

DEVELOPMENTS IN THE FINANCIAL SYSTEM DURING THE FIRST QUARTER OF 1986

The direction of changes in some important monetary and credit aggregates during the first quarter of 1986 veered from the seasonal pattern. The broad measure of money supply (M2) and bank credit to the private sector rose. However, narrow money (M1) and bank credit to the government sector declined seasonally.

While the share of aggregate bank credit to government maintained its lead, commercial and merchant banks' credit operations to the private sector showed a significant improvement. Foreign assets of the banking system showed a sharp decline following increased outpayments during the quarter in the face of deteriorating oil earnings.

The level of activities in the money market declined following the retirement of ₦2.0 billion worth of treasury bills during the quarter. Similarly, transactions in the capital market remained generally weak.

Money Supply

Money supply defined narrowly (M1) moved irregularly downwards from its end-December 1985 level. At ₦13.0 billion at the end of March 1985, it declined by ₦266.9 million or 2.0 per cent from the level at the end of December 1985. The decline which was substantially lower than the ₦701.5 million or 5.7 per cent recorded in the comparable period of 1985, contrasted with the increase of ₦87.0 million or 0.7 per cent in the preceding quarter. However, the monthly average level of money stock remained at ₦12.9 billion, the same as in the last quarter of 1985 but higher than the ₦11.5 billion observed in the first quarter of 1985. Over the level a year earlier, M1 at the end of March 1986 recorded an annual rate of increase of 13.0 per cent (see Table 1).

The factors which influenced the fall in money supply (M1) during the review period were the significant increase in quasi-money and the net outflow of money in the external sector. The contractionary impact of these factors was, however, partially offset by the expansionary effect of the rise in aggregate bank credit to the economy and the other assets of the banking system.

Influenced mainly by the increase in quasi-money, the broader measure of money supply (M2) increased by ₦345.0 million or 1.4 per cent to ₦24.2 billion. The increase contrasted sharply with the fall of ₦466.3 million or 2.2 per cent in the corresponding quarter of 1985. The monthly average level of broad money during the review quarter was ₦23.8 billion, compared with ₦23.4 billion in the preceding quarter and ₦20.3 billion in the corresponding quarter of 1985. The fast growth in corporate time deposits with the commercial banks accounted mainly for the increase in M2.

Banking System's Credit

After showing a persistent decline in the first two months of the year, aggregate bank credit, outstanding, to the domestic economy rose to ₦33.1 billion at the end of March 1986, reflecting an increase of ₦449.3 million or 1.4 per cent over the end-December 1985 level. The increase which was accounted for wholly by bank credit expansion to the private sector contrasted with the ₦540.3 million or 1.7 per cent decline recorded in the comparable period of 1985. The persistent fall in aggregate bank claims on the government

sector which characterised credit developments in 1985 and 1984 continued into the review period.

Claims on the government sector declined by ₦150.2 million or 0.8 per cent from the level at the end of December 1985 to ₦18.8 billion at the end of March 1986. This compared with the fall of ₦594.3 million or 3.3 per cent in the corresponding quarter of 1985. The contraction in bank credit to the sector was reflected wholly in the Central Bank's claims as commercial banks' credit increased. The moderation in government borrowing from the banking system reflected the impact of government's budgetary restraint and increased participation of non-bank public in government securities market. The Central Bank's claims on the sector during the quarter under review declined by ₦321.5 million or 3.6 per cent to ₦8.5 billion. Commercial banks, on the other hand, faced with a weak demand for credit by the private sector diverted their resources into government securities. Thus, their credit to the sector rose by ₦171.3 million or 1.7 per cent to ₦10.3 billion, but the increase was not high enough to offset the fall in the Central Bank's claims.

Signifying a modest recovery of economic activities in the private sector, bank credit to the sector increased during the review period as in the preceding quarter. At the end of March 1986, total bank credit to the sector was ₦14.3 billion, representing an increase of ₦599.5 million or 4.4 per cent over the level at the end of December 1985. This compared with the increases of ₦584.8 million or 4.5 per cent in the preceding quarter and ₦54.0 million or 0.4 per cent in the comparable period of 1985. Both the Central Bank and the commercial banks contributed to the increase recorded during the quarter, with the latter accounting for the bulk (76.8 per cent). Commercial bank's credit to the sector rose by ₦460.3 million or 3.7 per cent to ₦12.3 billion while Central Bank's claims, mainly on the commodity boards, increased by ₦139.2 million or 9.8 per cent to ₦1.4 billion.

External Assets

Following increased external payments not matched by a corresponding increase in foreign exchange inflows, the level of foreign assets of the banking system declined from ₦1.8 billion at the end of December 1985 to ₦1.6 billion at the end of March 1986. The turbulence in the world petroleum market during the quarter adversely affected foreign exchange earnings. In contrast, the level rose by ₦885.3 million or 93.6 per cent in the preceding quarter due mainly to delayed settlement of external liabilities due for payment. However, the monthly average level of foreign assets at ₦1.8 billion during the review period was substantially higher than the ₦1.4 billion recorded in the corresponding period of 1985.

Commercial Banking

Assets/liabilities of the commercial banking system at the end of March 1986 stood at ₦31.8 billion, representing a fall of ₦163.5 million or 0.5 per cent from the preceding quarter's level (see Table 2). The decline contrasted with the increases of ₦1.0 billion or 3.3 per cent and ₦241.1 million or 0.8 per cent in the fourth and first quarters of 1985, respectively.

Investible funds which accrued mainly from increases in deposit liabilities and balances held for other banks in and

out of Nigeria were utilised largely in expanding loans and investments. In addition, commercial banks cash holdings including their balances at the Central Bank, increased.

Aggregate loans and advances increased by ₦471.9 million or 3.9 per cent to ₦12.6 billion. This was marginally lower than the ₦495.0 million or 4.2 per cent increase recorded in the preceding quarter but substantially outstripped the increase of ₦41.1 million or 0.4 per cent recorded in the first quarter of 1985. Thus, the cumulative rate of expansion achieved in the first quarter of 1986, at 3.9 per cent, was higher than the proportional share for the quarter of the 10.0 per cent ceiling allowed in fiscal 1986.

Commercial banks investments, mainly in government securities, rose by ₦168.6 million or 1.6 per cent to ₦11.0 billion, compared with the increase of ₦277.0 million or 2.6 per cent in the preceding quarter. Over the level a year earlier, the banks investments increased by ₦1.2 billion or 12.4 per cent. Investments in government short-term securities has, since 1983, become very attractive to the commercial banks in the wake of a weakening demand for bank credit by the prime borrowers and the reluctance on the part of the banks to accommodate new and relatively risky loan demands. Shift in commercial banks resources into government securities has influenced a build-up of bank liquidity. On monthly average basis the liquidity ratio was 65.1 per cent during the review period compared with 67.9 per cent in the corresponding quarter of 1985.

Sectoral Distribution of Loans and Advances

The commercial banks failed to meet fully the sectoral targets set for them in the distribution of their total loans and advances, outstanding. However, performance during the quarter represented some improvement over that of the earlier period. For example, the monthly average percentage allocation to the preferred sectors of the economy was 69.4 per cent of the total compared with 68.8 per cent in the preceding quarter and the 78.0 per cent minimum prescribed for the banks, the sectors of agriculture, industrial enterprises and services received 3.2, 1.6 and 4.1 percentage points less than the stipulated minimum. Allocation to residential building construction, however, exceeded the 6.0 per cent minimum target by 0.3 percentage point (see Table 3).

On the other hand, the banks exceeded the maximum target of 22 per cent prescribed for the less preferred sectors (comprising government, imports and domestic trade, credit and financial institutions, personal and professional) by 8.6 percentage points.

Merchant Banking

At the end of March 1986, merchant banks' total assets/liabilities stood at ₦5.0 billion, reflecting a marginal increase of ₦19.8 million or 0.4 per cent over the level at the end of the preceding quarter. The increase contrasted with the decline of ₦37.0 million or 0.8 per cent recorded in the comparable quarter of 1985 (see Table 4).

Total deposit liabilities of the banks amounted to ₦1.8 billion, reflecting only a marginal decline of ₦15.3 million or 0.8 per cent from the end-December 1985 level but was ₦330.8 million or 22.0 per cent higher than the level a year earlier.

The banks' aggregate credit (loans and advances, investments and equipment on lease) outstanding to the domestic economy stood at ₦3.2 billion, representing an increase of ₦36.8 million or 1.7 per cent, compared with the

increase of ₦141.7 million or 4.7 per cent in the preceding quarter. The observed aggregate credit expansion during the period under review was accounted for mainly by the increase of ₦84.8 million or 4.7 per cent in loans and advances. On the other hand, investments declined by ₦56.7 million or 4.5 per cent. Overall, there seemed to be a modest recovery in private sector economic performance and a reverse flow of bank resources from the government to the sector during the quarter. Equipments on lease, as a proportion of total assets, also rose to 1.9 per cent from 1.7 per cent.

Like the commercial banks, merchant banks failed to comply fully with the credit guidelines stipulated for them. Allocation to the preferred sectors (61.9 per cent), for example, fell short of the prescribed minimum of 79 per cent by 17.1 percentage points (see Table 5). All the favoured sectors (agriculture, industrial enterprises, residential building construction and services) shared in the shortfall. However, when compared with the banks performance in the preceding quarter, some improvement was achieved during the review period.

Allocation to the less preferred sectors, on the other hand, exceeded the stipulated maximum by 17.1 percentage points. Total loans and advances to this sector averaged 38.1 per cent monthly as against the prescribed target of 21 per cent. During the preceding quarter, the sector (comprising government, imports and domestic trade, credit and financial institutions, personal and professional) received a monthly average allocation of 38.7 per cent.

Financial Markets

Trading on the Nigerian Stock Exchange was rather dull as the number of transactions fell from 6,707 in the last quarter of 1985 to 6,236 in the first quarter of 1986. The value of transactions, however, rose from ₦101.6 to ₦125.8 million. In the preceding quarter, both the number and value of transactions recorded modest increases. The fall in the number of transactions during the review quarter was reflected in the industrials as dealings in government securities rose.

As usual, transactions in government securities amounted to ₦121.0 million, representing 96.2 per cent of the total value of transactions in the market during the quarter. The share of government securities of the total value of transactions in the preceding quarter was 96.0 per cent.

In the new issues market, two more companies, Juli Pharmacy & Stores Limited and Delta Glass Company, were listed on the Second-Tier Securities Market (SSM) established barely a year ago. As at the end of December 1985, only one company, DCC Company Limited, had availed itself of the facilities of the SSM. The new issues were:—

1. Juli Pharmacy & Stores Limited
 - (a) (2,000,000 ordinary shares of 50k each at 52k per share);
 - (b) (2.0 million 13% Debenture Stock 1992).
2. Delta Glass Company Limited
(3,435,172 ordinary shares of 50k each at 50k per share).

In addition, the Twenty-Fourth Federal Republic of Nigeria Development Stock valued at ₦300.0 million was floated at the end of the quarter.

At the end of March 1986, money market assets outstanding stood at ₦22.1 billion, showing a significant decline of ₦1.9 billion or 8 per cent from the level at the end of December 1985. In contrast, the value of total money market assets rose in the preceding quarter by the same margin. The fall in the review quarter was accounted for mainly by the retirement of the ₦2.0 billion special issue of treasury bills made in

December 1985, the proceeds of which were used to liquidate outstanding Central Bank's ways and means advances to government. Consequently, Central Bank and merchant banks' holdings of treasury bills fell by 54.5 and 15.4 per cent to ₦2.8 and ₦0.9 billion, respectively, while commercial banks' holdings remained unchanged at ₦8.0 billion. Investments by non-bank public, however, rose substantially by ₦1.5 billion or 83.7 per cent to ₦3.2 billion at the end of the review period.

Rediscounts of money market instruments totalled ₦1.4 billion during the quarter, compared with ₦2.6 billion in the preceding quarter.

MONEY AND BANKING OFFICE
DOMESTIC FINANCE DIVISION
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Table I
MONETARY AND CREDIT DEVELOPMENTS IN THE FIRST QUARTER OF 1986
(Million)

	March 1986	December 1985	September 1985	March 1985	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) ¹	33,129.6	32,680.3	32,654.2	30,593.2	+449.3	+1.4	+26.1	+0.1	+2,536.4	+8.3
CREDIT TO PRIVATE SECTOR.....	14,299.7	13,700.2	13,115.4	12,996.0	+599.5	+4.4	+584.8	+4.5	+1,303.7	+10.0
(i) Central Bank.....	1,562.8	1,423.6	1,335.5	1,299.5	+139.2	+9.8	+88.1	+6.6	+263.3	+20.3
(ii) Commercial Banks.....	12,736.9	12,276.6	11,779.9	11,696.5	+460.3	+3.7	+496.7	+4.2	+1,040.4	+8.9
CREDIT TO GOVERNMENT SECTOR (NET)	18,829.9	18,980.1	19,538.8	17,597.2	-150.2	-0.8	-558.7	-2.9	+1,232.7	+7.0
(i) Central Bank ¹	8,520.2	8,841.7	9,475.8	8,360.4	-321.5	-3.6	-634.1	-6.7	+159.8	+1.9
(ii) Commercial Banks ²	10,309.7	10,138.4	10,063.0	9,236.8	+171.3	+1.7	+75.4	+0.7	+1,072.9	+11.6
FOREIGN ASSETS (NET).....	1,638.7	1,831.1	945.8	1,516.4	-192.4	-10.5	+885.3	+93.6	+122.3	+8.1
(i) Central Bank ¹	1,609.0	1,677.9	800.9	1,276.7	-68.9	-4.1	+877.0	+109.5	+332.3	+26.0
(ii) Commercial Banks.....	29.7	153.2	144.9	239.7	-123.5	-80.6	+8.3	+5.7	-210.0	-87.6
OTHER ASSETS (NET).....	-10,604.7	-10,692.8	-10,087.9	-10,983.5	+88.1	+0.8	-604.9	-6.0	-378.8	-3.4
TOTAL MONETARY ASSETS.....	24,163.6	23,818.6	23,512.1	21,126.1	+345.0	+1.4	+306.5	+1.3	+3,037.5	+14.4
QUASI MONEY.....	11,162.7	10,550.8	10,331.3	9,631.6	+611.9	+5.8	+219.5	+2.1	+1,531.1	+15.9
MONEY SUPPLY.....	13,000.9	13,267.8	13,180.8	11,502.6	-266.9	-2.0	+87.0	+0.7	+1,498.3	+13.0
(i) Currency Outside Banks.....	4,927.3	4,909.9	4,464.2	4,511.8	+17.4	+0.4	+445.7	+10.0	+415.5	+9.2
(ii) Private Sector Demand Deposits.....	8,073.6	8,357.9	8,716.6	6,990.8	-284.3	-3.4	-358.7	-4.1	+1,082.8	+15.5
TOTAL MONETARY LIABILITIES.....	24,163.6	23,818.6	23,512.1	21,126.1	+345.0	+1.4	+306.5	+1.3	+3,037.5	+14.4
FED. GOV'T DEMAND DEPOSITS.....	3,226.4	3,290.3	2,458.4	2,260.0	-63.9	-1.9	+831.9	+33.8	+966.4	+42.8

¹ Less Federal Gov't. deposit with the Central Bank and Fed. Gov't. External Assets

² Less Federal Gov't. demand deposits with commercial banks

³ Includes Federal Government External Assets

⁴ Excludes Federal Savings Bank deposits

Table 2
COMMERCIAL BANKING SYSTEM
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
(Naira Million)

Accounts	March	December	March	Percentage	
	1986	1985	1985	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items.....	931.9	805.3	1,217.3	+15.7	-23.4
(a) Vault cash.....	333.2	465.1	358.8	28.3	-7.1
(b) Balance at Central Bank.....	598.7	340.2	858.5	+76.0	-30.2
2. Balance held with.....	707.5	797.3	843.2	11.2	-16.1
(a) Banks in Nigeria.....	354.6	387.6	377.3	-8.5	-6.4
(b) Banks outside Nigeria.....	338.8	385.6	459.0	12.1	-26.2
(c) Offices and branches outside Nigeria.....	14.1	24.1	6.9	41.5	104.3
3. Loans and Advances.....	12,642.2	12,170.3	11,544.7	+3.9	+9.5
(a) Banks in Nigeria.....	14.2	16.2	14.6	-12.3	+2.7
(b) Other customers.....	12,166.7	11,705.2	10,924.6	+3.9	-11.4
(i) Banks' Subsidiaries.....	(—)	(—)	(—)	(—)	(—)
(ii) Federal Government.....	(90.2)	(79.5)	(60.0)	+13.4	+50.3
(iii) State Governments.....	(411.8)	(449.4)	(455.2)	(-8.4)	9.5
(iv) Local Governments.....	(24.7)	(20.5)	(38.3)	(+20.5)	-35.5
(v) Other.....	(11,640.0)	(11,155.8)	(10,371.1)	(+4.3)	+12.2
(c) Banks outside Nigeria.....	—	—	—	—	—
(d) Money at call outside Central Bank.....	395.9	401.7	546.9	-1.4	-27.6
(e) Bills discounted.....	65.4	47.2	58.6	+38.5	+11.6
(i) Payable in Nigeria.....	(51.9)	(42.4)	(40.3)	+22.4	+28.8
(ii) Payable outside Nigeria.....	(13.5)	(4.8)	(18.3)	-181.2	-26.2
4. Factored Debts.....	—	—	—	—	—
5. Investment.....	11,044.4	10,875.8	9,824.2	+1.5	+12.4
(a) In Nigeria.....	11,044.4	10,875.8	9,824.2	+1.5	+12.4
(i) Treasury bills.....	(8,049.7)	(7,990.0)	(7,888.8)	+0.7	+2.0
(ii) Treasury certificates.....	(2,342.1)	(2,264.0)	(1,457.6)	+3.4	+60.7
(iii) Development stocks.....	(421.3)	(395.7)	(229.2)	+6.5	+83.8
(iv) Bankers' Unit Fund.....	(18.5)	(18.5)	(18.5)	—	—
(v) Certificate of Deposit.....	(121.3)	(129.2)	(143.7)	-6.1	-15.6
(vi) Stabilization Securities.....	(—)	(—)	(—)	—	—
(vii) Other.....	(91.5)	(77.5)	(86.4)	+18.1	+5.9
(b) Abroad.....	—	—	—	—	—
6. Equipment on Lease.....	—	—	—	—	—
7. Other Assets.....	6,508.4	7,349.2	6,878.4	11.4	-5.4
TOTAL.....	31,834.4	31,997.9	30,307.8	-0.5	+5.0
LIABILITIES					
1. Capital: Issued, paid-up and reserves.....	1,132.8	1,128.7	975.1	+0.3	+16.2
2. Balance held for.....	454.9	310.4	420.6	+46.5	+8.2
(a) Banks in Nigeria.....	130.6	60.8	176.1	+114.8	-25.8
(b) Other banks outside Nigeria.....	241.5	142.7	190.7	+69.2	+26.6
(c) Offices and branches outside Nigeria.....	82.8	106.9	53.8	-22.5	+53.9
3. Money at call from other banks.....	45.6	54.3	312.5	-16.0	-85.4
(a) In Nigeria.....	45.6	52.6	312.5	-13.3	-85.4
(b) Outside Nigeria.....	—	1.7	—	—	—
4. Loans and advances from.....	86.8	84.5	66.0	+2.7	+31.5
(a) Central Bank of Nigeria.....	—	—	—	—	—
(b) Other banks in Nigeria.....	10.0	10.0	—	0.0	—
(c) Other banks outside Nigeria.....	12.5	10.0	—	+25.0	—
(d) Other creditors.....	64.3	64.5	66.0	-0.3	-2.6
5. Deposits.....	18,199.9	17,597.1	16,098.7	+3.4	+13.1
(a) Demand.....	7,037.2	7,046.2	6,475.3	-0.1	+8.7
(b) Savings.....	3,857.9	3,700.0	3,436.2	+4.3	+12.3
(c) Time.....	7,304.8	6,850.9	6,187.2	+6.6	+18.1
6. Certificates of Deposit.....	20.9	20.4	30.4	-2.4	-31.3
7. Other Liabilities.....	11,893.5	12,802.5	12,404.5	-7.1	-4.1
TOTAL.....	31,834.4	31,997.9	30,307.8	-0.5	+5.0

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Table 3
SECTORAL DISTRIBUTION OF COMMERCIAL BANK LOANS AND ADVANCES (PER CENT)

	Prescribed Targets		Average Performance	1986			Average Performance	Deviations from Targets	
	1985	1986	Jan.-Mar. 1985	Jan.	Feb.	Mar.	Jan.-Mar. 1986	Jan.-Mar. 1985	Jan.-Mar. 1986
A. PREFERRED SECTORS	75.0	78.0	67.9	68.8	69.7	69.7	69.4	-7.1	-8.6
(i) Agriculture	12.0	15.0	9.3	11.7	12.0	11.6	11.8	-2.7	-3.2
(ii) Industrial Enterprises	44.0	44.0	42.4	41.1	41.8	44.3	42.4	-1.6	-1.6
Residential Building									
(iii) Construction	6.0	6.0	7.0	7.1	7.2	4.7	6.3	+1.0	+0.3
(iv) Services including exports.	13.0	13.0	9.2	8.9	8.7	9.1	8.9	-3.8	-4.1
B. LESS-PREFERRED SECTORS	25.0	22.0	32.1	31.2	30.3	30.3	30.6	+7.1	+8.6
Comprising Government Import & Domestic Trade, Credit & Financial Institutions, Personal & Professional									
TOTAL "A" + "B"	100.0	100.0	100.0	100.0	100.0	100.0	100.0	—	—

Table 4
MERCHANT BANKING SYSTEM
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
(₦ Million)

Accounts	March	December	March	Percentage	
	1986	1985	1985	change between	
	(1)	(2)	(3)	(1) & (2)	(1) & (3)
ASSETS					
1. Cash and cash items	88.4	70.4	47.7	+25.6	+85.3
(a) Vault cash	0.5	0.3	0.2	+66.7	+150.0
(b) Balance at Central Bank	87.9	70.1	47.5	+25.4	+85.1
2. Balance held with	273.6	197.2	156.5	+38.7	+74.8
(a) Banks in Nigeria	108.7	60.9	40.0	+78.5	+171.8
(b) Banks outside Nigeria	164.4	136.0	116.5	+20.9	+41.1
(c) Offices and branches outside Nigeria	0.5	0.3	—	+66.7	—
3. Loans and Advances	1,887.7	1,802.9	1,655.2	+4.7	+14.0
(a) Banks in Nigeria	2.3	2.3	—	—	—
(b) Other customers	1,402.7	1,323.8	1,167.0	+6.0	+20.2
(i) Banks' Subsidiaries	(—)	(—)	(—)	(—)	—
(ii) Federal Government	(0.3)	(0.3)	(0.3)	—	—
(iii) State Governments	(22.4)	(16.9)	2.7	+32.5	+729.6
(iv) Local Governments	(—)	(—)	(—)	—	—
(v) Other	(1,380.0)	(1,306.6)	(1,164.0)	+5.6	+18.6
(c) Banks outside Nigeria	—	—	—	—	—
(d) Money at call outside Central Bank	341.7	385.1	369.2	11.3	-7.5
(e) Bills discounted	141.0	91.7	119.0	+53.8	+18.5
(i) Payable in Nigeria	(141.0)	(91.7)	(119.0)	+53.8	+18.5
(ii) Payable outside Nigeria	(—)	(—)	(—)	—	—
4. Factored Debts	—	—	—	—	—
5. Investment	1,201.6	1,258.3	1,111.9	-4.5	+8.1
(a) In Nigeria	1,201.6	1,258.3	1,111.9	-4.5	+8.1
(i) Treasury bills	(869.2)	(1,027.1)	(985.9)	-15.4	-11.8
(ii) Treasury certificates	(148.6)	(105.0)	(17.5)	+41.5	+749.1
(iii) Development stocks	(8.1)	(33.0)	(1.0)	-75.5	+710.0
(iv) Bankers' Unit Fund	(53.2)	(1.8)	(4.8)	+2,855.6	+1,008.3
(v) Certificate of Deposit	(112.5)	(82.5)	(98.0)	+36.4	+14.8
(vi) Stabilization Securities	(—)	(—)	(—)	—	—
(vii) Other	(10.0)	(8.9)	(4.7)	+12.4	+108.3
(b) Abroad	—	—	—	—	—
6. Equipment on Lease	95.3	86.6	71.8	+10.1	+32.7
7. Other Assets	1,474.3	1,585.7	1,415.8	-7.0	+4.1
TOTAL	5,020.9	5,001.1	4,458.9	+0.4	+12.6
LIABILITIES					
1. Capital: Issued, paid-up and reserves	163.3	163.7	130.2	-0.2	+25.3
2. Balance held for	47.8	36.1	63.2	+32.4	-24.4
(a) Banks in Nigeria	27.5	23.9	51.7	+15.1	-46.8
(b) Other banks outside Nigeria	20.3	12.2	11.5	+66.4	+76.5
(c) Offices and branches outside Nigeria	—	—	—	—	—
3. Money at call from other banks	367.7	398.3	343.8	-7.7	+7.0
(a) In Nigeria	367.7	398.3	343.2	-7.7	+1.1
(b) Outside Nigeria	—	—	0.6	—	-100.0
4. Loans and advances from	—	—	—	—	—
(a) Central Bank of Nigeria	—	—	—	—	—
(b) Other banks in Nigeria	—	—	—	—	—
(c) Other banks outside Nigeria	—	—	—	—	—
(d) Other creditors	—	—	—	-0.8	—
5. Deposits	1,833.4	1,848.7	1,502.6	-4.6	+22.0
(a) Demand	403.9	530.5	471.9	-23.9	-14.4
(b) Savings	—	—	—	—	—
(c) Time	1,429.5	1,318.2	1,030.7	+8.4	+38.7
6. Certificates of Deposit	141.6	72.5	105.3	+95.3	+34.5
7. Other Liabilities	2,467.1	2,481.8	2,313.8	-0.6	+6.6
TOTAL	5,020.9	5,001.1	4,458.9	+0.4	+12.6

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Table 5
SECTORAL DISTRIBUTION OF MERCHANT BANK LOANS AND ADVANCES (PER CENT)

	Prescribed Targets		Average Performance	1986			Average Performance	Deviations from Targets	
	1985	1986	Jan.-Mar. 1985	Jan.	Feb.	Mar.	Jan.-Mar. 1986	Jan.-Mar. 1985	Jan.-Mar. 1986
A. PREFERRED SECTORS	79.0	79.0	62.4	61.0	61.3	63.3	61.9	-16.6	-17.1
(i) Agriculture	6.0	8.0	5.4	6.7	6.9	7.3	7.0	-0.6	-1.0
(ii) Industrial Enterprises	58.0	56.0	47.2	45.0	45.0	45.5	45.2	-10.8	-10.8
(iii) Residential Building Construction	6.0	6.0	6.3	5.6	5.6	6.6	5.9	+0.3	-0.1
(iv) Services including exports	9.0	9.0	3.5	3.7	3.8	3.9	3.8	-5.5	-5.2
B. LESS-PREFERRED SECTORS	21.0	21.0	37.6	39.0	38.7	36.7	38.1	+16.6	+17.1
Comprising Government Import & Domestic Trade, Credit & Financial Institutions, Personal & Professional									
TOTAL "A" + "B"	100.0	100.0	100.0	100.0	100.0	100.0	100.0	—	—