1 9 8 6												Quarterly Average Performance in 1986				DEVIATIONS FROM TARGETS							
	1985	1986	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	1 9 8 5				1 9 8 6			
																							Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
1. Agriculture (Agric. Forestry & Fishing).....	6.0	8.0	5.4	5.4	5.5	6.3	6.7	6.9	7.3	7.3	7.3	7.4	7.2	7.5	6.9	7.3	7.4	7.7	7.0	7.3	7.2	7.5	-0.6	-0.6	-0.5	+0.3	-1.0	-0.7	-0.8	0.5
(a) Grains Production & Distribution.....		(4.0)					(2.0)	(2.3)	(1.8)	(1.6)	(1.5)	(1.6)	(1.5)	(1.8)	(1.8)	(1.8)	(1.9)	(1.8)	(2.0)	(1.6)	(1.8)	(1.8)					(-2.0)	(-2.4)	(-2.2)	(-2.2)
(b) Livestock, including Poultry.....		(1.2)					(1.3)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)	(0.5)	(0.5)	(1.5)	(0.6)	(0.8)		(1.4)	(1.5)	(1.1)	(1.0)					(+0.2)	(+0.3)	(-0.1)	(-0.2)
(c) Others.....		(2.8)					(3.4)	(3.2)	(4.0)	(4.2)	(4.3)	(4.3)	(5.2)	(5.2)	(4.6)	(4.0)	(4.9)	(5.1)	(3.6)	(4.2)	(4.3)	(4.7)					(+0.8)	(+1.4)	(+1.5)	(+1.9)
2. Industrial Enterprises.....	64.0	62.0	47.2	45.8	46.3	51.4	50.6	50.6	52.1	50.3	51.4	49.5	49.0	48.6	49.2	52.2	56.1	50.6	51.1	50.4	50.1	53.0	-16.8	-18.2	-17.7	-12.6	-10.9	-11.6	-11.9	9.0
(a) Manufacturing (Including agro-allied industries, Mining, Quarrying Construction (excluding residential building construction) and other industries.....	(58.0)	(56.0)	(40.9)	(40.0)	(40.4)	(45.5)	(45.0)	(45.0)	(45.5)	(44.3)	(45.7)	(43.6)	(43.5)	(42.6)	(44.2)	(47.3)	(51.1)	(45.9)	(45.2)	(44.5)	(44.3)	(48.1)	-17.1	(-18.0)	(-17.6)	(-12.5)	(-10.8)	(-11.5)	(-11.7)	(-1.9)
(b) Residential Building Construction.....	(6.0)	(6.0)	(6.3)	(5.8)	(5.9)	(5.9)	(5.6)	(5.6)	(6.6)	(6.0)	(5.7)	(5.9)	(5.5)	(6.0)	(5.0)	(4.9)	(5.0)	(4.7)	(5.9)	(5.9)	(5.8)	(4.9)	(+0.3)	(-0.2)	(-0.1)	(-0.1)	(-0.1)	(-0.1)	(-0.2)	(-1.1)
3. Services (Exports, Public Utilities, Transport & Communication).....	9.0	9.0	3.5	3.5	3.8	3.5	3.7	3.8	3.9	3.8	3.7	5.2	3.6	3.4	4.0	4.2	4.6	4.3	3.8	4.2	3.9	4.3	-5.5	-5.5	-5.2	-5.5	-5.2	-4.8	-5.1	-4.7
TOTAL A.....	79.0	79.0	62.4	60.5	61.5	61.2	61.0	61.3	63.3	61.4	62.4	62.1	59.8	59.5	60.1	63.7	68.1	62.6	61.9	62.0	61.2	64.8	-16.6	-18.5	-17.5	-17.8	-17.1	-17.0	-17.8	14.7
B. LESS PREFERRED SECTORS																														
Gov't, Credit and Financial Institutions, Personal and Professional.....	21.0	21.0	37.6	39.5	38.5	38.8	39.0	38.7	36.7	38.6	37.6	37.9	40.2	40.5	39.9	36.3	31.9	37.4	38.1	38.0	38.8	35.2	+16.6	+18.5	+17.5	+17.8	-17.1	+17.0	+17.8	+14.7
TOTAL B.....	21.0	21.0	37.6	39.5	38.5	38.8	39.0	38.7	36.7	38.6	37.6	37.9	40.2	40.5	39.9	36.3	31.9	37.4	38.1	38.0	38.8	35.2	+16.6	+18.5	+17.5	+17.8	-17.1	+17.0	+17.8	+14.7
TOTAL A + B.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0								