

## DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE THIRD QUARTER OF 1987

Money supply narrowly defined (M1), which declined during the second quarter of 1987, rose significantly during the third quarter largely as a result of the expansion of foreign assets of the banking system. The broad money (M2) maintained an upward movement due largely to the substantial growth in commercial banks' time and savings deposit liabilities following the enhanced yield on these deposits. The tempo of activities in the country's financial market showed moderate improvement.

### Institutional Developments

One new bank — Abacus Merchant Bank — was established during the quarter under review. This brings the reporting merchant banks to 16 while the number of commercial banks remained 33.

The number of brokerage firms in the country's capital market rose by one to 30, following the admission of MBA Securities as dealing member.

### Money Supply

Money supply (M1) rose by ₦592.7 million or 5.0 per cent to ₦12.4 billion during the quarter. This contrasted with the declines of ₦427.4 million or 3.5 per cent and ₦329.6 million or 2.7 per cent in the preceding quarter and corresponding quarter of 1986, respectively. On monthly average basis, M1 stood at ₦12.2 billion during the quarter, compared with ₦12.1 billion in both the preceding quarter and corresponding quarter a year earlier. The increase during the quarter under review reflected mainly the currency component (60.0 per cent) of money supply. Consequently, the demand deposit ratio of M1 fell from 59.1 per cent at end-June 1987 to 58.1 per cent at end-September 1987.

The factors responsible for the expansion of M1 during the period under review were the respective increases of ₦1.7 billion and ₦718.7 million in foreign assets and other assets (net) of the banking system. These increases were partially offset by the ₦814.9 million decline in net credit from the banking system to the domestic economy and the ₦1.1 billion increase in quasi money (see Table 1).

Due largely to the increase in quasi money, the broad money (M2) rose significantly by ₦1.7 billion or 6.8 per cent to ₦26.0 billion, compared with the much lower increase of ₦347.4 million or 1.4 per cent in the preceding quarter. The monthly average level of M2 during the review quarter was ₦25.3 billion, compared with the averages of ₦24.4 billion in the preceding quarter and ₦23.6 billion in the corresponding quarter a year earlier. The continued increase in quasi money was attributable to the enhanced yield on financial savings.

### Banking System's Credit

At ₦37.5 billion at the end of the third quarter of 1987, aggregate bank credit (net) outstanding to the domestic economy showed a decline of ₦814.9 million or 2.1 per cent during the quarter. This contrasted with the increases of ₦209.9 million or 0.6 per cent in the preceding quarter and ₦2.2 billion or 6.6 per cent in the corresponding quarter of 1986. The decline was traceable wholly to the claims on government, which fell by ₦1.2 billion or 6.0 per cent to ₦18.9 billion, as credit to the private sector rose by ₦400.7 million or 2.2 per cent to ₦18.6 billion.

At the end of the third quarter of 1987, banking system's credit to the private sector stood at ₦18.6 billion, showing an increase of ₦400.7 million or 2.2 per cent, compared with the rise of

₦650.1 million or 3.7 per cent in the preceding quarter. Commercial banks continued to account for the bulk (94.0 per cent) of the total increase in credit to the sector.

Net claims on the government sector fell by ₦1.2 billion or 6.0 per cent to ₦18.9 billion. This compared with the decline of ₦440.2 million or 2.1 per cent in the preceding quarter. The decline was traceable wholly to the contraction in the Central Bank's credit to the sector. Thus, while the Central Bank's credit to the sector fell by ₦1.8 billion or 12.7 per cent to ₦12.4 billion, credit from commercial banks rose by ₦592.7 million or 10.0 per cent to ₦6.5 billion.

### External Assets

Net foreign assets of the banking system rose by ₦1.7 billion or 41.3 per cent to ₦6.0 billion, in contrast with the decline of ₦94.9 million or 2.2 per cent in the preceding quarter but compared with the increase of ₦934.9 million or 57.2 per cent in the corresponding quarter of 1986. The rise in the review period reflected increased holdings by both the commercial banks and the Central Bank, with the latter accounting for the bulk (67.8 per cent) of the increase.

### Other Assets (Net)

Other assets (net) of the banking system increased further, by ₦718.7 or 4.0 per cent over the level at end-June 1987. This rise was traceable largely to the Central Bank's revaluation account.

### Commercial Banking

During the third quarter of 1987, total assets/liabilities of the commercial banks rose substantially, by ₦2.7 billion or 6.7 per cent to ₦43.8 billion, compared with the lower increase of ₦789.8 million in the preceding quarter. The main sources of investible funds to the system were the increases in deposit and other liabilities. These were utilised largely to expand cash balances and investments (see Table 2).

Deposit liabilities totalled ₦20.1 billion at the end of the quarter, showing an increase of ₦1.3 billion or 7.1 per cent during the quarter. This was higher than the rise of ₦808.7 million or 4.5 per cent in the preceding quarter. All the deposit liabilities contributed to the growth during the quarter under review, with time deposits accounting for the bulk (59.6 per cent) of the total increase largely as a result of the higher yield in this category of deposits.

Investments increased by ₦559.5 million or 8.5 per cent to ₦7.1 billion, which was lower than the increase of ₦640.9 million or 10.8 per cent on the preceding quarter. Accounting largely for this rise was the increased holding of treasury bills by the banks.

Total loans and advances outstanding (including money at call) increased by ₦267.1 million or 1.6 per cent to ₦16.7 billion, compared with the rise of ₦636.4 million or 4.0 per cent in the preceding quarter. The prescribed expansion target for the third quarter of 1987 was ₦323.3 million or 2.0 per cent. The sectoral analysis of these loans shows that the banks failed to meet the prescribed minimum target set for the high priority sectors. These sectors received a monthly average ratio of 42.4 per cent as against the prescribed minimum of 50 per cent. Allocation to agriculture was 13.1 per cent — 1.9 percentage points below the minimum target of 15 per cent. Manufacturing received 29.3 per cent, compared with the stipulated minimum expansion rate of 35 per

cent. On the other hand, allocation to "other" sectors exceeded their prescribed ceiling of 50 per cent by 7.6 percentage points (see Table 3).

On monthly average basis, loan/deposit ratio of the commercial banks declined by 1.1 percentage points to 85.9 per cent during the quarter. On the other hand, the liquidity and cash ratios increased by 3.5 and 1.1 percentage points to 50.4 and 5.2 per cent, respectively.

### Merchant Banking

At the end of the quarter under review, merchant banks' total assets/liabilities stood at ₦10.5 billion, showing a decline of ₦173.3 million or 1.6 per cent during the quarter (see Table 4). In the preceding quarter, an increase of ₦1.2 billion or 13.2 per cent was recorded. Investible funds totalling ₦1068.0 million accrued largely from reduction in the banks' other assets (₦615.6 million), loans/advances (₦201.1 million) and money at call from other banks (₦145.3 million). These funds were utilized mainly to expand investments (₦468.3 million) and reduce other liabilities (₦348.5 million).

Total loans and advances outstanding fell by ₦201.1 million or 5.5 per cent to ₦3.5 billion during the quarter as against the increases of ₦377.5 million or 13.6 per cent in the preceding quarter and ₦386.3 million or 19.4 per cent in the corresponding quarter a year earlier. As a ratio of total assets (less contingent liabilities), total loans and advances outstanding averaged 42.6 per cent monthly as against the revised target ratio of 37.5 per cent for the last three quarters of 1987. Sectoral analysis of these loans and advances shows that the high priority sectors received 45.7 per cent — 4.3 percentage points below the prescribed minimum target of 50 per cent. Agriculture absorbed 7.7 per cent, compared with the prescribed 10 per cent expansion ratio, while manufacturing enterprise got 38.0 per cent — 2.0 percentage points below the prescribed minimum target of 40.0 per cent. "Other" sectors, on the other hand, exceeded the prescribed maximum target of 50 per cent by 4.3 percentage points (see Table 5).

During the quarter under review, merchant banks' investments outstanding increased by ₦468.3 million or 79.6 per cent to ₦1.1 billion, which was higher than the rise of ₦43.2 million or 7.9 per cent in the preceding quarter. In the corresponding quarter of 1986, a decline of ₦441.4 million or 34.1 per cent was recorded. The increase in the quarter under review was traceable largely to the holdings of certificates of deposits by the banks.

The value of equipment on lease rose by ₦83.9 million or 34.0 per cent to ₦330.6 million, compared with the increase of ₦51.7 million or 26.5 per cent in the second quarter of 1987. As a proportion of total assets, equipment leasing averaged 2.9 per cent monthly. The prescribed maximum target was 15.0 per cent for fiscal 1987.

Total deposit liabilities of the merchant banks increased by ₦70.8 million or 2.6 per cent to ₦2.8 billion, compared with the rise of ₦422.5 million or 18.4 per cent in the preceding quarter. The increase was explained solely by time deposit liabilities which rose by ₦278.8 million or 13.1 per cent to ₦2.1 billion as demand liabilities fell by ₦208.1 million or 35.2 per cent to ₦383.6 million.

### Financial Markets

Two securities appeared on the official list of the Stock Exchange during the review quarter. The securities included the

Ogun State Loan Stock and one equity belonging to the Aluminium Extrusion Industries Limited.

Although the number of transactions on the Stock Exchange rose by 381 to 5534, their aggregate value declined by ₦90.3 million or to 72.8 percent to ₦33.8 million.

The decrease of ₦99.1 million in the value of government securities was mainly responsible for the decline in the value of transactions during the quarter. On the other hand, the value of industrials rose by ₦8.8 million to ₦17.8 million during the same period.

In the new issues market, application lists for the ₦180.0 million, 15¼% Federal Republic of Nigeria 25th Development Stock comprising only one tranche opened towards the close of the review quarter.

Total value of money market assets outstanding at the end of September, 1987 amounted to ₦28.6 billion, representing an increase of ₦241.8 million or 0.9 per cent over its end-June, 1987 level. This compared with the ₦200.3 million or 0.7 per cent rise observed in the preceding quarter. The bulk (89.2 per cent) of the increase in the review period was accounted for by the increase in certificates of deposits outstanding.

Although its monthly average share of total treasury bills and certificates outstanding declined from 57.0 per cent in the preceding quarter to 54.2 per cent, the Central Bank in the third quarter of 1987 continued to maintain dominance over holdings of both short-term government debt instruments.

Money and Banking Office  
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**MONETARY AND CREDIT DEVELOPMENTS IN THE THIRD QUARTER OF 1987**  
(₦' Million)

Table 1

	September	June	March	September	Changes Between		Changes Between		Changes Between	
	1987	1987	1987	1986	(1) & (2)		(2) & (3)		(1) & (4)	
	(1)	(2)	(3)	(4)	Absolute	Per cent	Absolute	Per cent	Absolute	Per cent
CREDIT TO DOMESTIC ECONOMY (NET) ..	37,515.4	38,330.3	38,120.4	34,976.4	- 814.9	- 2.1	+ 209.9	+ 0.6	+ 2,539.0	+ 7.3
CREDIT TO PRIVATE SECTOR .....	18,570.7	18,170.0	17,519.9	15,846.9	+ 400.7	+ 2.2	+ 650.1	+ 3.7	+ 2,723.8	+ 17.2
(i) Central Bank .....	1,645.6	1,621.6	1,594.7	1,621.5	+ 24.0	+ 1.5	+ 26.9	+ 1.7	+ 24.1	+ 1.5
(ii) Commercial Banks .....	16,925.1	16,548.4	15,925.2	14,225.4	+ 376.7	+ 2.3	+ 623.2	+ 3.9	+ 2,699.7	+ 19.0
CREDIT TO GOVERNMENT SECTOR (NET).	18,944.7	20,160.3	20,600.5	15,129.6	- 1,215.6	- 6.0	- 440.2	2.1	184.9	- 1.0
(i) Central Bank <sup>1</sup> .....	12,406.1	14,214.4	15,140.1	11,321.8	- 1,808.3	- 12.7	- 925.7	- 6.1	+ 1,084.3	+ 9.6
(ii) Commercial Banks <sup>2</sup> .....	6,538.6	5,945.9	5,460.4	7,807.8	+ 592.7	+ 10.0	+ 485.5	+ 8.9	- 1,269.2	- 16.3
(iii) Federal Savings Bank .....	—	—	—	—	—	—	—	—	—	—
FOREIGN ASSETS (NET) .....	5,977.4	4,229.1	4,324.0	2,570.1	+ 1,748.3	+ 41.3	- 94.9	- 2.2	+ 3,407.3	+ 132.6
(i) Central Bank <sup>3</sup> .....	4,159.0	2,974.5	2,785.2	2,054.3	+ 1,184.5	+ 39.8	+ 189.3	+ 6.8	+ 2,104.7	+ 102.5
(ii) Commercial Banks .....	1,818.4	1,254.6	1,538.8	515.8	+ 563.8	+ 44.9	284.2	18.5	+ 1,302.6	+ 252.5
OTHER ASSETS (NET) .....	- 17,470.9	- 18,189.6	- 18,422.0	- 13,203.9	+ 718.7	+ 4.0	+ 232.4	+ 1.3	- 4,267.0	- 32.3
TOTAL MONETARY ASSETS .....	26,021.9	24,369.8	24,022.4	24,342.6	+ 1,652.1	+ 6.8	+ 347.4	+ 1.4	+ 1,679.3	+ 6.9
QUASI MONEY .....	13,618.0	12,558.6	11,783.8	12,450.3	+ 1,059.4	+ 8.4	+ 774.8	+ 6.6	+ 1,167.7	+ 9.4
MONEY SUPPLY .....	12,403.9	11,811.2	12,238.6	11,892.3	+ 592.7	+ 5.0	427.4	- 3.5	+ 511.6	+ 4.3
(i) Currency Outside Banks .....	5,191.3	4,833.6	4,880.3	4,880.1	+ 357.7	+ 7.4	- 46.7	- 1.0	+ 311.2	+ 6.4
(ii) Private Sector Demand Deposits .....	7,212.6	6,977.6	7,358.3	7,012.2	+ 235.0	+ 3.4	- 380.7	5.2	+ 200.4	+ 2.9
TOTAL MONETARY LIABILITIES .....	26,021.9	24,369.8	24,022.4	24,342.6	+ 1,652.1	+ 6.8	+ 347.4	+ 1.4	+ 1,679.3	+ 6.9
FED. GOV'T DEMAND DEPOSITS .....	4,002.7	4,379.9	3,412.6	2,894.6	- 377.2	- 8.6	+ 967.3	+ 28.3	+ 1,108.1	+ 38.2

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

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

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

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

Table 2

Accounts	September	June	September	Percentage	
	1987	1987	1986	Change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
<b>ASSETS</b>					
Cash and cash items .....	1,468.3	1,162.0	1,090.7	+ 26.4	+ 34.6
(a) Vault cash .....	443.2	463.8	449.3	- 4.4	- 1.4
(b) Balance at Central Bank ..	1,025.1	698.2	641.4	+ 46.8	+ 59.8
Balance held with .....	3,891.0	2,610.3	704.0	+ 49.1	+ 452.7
(a) Banks in Nigeria .....	1,262.0	484.7	277.0	+ 160.4	+ 355.6
(b) Banks outside Nigeria .....	2,425.1	1,920.3	405.8	+ 26.3	+ 497.6
(c) Offices and branches outside Nigeria .....	203.9	205.3	21.2	- 0.7	+ 861.8
Loans and Advances .....	16,706.7	16,439.6	14,152.0	+ 1.6	+ 18.1
(a) Banks in Nigeria .....	57.8	117.8	19.6	- 50.9	+ 194.9
(b) Other customers .....	16,041.8	15,445.3	13,673.6	+ 3.9	+ 17.3
(i) Banks' Subsidiaries ..	(—)	(—)	(—)	—	—
(ii) Federal Government ..	(68.0)	(64.2)	(105.2)	+ 5.9	- 35.4
(iii) State Governments ..	(519.1)	(460.0)	(394.2)	+ 12.8	+ 31.7
(iv) Local Governments ..	(36.1)	(28.9)	(23.1)	+ 24.9	+ 56.3
(v) Other .....	(15,418.6)	(14,892.2)	(13,151.1)	+ 3.5	+ 17.2
(c) Banks outside Nigeria .....	—	—	—	—	—
(d) Money at call outside Central Bank .....	490.8	725.2	331.4	- 32.3	+ 48.1
(e) Bills discounted .....	116.3	151.3	127.4	- 23.1	- 8.7
(i) Payable in Nigeria ..	(114.1)	(150.8)	(73.8)	- 24.3	+ 54.6
(ii) Payable outside Nigeria .....	(2.2)	(0.5)	(53.6)	+ 340.0	- 95.9
Factored Debts .....	—	—	—	—	—
Investment .....	7,112.2	6,552.7	8,739.9	+ 8.5	- 18.6
(a) In Nigeria .....	7,112.2	6,552.7	8,322.7	+ 8.5	- 14.5
(i) Treasury bills .....	(5,255.9)	(4,474.8)	(4,995.3)	+ 17.5	+ 5.2
(ii) Treasury certificates ..	(1,003.6)	(1,266.3)	(2,468.2)	- 20.7	- 59.3
(iii) Development stocks ..	(497.7)	(508.7)	(599.0)	- 2.2	- 16.9
(iv) Bankers' Unit Fund ..	(8.6)	(11.6)	(18.5)	- 25.9	- 53.5
(v) Certificates of Deposit .....	(220.6)	(217.5)	(160.9)	+ 1.4	+ 37.1
(vi) Stabilization Securities .....	(—)	(—)	(—)	—	—
(vii) Other .....	(125.9)	(73.8)	(90.8)	+ 70.6	+ 38.7
(b) Abroad .....	—	—	407.2	—	- 100.0
Equipment on Lease .....	—	—	—	—	—
Other Assets .....	14,664.7	14,324.1	10,634.9	+ 2.4	+ 37.9
TOTAL .....	43,842.9	41,088.7	35,321.5	+ 6.7	+ 24.1
<b>LIABILITIES</b>					
Capital: Issued, paid-up & reserves .....	1,571.0	1,457.2	1,208.8	+ 7.8	+ 30.0
Balance held for .....	1,262.3	1,155.5	574.5	+ 9.2	+ 197.2
(a) Banks in Nigeria .....	449.6	284.0	225.2	+ 58.3	+ 99.6
(b) Other banks outside Nigeria .....	560.6	641.0	278.6	- 12.5	+ 101.2
(c) Offices and branches outside Nigeria .....	252.1	230.5	70.7	+ 9.4	+ 256.6
Money at call from other banks .....	183.4	195.9	69.6	- 6.4	+ 163.5
(a) In Nigeria .....	183.4	195.9	69.6	- 6.4	+ 163.5
(b) Outside Nigeria .....	—	—	—	—	—
Loans and advances from .....	248.4	188.0	100.6	+ 32.1	+ 146.9
(a) Central Bank of Nigeria ..	—	—	—	—	—
(b) Other banks in Nigeria ..	12.0	12.2	15.0	- 1.6	- 20.0
(c) Other banks outside Nigeria .....	—	—	22.8	—	- 100.0
(d) Other creditors .....	236.4	175.8	62.8	34.5	+ 276.4
Deposits .....	20,090.8	18,753.6	18,049.2	+ 7.1	+ 11.3
(a) Demand .....	6,472.8	6,195.0	5,598.9	+ 4.5	+ 15.6
(b) Savings .....	4,900.7	4,638.0	3,998.7	+ 5.7	+ 22.6
(c) Time .....	8,717.3	7,920.6	8,451.6	+ 10.1	+ 3.1
Certificates of Deposit .....	96.6	99.9	24.4	- 3.3	+ 295.9
Other liabilities .....	20,390.4	19,238.6	15,294.4	+ 6.0	+ 33.3
TOTAL .....	43,842.9	41,088.7	35,321.5	+ 6.7	+ 24.1

N.E. OGBE, Director of Research

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

Table 3

Sectors	Prescribed Percentage for		Quarterly Average Performance in the		Deviations from Targets in	
	1986	1987	3rd Quarter 1986	3rd Quarter 1987	3rd Quarter 1986	3rd Quarter 1987
A. High Priority Sectors	59.0	50.0	52.2	42.4	- 6.8	- 7.6
(i) Agricultural Production (Agric. Forestry and Fishery)	(15.0)	(15.0)	(11.9)	(13.1)	(- 3.1)	(- 1.9)
(ii) Manufacturing Enterprises (including agro-allied industries)	(44.0) <sup>1</sup>	(35.0) <sup>2</sup>	(40.3)	(29.3)	(- 3.7)	(- 5.7)
B. Other Sectors Comprising mining and quarrying construction exports, public utilities transport and communication, Government, imports domestic trade, credit and financial inst., Money at call, personal and professional, and miscellaneous.	41.0	50.0	47.8	57.6	+ 6.8	+ 7.6
TOTAL	100.0	50.0	100.0	100.0	—	—

<sup>1</sup> In 1986, this was defined as all manufacturing enterprises, agro-allied industries, mining, quarrying and construction.

<sup>2</sup> From 1987, this is defined as all manufacturing enterprises and agro-allied industries, excluding mining, quarrying and construction.

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

Table 4

Accounts	September	June	September	Percentage	
	1987	1987	1986	Change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
<b>ASSETS</b>					
1. Cash and cash items . . . . .	313.8	253.2	204.9	+ 23.9	+ 53.1
(a) Vault cash . . . . .	1.2	1.0	0.4	+ 20.0	+ 200.1
(b) Balance at Central Bank . . . . .	312.6	252.2	204.5	+ 23.9	+ 52.9
2. Balance held with . . . . .	1,531.1	1,500.4	236.2	+ 2.0	+ 548.2
(a) Banks in Nigeria . . . . .	251.3	63.2	58.8	+ 297.6	+ 327.4
(b) Banks outside Nigeria . . . . .	1,279.8	1,437.2	177.4	- 11.0	+ 621.4
(c) Offices and branches outside Nigeria . . . . .	—	—	—	—	—
3. Loans and Advances . . . . .	3,463.1	3,664.2	2,378.9	- 5.5	+ 45.6
(a) Banks in Nigeria . . . . .	11.9	1.6	—	+ 643.8	+ 100.0
(b) Other customers . . . . .	2,535.4	2,426.6	1,738.3	+ 4.5	+ 45.9
(i) Banks' Subsidiaries . . . . .	(—)	(—)	(—)	—	—
(ii) Federal Government . . . . .	(—)	(—)	(0.2)	—	- 100.0
(iii) State Governments . . . . .	(12.3)	(3.3)	(21.0)	+ 272.7	- 41.4
(iv) Local Governments . . . . .	(—)	(—)	(—)	—	—
(v) Other . . . . .	(2,523.1)	(2,423.3)	(1,717.1)	+ 4.1	+ 46.9
(c) Banks outside Nigeria . . . . .	—	—	—	—	—
(d) Money at call outside Central Bank . . . . .	727.3	1,113.3	476.2	- 34.7	+ 52.7
(e) Bills discounted . . . . .	188.5	122.8	164.4	+ 53.5	+ 14.7
(i) Payable in Nigeria . . . . .	(188.5)	(122.8)	(163.9)	+ 53.5	+ 15.0
(ii) Payable outside Nigeria . . . . .	(—)	(—)	(0.5)	—	- 100.0
Factored Debts . . . . .	—	0.1	—	100.0	—
4. Investment . . . . .	1,056.4	588.1	852.7	+ 79.6	+ 23.9
(a) In Nigeria . . . . .	1,056.4	588.1	852.7	+ 79.6	+ 23.9
(i) Treasury bills . . . . .	(231.1)	(264.1)	(385.5)	- 12.5	- 40.1
(ii) Treasury certificates . . . . .	(13.1)	(18.6)	(218.3)	- 29.6	- 94.0
(iii) Development stocks . . . . .	(5.2)	(0.2)	(82.3)	+ 250.0	- 93.7
(iv) Bankers' Unit Fund . . . . .	(—)	(—)	(0.0)	—	—
(v) Certificates of Deposit . . . . .	(622.2)	(122.7)	(102.0)	+ 407.1	+ 510.0
(vi) Stabilization Securities . . . . .	(—)	(—)	(—)	—	—
(vii) Other . . . . .	(184.8)	(182.5)	(64.6)	+ 1.2	+ 186.1
(b) Abroad . . . . .	—	—	—	—	—
5. Equipment on Lease . . . . .	330.6	246.7	128.5	+ 34.0	+ 157.3
6. Other Assets . . . . .	3,811.6	4,427.2	2,299.8	- 13.9	+ 65.7
TOTAL . . . . .	10,506.6	10,679.9	6,101.0	- 1.6	+ 72.2
<b>LIABILITIES</b>					
1. Capital: Issued, paid-up & reserve . . . . .	237.7	265.2	183.7	- 10.4	+ 29.4
2. Balance held for . . . . .	64.3	112.1	41.0	- 42.6	+ 63.8
(a) Banks in Nigeria . . . . .	0.8	56.6	19.1	- 98.6	- 95.8
(b) Other banks outside Nigeria . . . . .	63.5	55.5	21.9	+ 14.4	+ 190.0
(c) Offices and branches outside Nigeria . . . . .	—	—	—	—	—
3. Money at call from other banks . . . . .	887.0	741.7	347.6	+ 19.6	+ 155.2
(a) In Nigeria . . . . .	887.0	735.1	347.6	+ 20.7	+ 155.2
(b) Outside Nigeria . . . . .	—	6.6	—	- 100.0	—
4. Loans and advances from (a) Central Bank of Nigeria . . . . .	20.7	21.5	14.7	- 3.7	+ 40.8
(b) Other banks in Nigeria . . . . .	2.5	—	7.5	+ 100.0	- 66.7
(c) Other banks outside Nigeria . . . . .	—	—	—	—	—
(d) Other creditors . . . . .	18.2	21.5	7.2	- 15.3	+ 152.8
5. Deposits . . . . .	2,784.6	2,713.8	2,374.6	+ 2.6	+ 17.3
(a) Demand . . . . .	383.6	591.7	638.7	- 35.2	- 39.9
(b) Savings . . . . .	—	—	—	—	—
(c) Time . . . . .	2,400.9	2,122.1	1,735.9	+ 13.1	+ 38.3
6. Certificates of Deposit . . . . .	389.5	354.3	142.2	+ 9.9	+ 173.9
7. Other liabilities . . . . .	6,122.8	6,471.3	2,997.2	- 5.4	+ 104.3
TOTAL . . . . .	10,506.6	10,679.9	6,101.0	1.6	+ 72.2

N.E. OGBE, Director of Research

**MERCHANT BANKS LOANS AND ADVANCES BY PURPOSE**  
(PERCENTAGE)

Table 5

Sectors	Prescribed Percentage for		Quarterly Average Performance in the		Deviation from Targets in	
	1986	1987	3rd Quarter 1986	3rd Quarter 1987	3rd Quarter 1986	3rd Quarter 1987
A. High Priority Sectors	64.0	50.0	56.1	45.7	- 7.9	- 4.3
(i) Agricultural Production (Agric. Forestry and Fishery)	(8.0)	(10.0)	(7.2)	(7.7)	(- 0.8)	(- 2.3)
(ii) Manufacturing Enterprises (including agro-allied industries)	(56.0) <sup>1</sup>	(40.0) <sup>2</sup>	(48.9)	(38.0)	(- 7.1)	(- 2.0)
B. Other Sectors Comprising mining and quarrying, construction, exports, public utilities, transport and communication, Government, imports, domestic trade, credit and financial inst., Money at call, personal and professional, and miscellaneous.	36.0	50.0	43.9	54.3	+ 7.9	+ 4.3
<b>TOTAL</b>	100.0	100.0	100.0	100.0	—	-

<sup>1</sup> In 1986, this was defined as all manufacturing enterprises, agro-allied industries, mining, quarrying and construction.

<sup>2</sup> From 1987, this is defined as all manufacturing enterprises and agro-allied industries excluding mining, quarrying and construction.