



Protecting your bank deposits

Annual Report

FOR THE YEAR ENDED
DECEMBER 31, 2018



MEMBERS OF THE EXECUTIVE COMMITTEE



Alh. Umaru Ibrahim, FCIB, mni
Managing Director/Chief Executive

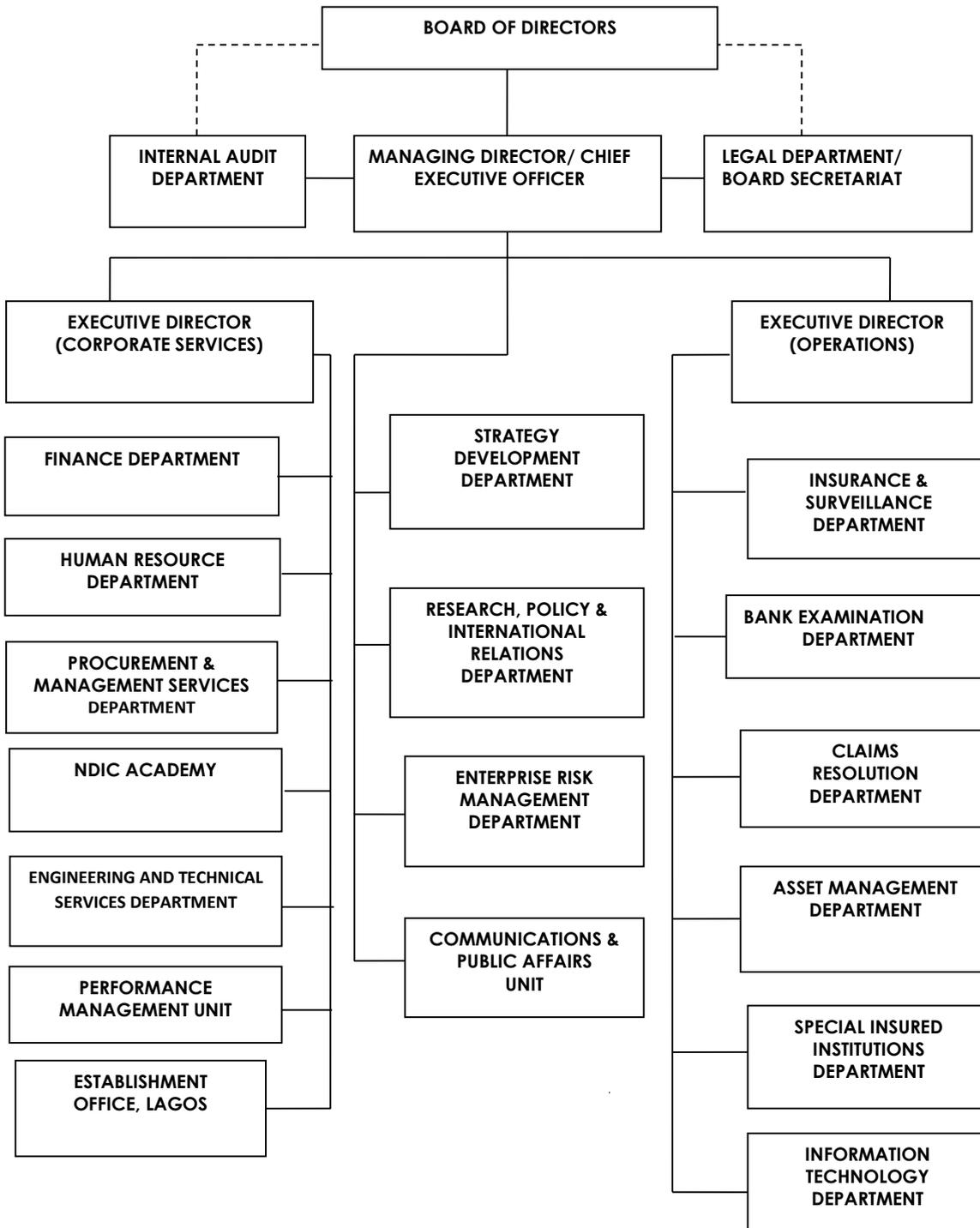


Prince Aghatise Erediauwa
Executive Director (Operations)



Hon. Omolola Abiola-Edewor
Executive Director (Corporate Services)

ORGANISATIONAL STRUCTURE



HEADS OF DEPARTMENTS/UNITS/ZONAL OFFICES

Mr. B. D. Umar	-	Director, Asset Management
Mr. M. M. Ibrahim	-	Director, Bank Examination
Mr. M. A. Ahmed	-	Director, Human Resource
Ms. D. O. Okonta	-	Director, Finance
Mr. J. J. Etopidiok	-	Director, Special Insured Institutions
Mr. A. S. Bello	-	Director, Claims Resolution
Mr. F. O. Ekechi	-	Director, Strategy Development
Mr. M. Y. Umar	-	Director, Insurance & Surveillance
Dr. S. A. Oluyemi	-	Director, Research, Policy & International Relations
Mr. B. A. Taribo	-	Director, Legal & Secretary to the Corporation
Mr. P. H. Ngadda	-	Director, Enterprise Risk Management
Mr. S. Magaji	-	Director, Procurement & Management Services
Dr. A. B. Okoro	-	Director, NDIC Academy
Mr. E. A. Esangbedo	-	Deputy Director, Performance Management
Mr. C. A. Ehizokhale	-	Deputy Director, Engineering & Technical Services
Mr. I. Uhunmwagho	-	Deputy Director, Information Technology
Mr. M. O. Adewumi	-	Deputy Director, Establishment Office, Lagos
Mr. M. K. Ibrahim	-	Assistant Director, Communications & Public Affairs
Mr. A. A. Bello	-	Controller, Bauchi Zonal Office
Mr. J. A. Ikediashi	-	Controller, Benin Zonal Office
Mrs. V. Ogbo-Ikwue	-	Controller, Enugu Zonal Office
Mr. O. Alabi	-	Controller, Ilorin Zonal Office
Mr. B. A. Nuhu	-	Controller, Kano Zonal Office
Mr. I. Essien	-	Controller, Port Harcourt Zonal Office
Mr. J. T. Anifowose	-	Controller, Sokoto Zonal Office
Mr. M. G. Kollere	-	Controller, Yola Zonal Office

OFFICE ADDRESSES AND TELEPHONES

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09035795104, 09036251402, 08069619954

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Yola
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08089814006, 08089814007, 08037023360



bsi.



Certificate of Registration

BUSINESS CONTINUITY MANAGEMENT SYSTEM - ISO 22301:2012

This is to certify that:

Nigeria Deposit Insurance Corporation
447/448 Constitution Avenue
Central Business District
Abuja
900211
Nigeria

Holds Certificate No:

BCMS 669853

and operates a Business Continuity Management System which complies with the requirements of ISO 22301:2012 for the following scope:

The Business Continuity of the Four Mandates of NDIC as follows: Deposit Guarantee, Bank Supervision, Distress Resolution and Bank Liquidation as delivered and supported through the Head Office in Abuja.

For and on behalf of BSI:

Andrew Launn, EMEA Sys Cert Ops & Compliance Director

Original Registration Date: 2017-08-08

Effective Date: 2017-08-08

Latest Revision Date: 2017-08-08

Expiry Date: 2020-08-07

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Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 345 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.



Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: Nigeria Deposit Insurance Corporation
447/448 Constitution Avenue
Central Business District
Abuja
900211
Nigeria

Holds Certificate No: **IS 669854**

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:

The Information Security Management System that supports the delivery of services provided by the IT Department of NDIC from its Data Centre to internal customers in the entire NDIC Headquarters located at Constitutional Avenue, Abuja, Federal Republic of Nigeria. This is in accordance with the Statement of Applicability v.1.1 dated 08/05/2017.,,

For and on behalf of BSI:

Andrew Launn, EMEA Sys Cert Ops & Compliance Director

Original Registration Date: 2017-08-18
Latest Revision Date: 2017-08-18

Effective Date: 2017-08-18
Expiry Date: 2020-08-17

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Certificate No: **IS 669854**

Location	Registered Activities
Nigeria Deposit Insurance Corporation 447/448 Constitution Avenue Central Business District Abuja 900211 Nigeria	The Information Security Management System that supports the delivery of services provided by the IT Department of NDIC from its Data Centre to internal customers in the entire NDIC Headquarters located at Constitutional Avenue, Abuja, Federal Republic of Nigeria. This is in accordance with the Statement of Applicability v.1.1 dated 08/05/2017.,,



By Royal Charter

Certificate of Registration

IT SERVICE MANAGEMENT SYSTEM - ISO/IEC 20000-1:2011

This is to certify that:

Nigeria Deposit Insurance Corporation
447/448 Constitution Avenue
Central Business District
Abuja
900211
Nigeria

Holds Certificate No:

ITMS 669852

and operates an IT Service Management System which complies with the requirements of ISO/IEC 20000-1:2011 for the following scope:

The Service Management System that supports the delivery of Infrastructure Management, Application Support, Network Connectivity Services and communication and collaboration tools provided by the IT Department of NDIC to internal customers in the entire NDIC Headquarters located at Constitutional Avenue, Abuja, Federal Republic of Nigeria and regional branches. This is in accordance with the Service Catalogue v.1.0 dated 21/04/2017.

For and on behalf of BSI:

Andrew Launn, EMEA Sys Cert Ops & Compliance Director

Original Registration Date: 2017-08-18

Effective Date: 2017-08-18

Latest Revision Date: 2017-08-18

Expiry Date: 2020-08-17

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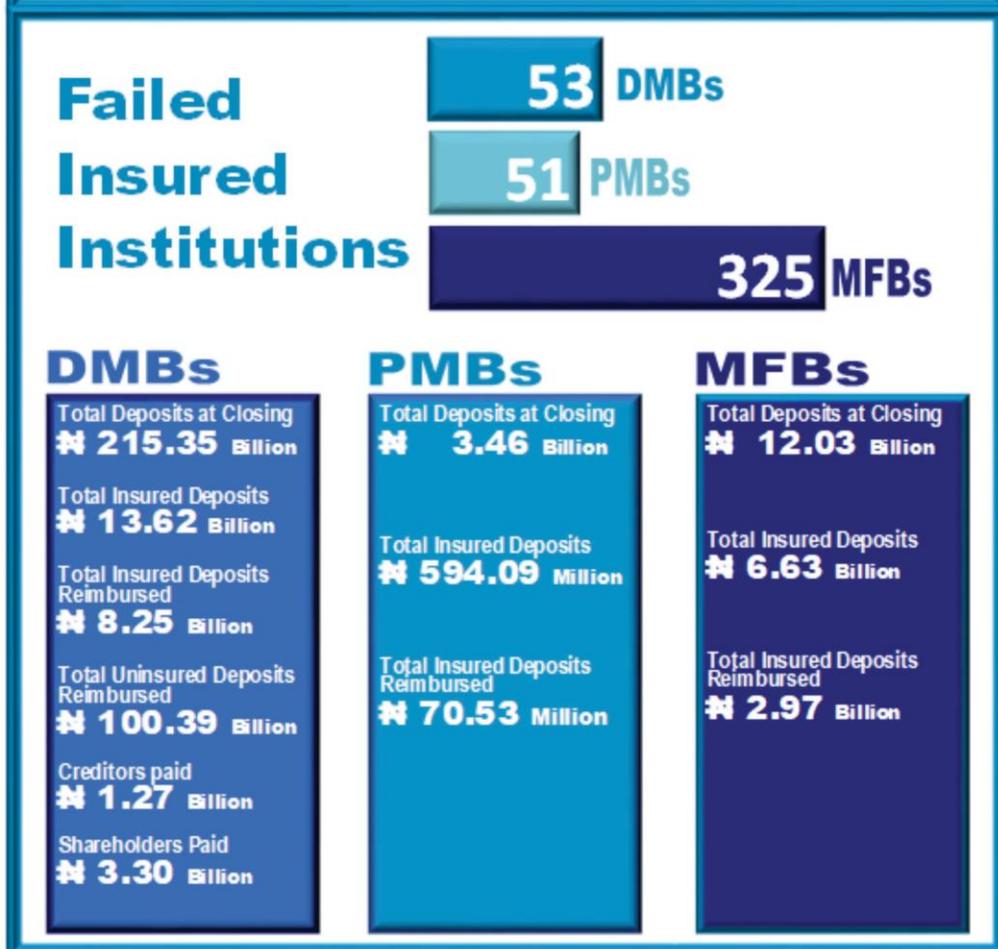
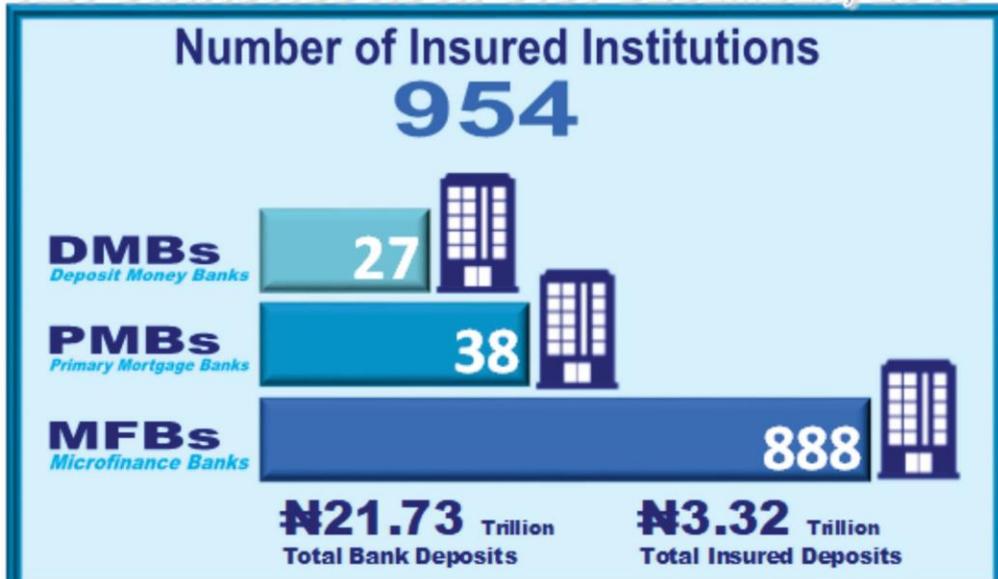
Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 345 080 9000

BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.



MD/CEO, Umaru Ibrahim (1st right) receives one of the three International Standards Organisation (ISO) Certifications awarded to the Corporation by the British Standards Institution (BSI) which was presented by the representative of the British High Commissioner and Lead Trade Adviser for Education Sector Opportunities, Ms. Natasha Anjekwu (2nd right) while Executive Director (Corporate Services), Hon. Mrs. Omolola Abiola Edewor (2nd left) and CBN Director Financial System Strategy (FSS 2020), Mr. Mohammed D. Suleyman (1st left) applaud.

KEY STATISTICS AS AT 31ST DECEMBER, 2018



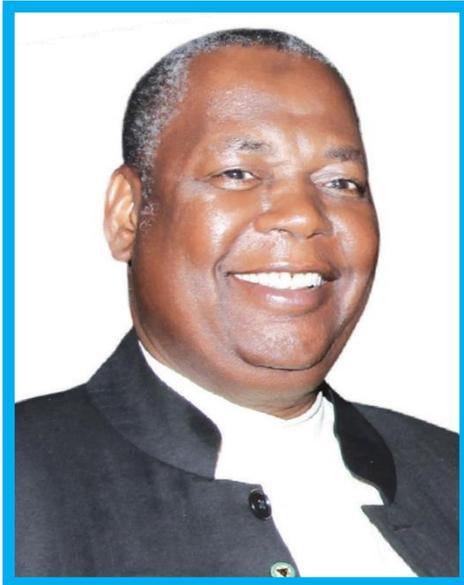
ABBREVIATIONS USED IN THIS REPORT

S/N	ABBREVIATION	FULL MEANING
1	ADR	Alternative Dispute Resolution
2	AMCON	Asset Management Corporation of Nigeria
3	AMD	Asset Management Department
4	ARC	Africa Regional Committee
5	ASCE	Abuja Security & Commodities Exchange
6	ATM	Automated Teller Machine
7	BED	Bank Examination Department
8	BGF	Bank Guarantee Fund
9	BOFIA	Banks and Other Financial Institutions Act
10	BSC	Balanced Score Card
11	BZO	Benin Zonal Office
12	CAC	Corporate Affairs Commission
13	CAR	Capital Adequacy Ratio
14	CBN	Central Bank of Nigeria
15	CIBN	Chartered Institute of Bankers of Nigeria
16	CRD	Claims Resolution Department
17	d/EPM	Dynamic Enterprise Performance Management Software
18	DFI	Development Finance Institution
19	DI	Deposit Insurance
20	DIF	Deposit Insurance Fund
21	DIS	Deposit Insurance System
22	DMB	Deposit Money Bank
23	DMO	Debt Management Office
24	DPAS	Differential Premium Assessment System
25	DPF	Deposit Protection Fund of Uganda
26	DPFB	Deposit Protection Fund Board
27	D-SIB	Domestic-Systemically Important Bank
28	DSS	Directorate of State Security
29	EDMS	Electronic Document Management System
30	e-FASS	Electronic-Financial Analysis and Surveillance System
31	EFCC	Economic & Financial Crimes Commission
32	e-FILMS	Electronic-Financial Institutions Liquidation Management System
33	ERM	Enterprise Risk Management
34	ERMS	Enterprise Risk Management System

S/N	ABBREVIATION	FULL MEANING
35	EWS	Early Warning System
36	EZO	Enugu Zonal Office
37	Failed Banks Act	Failed Banks (Recovery of Debts and Other Financial Malpractices in Banks Act) 1994
38	FDIC	Federal Deposit Insurance Corporation
39	FICAN	Finance Correspondents Association of Nigeria
40	FinA	Financial Analysis System
41	FIRS	Federal Inland Revenue Service
42	FMF	Federal Ministry of Finance
43	FMIU	Fraud, Monitoring and Investigation Unit
44	FRA	Fiscal Responsibility Act
45	FSN	Financial Safety Net
46	FSRCC	Financial Services Regulation Coordinating Committee
47	FSS 2020	Financial System Strategy 2020
48	GDPC	Ghana Deposit Protection Corporation
49	HKDPB	Hong Kong Deposit Protection Board
50	IADI	International Association of Deposit Insurers
51	ICPC	Independent Corrupt Practices and Other Related Offences Commission
52	IFI	Insured Financial Institution
53	IFRS	International Financial Reporting Standard
54	IoD	Institute of Directors
55	ITDR	Information Technology Disaster Recovery
56	ITSSA	Information Technology Security Systems and Architecture
57	KDIC	Korea Deposit Insurance Corporation
58	KZO	Kano Zonal Office
59	M & A	Merger and Acquisition
60	MBAN	Mortgage Bankers Association of Nigeria
61	MDC	Mortgage Development Committee
62	MFB	Microfinance Bank
63	MLA	Money Laundering Act
64	MPC	Monetary Policy Committee
65	MOU	Memorandum of Understanding
66	MPR	Monetary Policy Rate
67	MSME	Micro, Small and Medium Enterprise
68	NAICOM	National Insurance Commission
69	NBLR	Nigerian Banking Law Report

S/N	ABBREVIATION	FULL MEANING
70	NDIC	Nigeria Deposit Insurance Corporation
71	NFIU	Nigerian Financial Intelligence Unit
72	NHF	National Housing Fund
73	NHIS	National Health Insurance Scheme
74	NIB	Non-Interest Bank
75	NIDIF	Non-Interest Deposit Insurance Fund
76	NJI	National Judicial Institute
77	NMRC	Nigeria Mortgage Refinance Company
78	NPL	Non-Performing Loan
79	NSE	Nigerian Stock Exchange
80	OFI	Other Financial Institution
81	OTA	Office of Technical Assistance
82	P&A	Purchase and Assumption
83	PENCOM	National Pension Commission
84	PFA	Pension Fund Administrator
85	PMB	Primary Mortgage Bank
86	PMS	Performance Management System
87	PPO	Public Policy Objective
88	RAE	Risk Asset Examination
89	RBE	Risk-Based Examination
90	RBS	Risk-Based Supervision
91	SB	Sustainable Banking
92	SBN	Savannah Bank of Nigeria
93	SEC	Securities and Exchange Commission
94	SFU	Special Fraud Unit
95	SGBN	Societe Generale Bank of Nigeria
96	SIB	Systemically Important Bank
97	SIIF	Special Insured Institutions Fund
98	TSA	Treasury Single Account

REPORT OF THE MANAGING DIRECTOR/CEO



It is with great delight that I present the Annual Report of the Nigeria Deposit Insurance Corporation (NDIC) for the year ended 31st December, 2018. The report contains highlight of key initiatives and achievements of the NDIC, as well as developments in the domestic and global economies in 2018.

In 2018, the NDIC Executive Management piloted the affairs of the Corporation while reverting to the Honourable Minister of Finance for key policy decisions. It is heart-warming that during the year, President Muhammadu Buhari, GCFR nominated: Mrs Ronke Sokefun (Chairman of the Board); Barr. Festus Keyamo (SAN); Alhaji Garba Bello; Brig-Gen Josef O. J. Okoloagu (Rtd.); Mustapha Adewale Mudashiru and Mr. Adewale

W. Adeleke as members of the NDIC Board of Directors. The appointment of the Board Members was subsequently confirmed by the Senate on 12th December, 2018. Other Members of the Board included a representative each of the Central Bank of Nigeria (CBN) and Federal Ministry of Finance.

During the year, several macroeconomic and socio-political developments in both the domestic and international markets affected the business environment in which the insured financial institutions operated. Some of the global events included the trade war between the US and other key economies, normalisation of monetary policy rates in major advanced economies, geopolitical tension and uncertainties surrounding Brexit. On a positive note, 2018 was characterised by higher and more stable oil price that impacted positively on government finances, Nigeria being a resource-dependent economy. On the domestic scene, the combination of high global oil price, stable oil production, coupled with, the various policies initiated by both the fiscal and monetary authorities resulted in the growth of Nigeria's real GDP from 0.82% recorded in 2017 to 1.93% in 2018.

Despite the macroeconomic developments in both the domestic and global economy, the NDIC operated to protect depositors and ensure financial system stability in line with its enabling laws and strategic plan. The activities and accomplishments of the NDIC in 2018 were as follows:

1.0 Deposit Guarantee

Deposit Guarantee is the primary mandate of the NDIC. In 2018, the NDIC paid ₦4.83 million to 338 depositors of 18 closed DMBs. As at 31st December 2018, the NDIC had paid the cumulative sum of ₦8.25 billion as insured amount to 442,999 depositors of closed DMBs.

For the Microfinance Banks (MFBs), the NDIC paid the sum of ₦89.24 million for insured deposits to 1,804 depositors in 2018, compared to ₦13.24 million paid to 173 depositors in 2017. The significant increase in the number of depositors and amount paid was due to the revocation of the operating licences of some MFBs by the CBN during the year. Cumulatively, the sum of ₦2.97 billion was paid to 83,415 depositors of closed MFBs as at 31st December, 2018.

Similarly, the NDIC paid the sum of ₦2.13 million insured deposits to 29 depositors of closed Primary Mortgage Banks (PMBs) in 2018. On the aggregate, the sum of ₦70.53 million was paid to 869 depositors of closed PMBs as at 31st December, 2018. That compares with ₦68.40 million paid to 840 depositors as at 31st December, 2017.

2.0 Bank Supervision

The maiden examination of Nova Merchant Bank, which commenced operations during the year, was conducted. The joint CBN/NDIC Risk Assets Examination was conducted on 26 DMBs (including one Non-Interest Bank) for the purpose of assessing the adequacy of their loan loss provisioning and risk weighted capital ratios for the approval of their 2017 Annual Accounts. In addition, the joint CBN/NDIC Risk-Based Examination was conducted on 26 DMBs including one non-interest bank and one non-interest window. The Consolidated Risk-Based Examination was also conducted on FBN Holdings Plc, FCMB Holdings Plc and Stanbic-IBTC Holdings Plc. In the same vein, the NDIC examined 294 MFBs and 10 PMBs in 2018, while statutory returns were received through FinA from insured institutions which served as a basis for ascertaining their financial conditions.

3.0 Failure Resolution

In 2018, the CBN revoked the operating licence of the troubled Skye Bank Plc and the NDIC resolved the problem of the defunct bank using the bridge bank mechanism. Consequently, Polaris Bank Ltd was established to acquire the assets and assume the liabilities of the failed Skye Bank Plc. The establishment of Polaris Bank Ltd ensured that over 6,000 jobs were saved while depositors of the defunct Skye Bank Plc continued to operate their accounts with the new Polaris Bank Ltd which assumed its entire assets and liabilities. Polaris Bank Ltd was acquired by the Asset Management Corporation of Nigeria (AMCON) for subsequent sale to investors. In addition, the

operating licences of 153 MFBs and 6 PMBs were revoked by CBN in 2018. However, the operating licences of 15 MFBs and one PMB were reinstated.

4.0 Bank Liquidation

The NDIC continued with the liquidation activities of 53 DMBs, 325 MFBs and 51 PMBs. Accordingly, a cumulative amount of ₦29.01 billion was recovered from debtors of DMBs in-liquidation as at 31st December, 2018, compared with ₦28.48 billion realised in 2017. With regards to MFBs in-liquidation, a total of ₦125.84 million was realized from debtors as at 31st December, 2018, as compared to ₦125.13 million realised in 2017. However, debt recoveries from PMBs increased from ₦239.27 million in 2017 to ₦290.43 million in 2018.

As at 31st December, 2018, a cumulative sum of ₦21.40 billion was realised from the disposal of physical assets of closed DMBs compared to ₦21.40 billion in 2017. For the MFBs and PMBs, the cumulative sum of ₦391.25 million and ₦78.17 million, respectively, was realised.

The recoveries culminated in the payments of ₦116.26 billion as liquidation dividends to Depositors, Creditors and Shareholders of closed DMBs, MFBs and PMBs in 2018.

5.0 Deposit Insurance Fund Management

The NDIC operates an ex-ante funding system as recommended by the International Association of Deposit Insurers (IADI) Core Principle 9. Accordingly, the NDIC maintains three (3) funds, namely: the Deposit Insurance Fund (DIF) for DMBs; the Special Insured Institutions Fund (SIIF) for MFBs and PMBs; and the Non-Interest Deposit Insurance Fund (NIDIF) for NIBs. The NDIC adopted the Differential Premium Assessment System (DPAS) in its premium computation for DMBs and PMBs, while flat rate approach was adopted for the MFBs.

The DIF stood at ₦1,095.23 billion as at 31st December, 2018, compared with ₦955.18 billion as at 31st December, 2017. The SIIF increased from ₦99.24 billion in 2017 to ₦109.88 billion in 2018, while the NIDIF grew from ₦0.69 billion in 2017 to ₦0.99 billion in 2018.

6.0 Financial Performance

The NDIC continued to comply with the requirements of the relevant laws and standards in the preparation of its financial statements. Specifically, the NDIC adhered to the requirements of the International Financial Reporting Standard (IFRS) and that of the Financial Reporting Council (FRC) of Nigeria in the preparation of its 2018 financial statements.

The total operating income of the NDIC increased by 12.77% from ₦146.48 billion as at 31st December, 2017 to ₦165.18 billion as at 31st December, 2018. Total Operating Expenses slightly increased by 7.29% from ₦38.68 billion as at 31st December, 2017 to ₦41.50 billion as at 31st December, 2018. The net surplus increased by 14.73% from ₦107.80 billion as at 31st December, 2017 to ₦123.68 billion as at 31st December, 2018.

The NDIC remitted the sum of ₦53.20 billion to the Consolidated Revenue Fund (CRF) of the Federation as at 31st December, 2018.

7.0 Financial Inclusion

The NDIC is a key stakeholder in the nation's financial inclusion strategy as regulator of the deposit insurance scheme and supervisor of the nation's banking system. The National Financial Inclusion Strategy (NFIS) which was initiated in 2012 was revised in 2018. The major aim of the revised strategy is to reduce the proportion of financially excluded adult Nigerians from its baseline figure of 46.3% in 2010 to 20% by 2020. Consequently, the NDIC adopted various electronic and print media channels to educate the public on its activities and improve financial literacy. Some of the channels employed in 2018 included: continued implementation of the pass-through deposit insurance; provision of financial and technical support for the introduction of deposit insurance courses in tertiary institutions and participation at major trade fairs to promote DIS and financial inclusion. Other initiatives included: targeted financial inclusion activities for the youths such as sensitisation of NYSC members; collaboration with the Chartered Institute of Bankers (CIBN) for the introduction of Deposit Insurance System (DIS), participation in World Savings Day for secondary schools nationwide and the development and critique of curriculum on financial education for primary and secondary schools nationwide.

8.0 Public Awareness Initiatives

The understanding of stakeholders and success of DIS depends on the effectiveness of the public awareness strategy. Some of the strategies employed in 2018 to enhance public understanding of NDIC activities and DIS were: radio and TV depositors awareness jingles in local languages; press conferences/briefings; monitoring and engagement through social media; and several in-house publications. Other strategies adopted included: sponsorship of sensitisation seminars and workshops such as the Annual Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) and sensitisation seminar for the Bar and Bench, as well as 24-hour toll-free help desk to guide the depositors and address their concerns.

9.0 International Exchange and Cooperation

The NDIC was involved in several international exchange and cooperation, geared towards effective experience-sharing and capacity building with both local and international partners, during the year under review.

In 2018, the NDIC hosted the 2018 IADI-Africa Regional Committee Annual General Meeting (AGM) and Technical Assistance Workshop, with the theme “**Financial Stability, System Wide Crises Preparedness and Effective Bank Resolution**”, from 25th - 28th September, 2018 in Lagos, Nigeria. The event was attended by both local and international delegates. At that event, the NDIC's Managing Director/Chief Executive was elected as the Chairman of ARC, while Mohamud A. Mohamud, the Chief Executive Officer of Kenya Deposit Insurance Corporation (KDIC), was elected as the Vice Chairman.

The NDIC participated at several IADI Executive Council (EXCO) meetings and conferences held in 2018 as well as provided technical assistance to other African deposit insurance agencies. Also, during the year under review, the NDIC obtained full membership of the Islamic Financial Services Board (IFSB).

10.0 Corporate Social Responsibility

As in previous years, the NDIC sponsored a number of projects in educational institutions nationwide as part of its Corporate Social Responsibility (CSR) geared towards enhancing public awareness as well as making the academic environment conducive for learning. Accordingly, in 2018, the NDIC expended the sum of ₦162.15 million on seven (7) projects in various locations of the country.

11.0 Future Outlook

As in previous years, the NDIC will continue to be an active financial safety net participant in the country by ensuring the effective discharge of its mandate. It would therefore strengthen all aspects of its supervisory functions, adopt the least cost-effective method of failure resolution and ensure prompt depositor reimbursement in the event of bank failure. To sharpen its supervisory activities, the NDIC would focus on enhancing its skills in the following areas: Basel III and IV, recovery and resolution plan, stress testing, fintech, among others.

12.0 Conclusion

The NDIC had in the last one year recorded notable achievements in the protection of depositors and promotion of safe, sound and stable banking system in Nigeria. There is ample evidence that with careful formulation and adoption of appropriate policies and strategies, the Board, Management and staff are committed to

ensuring that the NDIC fulfills its statutory mandate. The NDIC remains committed to safeguarding Nigerian financial system, particularly in the area of engendering public confidence and contributing to financial system stability. The NDIC will continue to partner and collaborate with relevant local and international agencies in the promotion of financial system stability.

Let me at this juncture thank the Federal Ministry of Finance, especially the Honourable Minister of Finance for the support rendered in the course of discharging our mandate during the year. I also wish to appreciate and commend the staff of the NDIC for their dedication, loyalty and commitment to the organisation. The understanding and cooperation of our stakeholders is also acknowledged. Indeed, without the support of all, the modest achievements recorded during the year under review would not have been possible. Given the same support and cooperation in 2019, I believe the achievements of 2018 would be surpassed as we remain focused in the effective discharge of our mandate.



Umaru Ibrahim, FCIB, mni.

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PART ONE

NDIC OPERATIONS AND PERFORMANCE

SECTION 1

MANDATE, CORE VALUES AND STRATEGIC PLAN

1.0 Introduction

The NDIC is an agency of the Federal Government of Nigeria established by the NDIC Act No. 22 of 1988 (repealed and re-enacted as NDIC Act No. 16 of 2006) with the sole responsibility of administering Deposit Insurance System (DIS) in Nigeria. As one of the components of the financial safety-net arrangement in Nigeria, the NDIC protects depositors and guarantees the settlement of insured funds when a deposit-taking financial institution can no longer repay the deposits or its license is revoked by the Central Bank of Nigeria (CBN), thereby helping to maintain financial system stability.

The NDIC also promotes public confidence in the financial system by insuring deposit liabilities of all licensed deposit-taking financial institutions including Non-Interest Banks and such other financial institutions referred to as insured institutions licensed by the CBN and operating in Nigeria. It also insures the subscribers of all Mobile Money Operators (MMOs), thereby encouraging savings and promoting financial inclusion.

1.1 Public Policy Objectives

The Public Policy Objectives (PPOs) of the NDIC are:

- Protecting depositors by providing an orderly means of reimbursement in the case of imminent or actual failure of insured financial institution;
- Contributing to financial system stability by making incidence of bank runs less likely; and
- Enhancing public confidence by providing a framework for orderly resolution and exit of failing and failed insured institutions.

1.2 NDIC MANDATE

DEPOSIT GUARANTEE

NDIC guarantees payments to depositors, in the event of failure of an insured financial institution, up to the maximum of N500,000 for Deposit Money Banks (Commercial & Merchant Banks)/Non-interest Banks/ Primary Mortgage Banks/ Subscribers of Mobile Money Scheme. The maximum coverage limit for MFBs remained at ₦200,000 per depositor per MFB.

BANK SUPERVISION

The NDIC, in collaboration with the CBN and other Safety-net participants, is authorized by law to monitor the health of insured financial institutions through off-site surveillance and on-site examination.

The NDIC performs the oversight role in order to reduce the potential risk of failure and ensure that unsafe and unsound banking practices do not go unchecked, preserve the integrity of, and promote public confidence, in the banking system.

DISTRESS RESOLUTION

The NDIC, as a risk minimizer, has a full suite of early intervention and resolution powers to ensure that failing and failed insured institutions are resolved in a timely and efficient manner. The resolution powers may take the form of financial assistance (loans, guarantee for loans, accommodation bills) and technical assistance (assumption of management and control of a bank, changes of management, assisted merger or acquisition by another viable bank).

BANK LIQUIDATION

The NDIC, is empowered by law in Nigeria to act as the liquidator of closed insured financial institutions. That involves the orderly and efficient closure of failed insured financial institutions with minimum disruption to the payment system, prompt payment of insured sums, cost-effective realization of assets and settlement of claims of uninsured depositors, creditors and where possible, shareholders. Consequently, it is important to note that depositors have priority of claim over other claimants.

1.3 NDIC CORE VALUES

HONESTY	i. Do what is right and just at all times.	ii. Adhere to the highest ethical standards in executing their duties.	iii. Act and negotiate in good faith and in the best interest of the NDIC.	iv. Display the highest level of integrity.	
RESPECT AND FAIRNESS	i. Employees treat each other with mutual respect.	ii. Employees are treated with fairness and given equal opportunities.	iii. Career advancement of employees is based on merit.	iv. The work environment is conducive for all employees.	
DISCIPLINE	i. Understand your responsibilities, powers and duties and discharge same in a responsible and professional manner.	ii. Exhibit tact and discretion and be circumspect in their dealings with all NDIC stakeholders.	iii. Employ utmost decorum, consideration and courtesy and yet, maintain firmness in all dealings with colleagues and other NDIC's stakeholders.		
PROFESSIONALISM	i. Advance in skills and performance. vi. Be objective and factual in work presentation	ii. attain excellence in all aspects of their work. vii. Encourage and strengthen cooperation with other relevant agencies	iii. Strive to exceed set targets. viii. Abide by all codes of conduct, professional ethics and good corporate governance practices.	iv. Seek innovative and creative solutions to problems. ix. Provide and solicit support to and from colleagues.	v. Be constructive in criticism and acknowledge the contributions of others.
TEAMWORK	i. Deploy their skills and knowledge in providing business solutions.	ii. Strive to seek knowledge and improve the requisite skills for their work-stations.	iii. Imbibe interpersonal skills that promote team spirit and harmony.	iv. Provide and solicit support to and from colleagues.	v. Play by the rule(s) and code of conduct(s) governing the team/group. vi. Be mission driven and demonstrate clear knowledge of job roles.
PASSION	i. Be motivated, driven and passionate in all aspects of one's work.	ii. Be dedicated and proactive.	iii. Be responsive in facing and tackling challenges.	iv. Develop and improve skills in both areas of strength and otherwise.	

1.4 Implementation Status of Key Strategic Initiatives/Projects

In 2018, the NDIC continued with the implementation of its five (5) year strategic plan, 2016–2020, in its quest to attain its vision of becoming the best deposit insurer in the world by the year 2020.

Table 1.1 shows strategic themes and results, while the status of implementation of the strategic initiatives as at 31st December, 2018 is presented on a thematic basis in Table 1.2.

TABLE 1.1 STRATEGIC THEMES AND RESULTS

S/N	Strategic Theme	Expected Results
1	Operational Readiness	Readiness to fulfill the mandate in terms of the organizational capacity, processes and financial strength.
2	Performance-Driven Culture	Emergence of a performance-driven organization that focuses on excellence, employee satisfaction, individual and collective accountability.
3	Collaboration	Clear understanding of our mission by stakeholders who are expected to partner with us to enhance efficiency, productivity and achieve our goals.
4	Public Awareness	Enhanced stakeholders understanding of the benefits and limitations of Deposit Insurance System (DIS).

TABLE 1.2 SUMMARY OF IMPLEMENTATION STATUS OF INITIATIVES BY THEMES

STATUS OF INITIATIVES/ PROJECT	TOTAL NUMBER OF INITIATIVES/ PROJECTS	ACHIEVED		IN- PROGRESS		YET TO START	
		2017	2018	2017	2018	2017	2018
Operational Readiness	20	9	10	10	10	1	0
A Culture of Continuous Performance Management	18	2	5	12	13	4	0
Collaborating and Strategic Partnering	4	0	1	2	2	2	1
Promoting Public Awareness in DIS	5	0	0	4	5	1	0
TOTAL	47	11	16	28	30	8	1

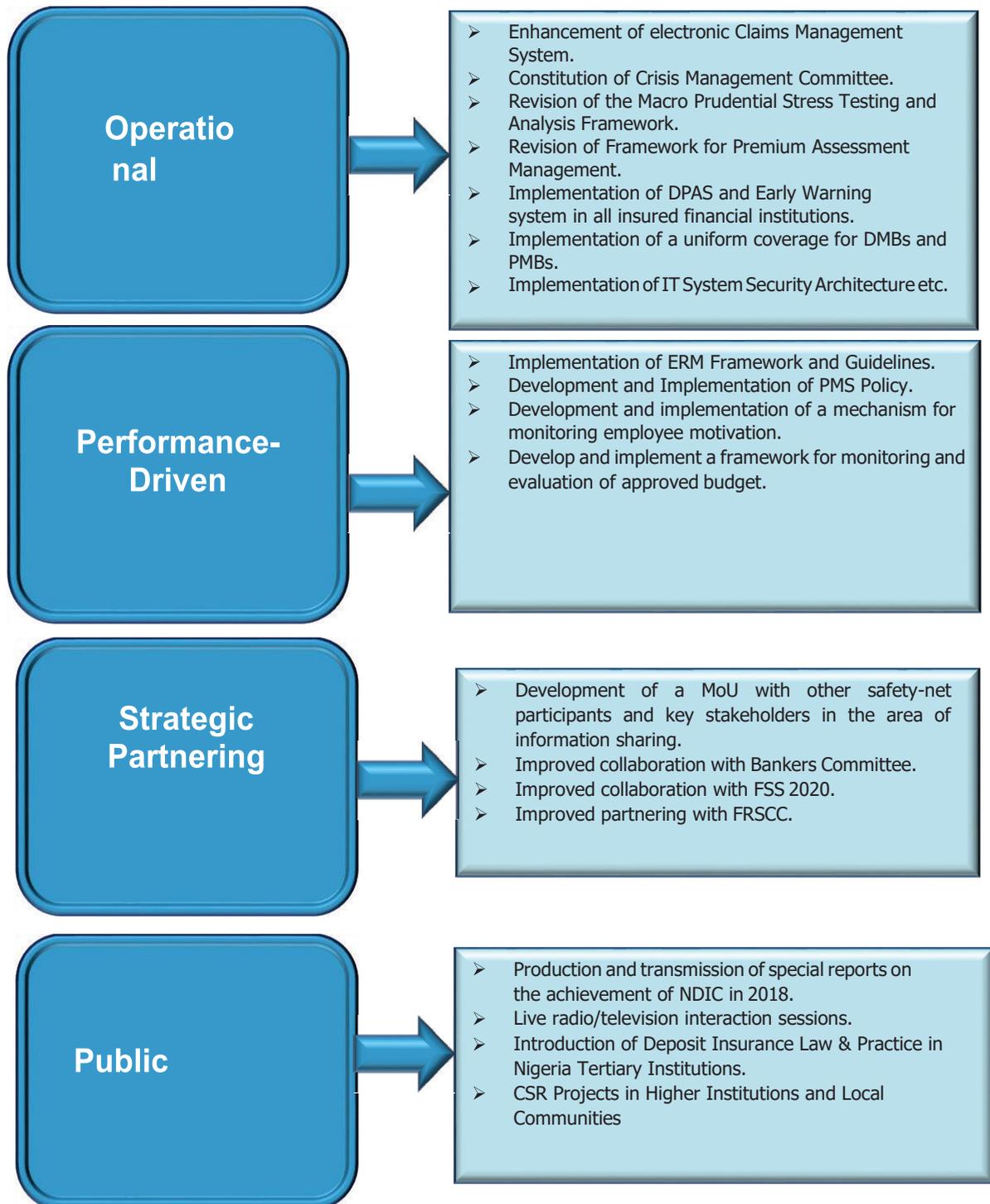
In 2018, the NDIC completed 16 initiatives representing 34% compared with 11 in 2017, while 30 initiatives were in progress representing 64%, compared with 28 in 2017 and 1 initiative representing 2% was yet to commence compared with 8 in 2017.

A breakdown of the initiatives that was implemented and achieved during the year in thematic basis is presented in Chart 1.1.

CHART 1.1 NDIC STRATEGIC THEMES AND ACHIEVEMENTS

Strategic Themes

Achievements



SECTION 2

DEPOSIT INSURANCE COVERAGE AND FUNDS MANAGEMENT

2.0 Introduction

The NDIC recognises that sound funding arrangements are critical to the maintenance of public confidence and the sustenance of its operations. Accordingly, in pursuant of the discharge of its mandate of deposit guarantee, the NDIC ensures that adequate funding is readily available for efficient resolution of failed institutions and prompt reimbursement of depositors' claims in the event of bank failure as well as meet its operating and administrative expenses.

This section details the application and impact in funds management and administration with emphasis on the insurance activities of the Corporation, coverage and premium generation by insured deposit-taking financial institutions for 2018.

2.1 Deposit Insurance Coverage

The NDIC periodically reviews its coverage level for all insured financial institutions in Nigeria taking into consideration the macroeconomic environment, the deposit structure of the industry, the size of the DIF, amongst others. In 2018, the coverage level for DMBs, NIBs and PMBs and subscribers of MMOs remained at ₦500,000 per depositor per bank. For MFBs, the coverage level remained at ₦200,000 per depositor per bank.

Table 2.1 shows that the total number of accounts in DMBs increased by 13.01% from 99,114,035 as at 31st December, 2017 to 112,005,516 as at 31st December, 2018 due to the interventions by the Federal Government of Nigeria particularly through recent drive to enhance financial inclusion as well as other social welfare schemes.

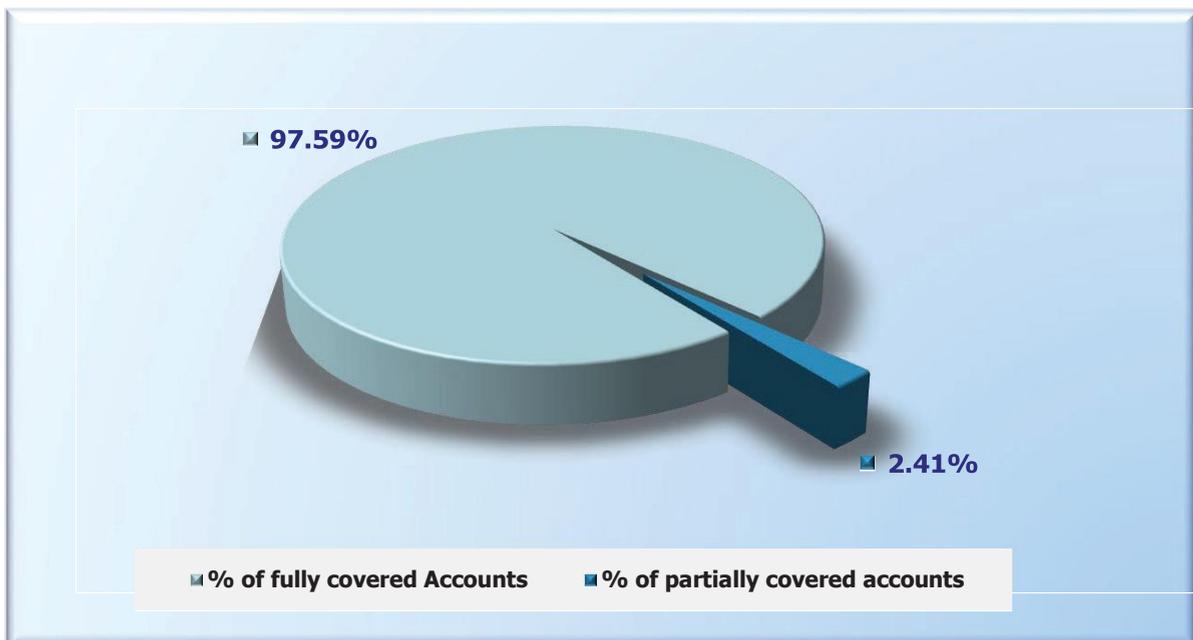
The number of fully covered accounts at ₦500,000 in DMBs also increased from 96,760,687 in 2017 to 109,305,169 in 2018, representing an increase of 12.96%, while the proportion of partially covered accounts at ₦500,000 increased from 2,353,348 in 2017 to 2,700,347 in 2018, representing an increase of 14.74%. The analysis indicated that 97.59% of total accounts were fully covered as shown in Chart 2.1.

TABLE 2.1 DEPOSIT INSURANCE COVERAGE FOR DMBs

	2015	2016	2017	2018
Total number of Accounts	67,014,595	83,016,654	99,114,035	112,005,516
Total number of Accounts fully covered at ₦500,000	64,760,480	82,571,145	96,760,687	109,305,169
% of fully covered Accounts	96.64	99.46	97.63	97.59
Total number of accounts partially covered at ₦500,000	2,254,115	2,257,786	2,353,348	2,700,347
% of partially covered accounts	3.36	0.54	2.37	2.41
Total Deposits fully covered at ₦500,000 (₦' Billion)	1,535.08	1,407.91	1,601.12	1,968.60
Total deposits partially covered at ₦500,000 (₦' Billion)	1,127.06	1,278.61	1,176.67	1,350.17

Source: NDIC

CHART 2.1 FULL AND PARTIAL COVERAGE AT ₦500,000 AS AT 31ST DECEMBER 2018



2.2 Insurance Fund Management

The NDIC, in managing its fund, is strictly guided by the provisions of the NDIC Act, 2006 Section (13)(1) which states that the Corporation has the powers to invest money not immediately required in Federal Government securities or in such other securities as would from time to time be determined by the Board. This is to allow for safety and liquidity of the Deposit Insurance Fund. Accordingly, the DIF is invested in risk-free liquid instruments like treasury bills and FG bonds.

By the provision of Section 12(1) of the NDIC Act 2006, the NDIC also maintains a general reserve fund to which it transfers its Net Operational Surplus before tax if the reserve fund is less than ten times the authorised capital.

2.3 Deposit Insurance Premium

The NDIC utilises the Differential Premium Assessment System (DPAS) in premium assessment for DMBs, NIBs and PMBs. The NDIC practices the ex-ante system, considered the best approach in premium calculations by the IADI Core Principles for Effective DIS. The maximum rate applied to the DMBs increased by 3 basis points from 0.56% in 2017 to 0.59% in 2018. The minimum rate applied also increased from 0.35% in 2017 to 0.36% in 2018. The mean rate applied to DMBs decreased by 1 basis point from 0.46% in 2017 to 0.45% in 2018. The premium rates have increased since 2016 indicating an increased level of risks in the banking industry, largely due to the economic downturn as shown in Table 2.2.

TABLE 2.2 PREMIUM RATES APPLIED TO DMBs, 2015-2018

	2015	2016	2017	2018
Maximum Rate Paid (%)	0.54	0.52	0.56	0.59
Minimum Rate Paid (%)	0.40	0.35	0.35	0.36
Mean Rate Paid (%)	0.40	0.43	0.46	0.45

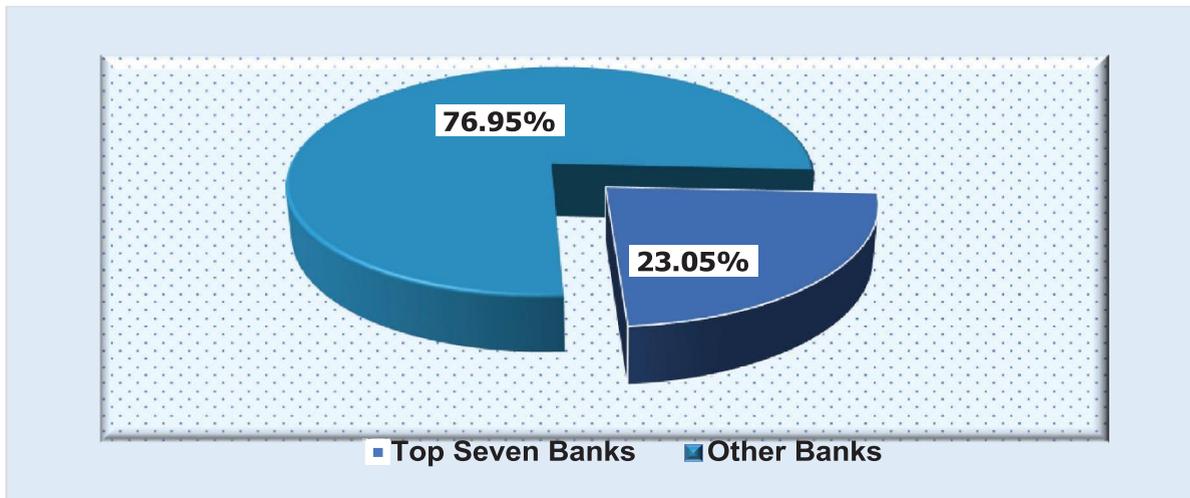
Source: NDIC

For the PMBs, the minimum rate applied was 0.33% while the maximum and mean rates applied were 0.55% and 0.45%, respectively in 2018. In the case of MFBs, the flat-rate premium assessment method was used due to inability to properly assess all the risk factors for all the MFBs in operation.

2.4 Estimated Insurance Fund Risk Exposure

The NDIC's level of risk exposure, as depicted by the amount of insured deposits in the industry at ₦500,000 per depositor per DMB, stood at ₦3.32 trillion in 2018, representing 15.28% of industry total deposits of ₦21.73 trillion. The insured deposits of the top 7 DMBs in the nation's banking industry accounted for 23.05% of the total insured deposits, while the remaining 19 DMBs (excluding non-interest bank and window) accounted for 76.95% as presented in Chart 2.2.

CHART 2.2 SHARE OF DMBs INSURED DEPOSITS



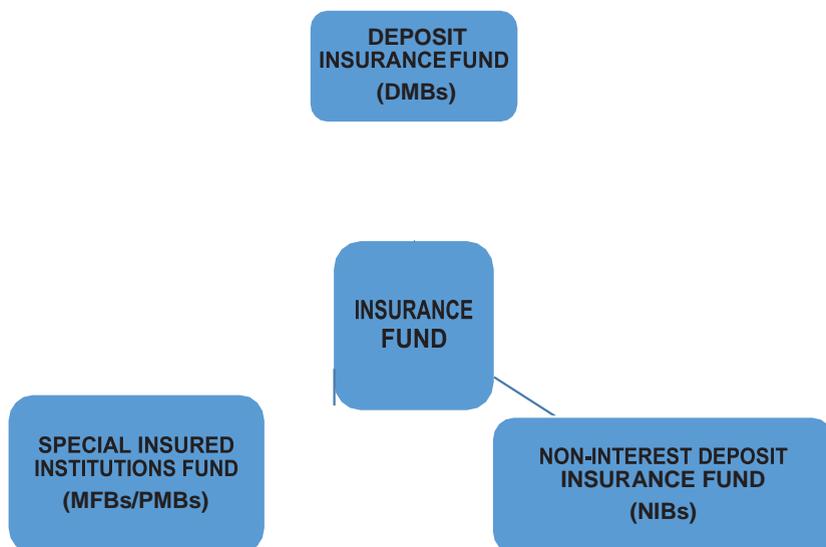
2.5 Deposit Insurance Fund and Funds Management

2.5.1 Deposit Insurance Fund (DIF)

The Deposit Insurance Fund (DIF) is used in the payment of depositors when bank failure occurs. The NDIC maintains three different funds for DMBs, MFBs/PMBs and NIB, respectively.

Chart 2.3 depicts the basic structure of the NDIC’s Insurance Fund as at 31st December, 2018.

CHART 2.3 BASIC STRUCTURE OF NDIC INSURANCE FUND



In 2018, the sum of ₦92.45 billion was collected as premium from the DMBs. Similarly, the sum of ₦306.24 million was collected from the NIB and ₦1.065 billion from the MFBs and PMBs. Table 2.3 shows the trend of NDIC's cumulative insurance fund from 2015 to 2018.

TABLE 2.3 CUMULATIVE INSURANCE FUND

S/N	Particulars	2015 ₦ Billion	2016 ₦ Billion	2017 ₦ Billion	2018 ₦ Billion
1	Deposit Insurance Fund (DIF)	725.58	827.89	955.18	1,095.23
2	Special Insured Institutions Fund (SIIF)	77.49	91.59	99.24	109.88
3	Non-Interest Deposit Insurance Fund (NIDIF)	0.24	0.43	0.69	0.99

Source: NDIC

CHART 2.4 INSURANCE FUNDS GROWTH RATE

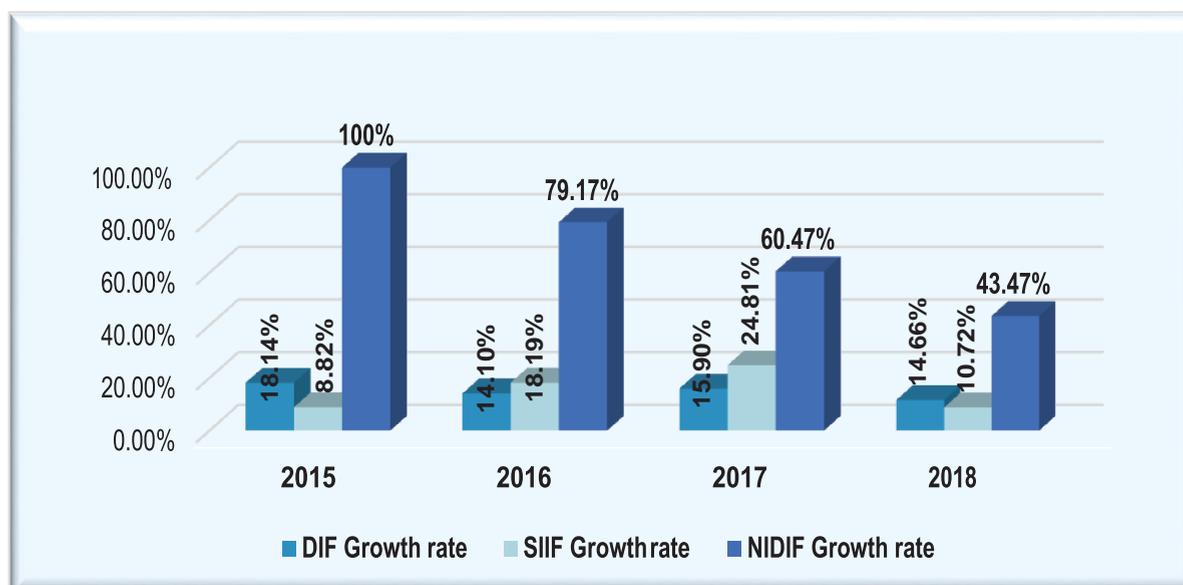


Table 2.3 and Chart 2.4 show the growth in DIF, SIIF and NIDIF for a period of four years. The DIF grew by 14.66% from ₦955.18 billion as at 31st December, 2017 to ₦1,095.23 billion as at 31st December, 2018. Similarly, the SIIF increased by 10.72% from ₦99.24 billion as at 31st December 2017 to ₦109.88 billion as at 31st December, 2018, while NIDIF increased by 43.47% from ₦693.70 million as at 31st December, 2017 to ₦999.94 million as at 31st December, 2018. However, the total insurance fund of ₦1.206 trillion falls short of the NDIC estimated insurance fund risk exposure of ₦3.32 trillion as at 31st December, 2018.

SECTION 3

SURVEILLANCE OF INSURED FINANCIAL INSTITUTIONS

3.0 Introduction

In line with its mandate, the NDIC in collaboration with the CBN, plays a supervisory role over insured institutions. Bank supervision is carried out to minimise the risk exposure of the deposit insurer, ensure the protection of depositors' funds as well as the stability of the financial system.

On-site examination and off-site surveillance are two broad categories through which Bank supervision is conducted. The NDIC visits banks for on the spot assessment as well as receives information periodically from the banks to assess their financial conditions through a robust Early Warning System. The details of bank supervision activities during the period under review are presented in this Section.

3.1 On-Site Examination of DMBs

During the year, the NDIC and CBN jointly conducted the Risk Assets Examination and Risk-Based Examination of the DMBs as well as maiden examination of a bank that commenced operations during the year. It also conducted investigations on bank customers' complaints in line with its consumer protection activities. Table 3.1 illustrates details of bank supervision activities during the period under review.

TABLE 3.1 DMBs EXAMINED AND COMPLAINTS INVESTIGATED

Year	Joint CBN/NDIC Routine/RBS of DMBs (Including NIBs)	FSRCC Consolidated RBS of Financial Holding Companies	Joint CBN/NDIC Maiden Exam.	Joint CBN/NDIC Risk Asset Assessment Exercise	Special Investigations/ Verifications
2018	26	3	1	26	50
2017	25	3	-	26	30
2016	23	3	1	23	38
2015	24	1	-	24	47
2014	24	-	3	24	32
2013	20	-	2	20	11

Source: NDIC

Table 3.1 shows that Risk Assets Examination was conducted on 26 DMBs (including a Non-interest Bank). The focus was to assess the quality of risk assets as well as review the adequacy of loss provisions and risk weighted capital ratios to facilitate the approval of their 2017 annual reports by the CBN. Table 3.1 also shows that Maiden examination was conducted on Nova Merchant Bank Limited, which was licensed in

2017 but commenced operations in September 2018. The focus of that examination was to assess the bank's safety and soundness and its compliance with the relevant provisions of BOFIA, 1991 (as amended).

Also, in 2018, risk-based examination was conducted on 26 DMBs, including one Non-interest bank: Jaiz Bank Plc and a non-interest window: Sterling Bank Non-interest Window. Furthermore, consolidated risk-based examination was conducted on three (3) financial Holding Companies: FBN Holdings Plc, FCMB Holdings Plc and Stanbic-IBTC Holdings Plc in collaboration with other member agencies of the FSRCC: NAICOM, PENCOS and SEC.

Furthermore, a total of 50 petitions/complaints by customers were received, investigated and resolved to the customers' satisfaction. The nature of Customer complaints included ATM frauds, unauthorised fund transfers, conversion of cheques and suppression of deposits.

The data gathered from the joint on-site examinations revealed the following weaknesses in most banks as displayed in Box 3.1.

BOX 3.1

- Non-implementation of Examiner's recommendations;
- Non-compliance with codes of Corporate Governance;
- Poor internal controls;
- Poor risk management practices;
- Inadequate loss provisioning;
- Non-performing insider-loans;
- Poor loan underwriting and administration procedures; and
- Loan and deposit concentrations.

3.2 Off-Site Surveillance of DMBs

The NDIC assesses banks' financial condition and performance through the Financial Analysis System (FinA) that collects monthly, quarterly and annual reports. In 2018, 26 DMBs, one Non-Interest Bank and one Non-Interest Window in operation rendered returns to the NDIC. Offsite analysis revealed that the banking industry CAR was above the regulatory threshold of 10% for National/Regional Banks, and 15% for International/active banks.

3.3 Supervision of Special Insured Financial Institutions

The NDIC has a supervisory role over the Other Insured Financial Institutions sub-sector, MFBs and PMBs.

3.3.1 On-Site Examination of MFBs

During the year, the NDIC examined 294 MFBs. The examination focused on the review of Operations, Board and Management Oversight, Risk Management Practices, Internal Control Systems, and the level of compliance with applicable Laws, Rules

and Regulations. The outcome of the examination revealed some weaknesses in the operations of the MFBs as shown in Box 3.2. The review further revealed that 43 MFBs voluntarily closed shops, 32 MFBs operated skeletal services, 22 MFBs with deposit liabilities of ₦4.16 billion and insured deposits of ₦3.33 billion were insolvent. It is instructive to note that in 2018, the licenses of 153 MFBs were revoked by the CBN.

3.3.2 On-Site Examination of PMBs

Risk based examination was conducted on 10 PMBs covering risk assets' review, board and senior management oversight, risk management practices, financial reporting and funds management. The examination revealed some weaknesses as shown in Box 3.3.

The review revealed that as at 31st December, 2018, five (5) PMBs with deposit liabilities of ₦71.03 billion and insured deposits of ₦70.92 billion were designated "Troubled Institutions". During the year, the licences of six (6) PMBs were revoked by the CBN.

The breakdown of the NDIC examination activities on Special Insured Institutions in the past 4 years is shown in Table 3.2.

TABLE 3.2 MFBs AND PMBs EXAMINED BY NDIC

Year	MFBs Examined	PMBs Examined	Total
2018	294	10	304
2017	300	10	310
2016	350	10	360
2015	205	6	211

Source: NDIC

BOX 3.2

The challenges observed from the examined MFBs were mainly:

- The adoption of inappropriate business model by most microfinance banks
- Undercapitalization
- Huge operational expenses
- Poor asset quality
- Non-performing insider-related credits
- Poor internal controls and record keeping
- Inappropriate staffing/Weak Board oversight/poor corporate governance practices
- Inadequate compliance with laws and regulations, lack of succession and strategic plans and poor implementation of examiners' recommendations.

BOX 3.3

The challenges observed from the examined PMBs were mainly:

- Huge stock of non-current assets held for sale;
- Weak capital base; difficulties in accessing NHF/NMRC and other long term funds;
- Poor asset quality;
- Poor risk management practices;
- Failure/difficulties in honouring customers' withdrawal requests;
- Weak corporate governance;
- Weak internal control systems;
- Frauds and forgeries; and
- Foreclosure challenges.

3.3.3 Off-Site Surveillance of MFBs & PMBs

In 2018, the NDIC conducted regular off-site surveillance of MFBs and PMBs which covered the following activities:

- i. Quarterly analysis of periodic call reports received from banks to categorize them in order of their soundness;
- ii. Provision of Early Warning Signals of potential problems;
- iii. On-site deposit verification and premium assessment;
- iv. Assessment, collection and administration of deposit insurance premiums;
- v. Monitoring of compliance with prudential standards and investigation of customers' complaints;
- vi. The issuance of clearance on "fit and proper" persons on prospective Directors of institutions;
- vii. Capacity building for PMBs/MFBs operators; and
- viii. Special meetings with Management of troubled institutions.

The challenges recorded in premium administration were non/late/under-payment of the assessed premium and non/late submission of Certified Statement of Deposit Liabilities by External Auditors on which assessable premiums are computed as well as the problem of returned cheques.

3.4 Capacity Building for Operators

The NDIC through SIID offered technical assistance to CIBN and MBAN/MDC in the area of Curriculum development for Mortgage Bankers. During the year, SIID conducted two sensitization workshops each for 450 MFBs Operators on "Movable Collaterals" in three locations: Enugu, Lagos and Abuja, to enhance their capacity in lending to MSMEs. Also, a training was organized on Differential Premium Assessment System (DPAS) for 40 MFBs operating in the Southwest zone to deepen their knowledge on the subject matter.

3.5 Mobile Money Operators (MMOs)

There were 23 licensed MMOs as at 31st December, 2018 out of which 4 were inactive. Nine (9) of the MMOs were bank-led, while 14 were non-bank led. As at December 2018, 17 MMOs rendered returns to the Corporation. A review of the returns indicated a total deposit of ₦5.30 billion out of which the insured sum stood at ₦1.50 billion. Thus, the estimated risk exposure of the Corporation to Subscribers of seventeen (17) Mobile Money Operators that rendered returns amounted to ₦1.50 billion, representing 0.14% of the DIF.

3.6 NDIC and Sustainable Banking

Sequel to the adoption of Sustainable Banking Principles by the Bankers Committee in 2012, the NDIC had set up a Sustainable Banking Desk in the Managing Directors Office and an Implementation Committee to drive as well as deepen the implementation and integration process within the NDIC.

In its effort to integrate environmental and social considerations into its decision-making processes, the NDIC, in 2018 continued with the implementation of energy efficiency alternatives through the installation of solar powered renewable energy at some of its offices and locations. There are plans to further extend the project to all the Zonal Offices by 2019.

Furthermore, the NDIC installed motion sensitive electrical lightings/appliances in stairways and other areas of low traffic to ensure efficient energy consumption as well as automated wash hand basin sensors for proper water management.

The NDIC invested substantially in ICT to create a paperless environment which will not only improve productivity, but also eliminate storage space, reduce expenses, improve ability to work remotely and reduce negative impact on the environment.

The NDIC complied with the Principles of Sustainable Banking through the promotion of inclusive finance, collaboration with other stakeholders to promote and expand sustainable banking, sustained continuous training and capacity building for staff and integration of sustainable banking in On-site Examination processes.

Furthermore, Sustainable Banking Champions, on continuous basis, ensured periodic sensitisation and awareness creation, to drive the implementation of the approved framework, monitor, assess and ensure compliance with waste, water, paper and energy management initiatives, among other duties.

SECTION 4

RESOLUTION AND MANAGEMENT OF FAILED INSURED FINANCIAL INSTITUTIONS

4.0 Introduction

A core function of the NDIC is effective resolution and orderly closure of failed insured institutions so as to bring succor to depositors as well as ensure financial system stability. The NDIC shares the responsibility of failure resolution with the CBN and other safety net participants.

During the year, the NDIC in line with its mandate as the liquidator of failed insured institutions ensured effective closure of the affected institutions and prompt reimbursement of the depositors. The liquidation activities of NDIC covered a total of 429 institutions, comprising 53 DMBs, 325 MFBs and 51 PMBs.

4.1 Failure Resolution Activities

4.1.1 Liquidation Activities of DMBs

The liquidation of Fortune International Bank and Triumph Bank Plc could not commence in the year due to pending litigation. In the same vein, the legal action in respect of the revocation of the licence of Peak Merchant Bank Ltd was yet to be resolved as at 31st December, 2018. Meanwhile, the winding-up order process in respect of the four banks for which bridge banks were established is ongoing.

4.1.2 Resolution of Failed Skye Bank Plc

During the year, the banking sector regulators decided to adopt the bridge bank mechanism to resolve the distressed Skye Bank to protect depositors' funds, employees and minimise disruption to the payments system. The bridge bank, Polaris Bank Ltd was subsequently acquired by AMCON pending sale to credible and financially-sound third-party acquirers.

4.1.3 Liquidation Activities of MFBs and PMBs

During the year under review, the NDIC effectively closed 138 Microfinance Banks (MFBs) and 5 Primary Mortgage Banks (PMBs) whose licenses were revoked by the Central Bank of Nigeria (CBN) between 8th October and 3rd December, 2018.

4.2 Claims Settlement and Administration

The NDIC continued in its settlement of claims of depositors, creditors and shareholders of closed insured institutions in 2018.

(a) Payment of Insured Deposits to Depositors of DMBs

During the year 2018, NDIC paid ₦4.83 billion to 338 depositors of 18 closed DMBs. Table 4.1 shows bank-by-bank analysis of the payments.

TABLE 4.1 INSURED DEPOSITORS OF DMBs paid in 2018

S/N	Name Of Banks	No. Of Insured Depositors Paid	Total Insured Amount Paid (₦)
1	Allied Bank of Nigeria	14	621,609.31
2	Allstates Trust Bank	52	781,199.25
3	Assurance Bank	1	50,000.00
4	Century Merchant Bank	2	68,065.92
5	City Express Bank	1	24,560.03
6	Commerce Bank Plc	3	150,000.00
7	Commercial Trust Bank	1	50,000.00
8	Continental Merchant Bank	1	30,347.38
9	Gulf Bank	37	1,641,535.54
10	Hallmark Bank	1	50,000.00
11	ICON Merchant Bank	1	50,000.00
12	Mercantile Bank of Nigeria	218	1,105,042.33
13	Merchant Bank of Africa	1	50,000.00
14	North South Bank Ltd.	1	50,000.00
15	Pan African Bank Ltd.	1	6,388.59
16	Prime Merchant Bank	1	50,000.00
17	Rims Merchant Bank	1	50,000.00
18	Trade Bank	1	1,115.14
	TOTAL	338	4,829,863.49

Source: NDIC

As at 31st December, 2018, the NDIC paid the sum of ₦8.25 billion as insured amount to 442,999 depositors of closed DMBs, depicting cumulative payments from 1994 to 2018 (see Appendix 1). That is against the payment of ₦8.24 billion to 442,661 depositors as at 31st December, 2017.

(b) Payment of Insured Deposits to Depositors of Closed MFBs

During the year, the NDIC continued with the payment of insured deposits to depositors of closed MFBs. For the year 2018, the NDIC paid ₦89.24 million insured deposits to 1,804 depositors of MFBs in-liquidation compared to 173 depositors of closed MFBs and ₦13.24 million paid in 2017. The significant increase in the number of depositors and amount paid was due to the 138 MFBs that were closed during the year. Table 4.2 shows the details of the payments.

TABLE 4.2 INSURED AMOUNT PAID TO DEPOSITORS OF CLOSED MFBs IN 2018

S/N	Name Of MFB	Total No. Of Depositors Paid	Total Insured Sum Paid (₦)
1	Adaigbo MFB	13	2,073,493.76
2	Alache MFB	26	2,595,667.47
3	Aloaye MFB	2	210,012.89
4	Amuro MFB	21	1,738,516.90
5	Arondziogu MFB	30	404,656.00
6	Bunza MFB	2	45,407.50
7	Chimham MFB	12	18,738.15
8	Gains MFB	19	980,749.18
9	Garu MFB	855	44,860,540.49
10	Guddiri MFB	37	1,284,019.88
11	Harvest MFB	53	617,967.95
12	Ijomu-Oru MFB	23	1,014,638.80
13	Inri MFB	8	632,851.10
14	Kpacharka MFB	15	1,416,732.29
15	Lapai MFB	89	4,214,668.71
16	Masoyi MFB	12	455,004.73
17	Mba MFB	172	4,653,902.32
18	Misau MFB	7	1,278,000.00
19	Ogidi MFB	113	4,418,041.53
20	Oraezue MFB	137	6,240,908.60
21	Sadau MFB	7	181,672.71
22	Saviour MFB	30	2,149,593.65
23	Shinkafi MFB	19	1,490,327.02
24	Transwealth MFB	10	238,817.27
25	Ugboju MFB	42	2,884,745.54
26	Dikenafai MFB	27	763,225.51
27	Essence MFB	1	16,970.80
28	First Global MFB	6	524,674.37
29	Freedom MFB	2	55,900.00
30	Integrated MFB	3	121,744.59
31	New Height MFB	11	1,655,765.56
TOTAL		1,804	89,237,955.27

Source: NDIC

As shown in Appendix 2, a cumulative payment of ₦2.97 billion was made to 83,415 depositors of closed MFBs as at 31st December, 2018, compared to ₦2.88 billion paid to 81,611 depositors of closed MFBs as at 31st December, 2017.

c) Payment of Insured Deposits of Closed PMBs

In 2018, the NDIC paid the sum of ₦2.13 million insured deposits to 29 depositors of closed PMBs, compared to ₦15.38 million paid to 170 depositors in 2017 as shown in Table 4.3.

TABLE 4.3 PAYMENT OF INSURED DEPOSITS OF CLOSED PMBs IN 2018

S/N	Name Of PMB	Number Of Depositors Paid	Insured Amount Paid (₦)
1	Ahocol Savings & Loans	15	335,722.22
2	Harvard Trust Savings And Loans	5	821,740.73
3	Jubilee Building Society	4	441,500.19
4	Lagoon Homes Savings And Loans	2	228,315.27
5	Mortgage Phb	3	304,207.31
	TOTAL	29	2,131,485.72

Source: NDIC

Table 4.4 shows that a cumulative payment of ₦70.53 million was made to 869 depositors as at 31st December, 2018. That compares with ₦68.40 million paid to 840 depositors as at 31st December, 2017.

TABLE 4.4 PAYMENT OF INSURED DEPOSITS OF CLOSED PMBs AS AT 31ST DECEMBER, 2018

S/N	Name Of PMB	No. Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Deposit At Closure (₦)	Total Uninsured Deposit (₦)	Number Of Depositors Paid	Insured Amount Paid (₦)
1	Allwell Savings and Loans	8	900,152.82	739,080.70	161,072.12	7	729,080.70
2	Credence Savings and Loans	204	6,613,740.40	2,576,813.01	4,036,927.39	0	0.00
3	Furture View Mortgages	18	213,477.39	213,477.39	0.00	0	0.00
4	Niger House Building Society	390	1,288,867.72	638,867.72	650,000.00	10	365,110.55
5	Sakkwato Savings and Loans	2,457	47,781,817.65	13,963,406.21	33,818,411.44	13	925,901.52
6	Benhouse Savings and Loans	5,725	37,890,343.93	19,166,959.57	18,723,384.36	21	1,303,555.24
7	Euro-Banc Savings and Loans	2,748	290,610,426.18	15,879,618.66	274,730,807.52	65	8,348,466.64

S/N	Name Of PMB	No. Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Deposit At Closure (₦)	Total Uninsured Deposit (₦)	Number Of Depositors Paid	Insured Amount Paid (₦)
8	First Capital Savings & Loans	143	2,613,927.44	2,345,311.95	268,615.49	57	1,431,383.21
9	Harvard Trust Savings and Loans	10,004	299,400,466.37	89,899,696.65	209,500,769.72	371	28,989,926.43
10	Jubilee Building Society	776	78,439,689.07	39,124,628.57	39,315,060.50	167	14,985,947.98
11	Lagoon Homes Savings and Loans	13,511	857,379,992.71	96,295,383.42	761,084,609.29	108	8,961,149.58
12	Leverage Home Savings & Loans	1,792	75,555,506.25	23,103,654.50	52,451,851.75	9	1,707,397.26
13	Mortgage PHB	10,437	1,296,858,796.41	139,090,807.22	1,157,767,989.19	26	2,450,254.48
14	Post Service Savings and Loans	13,856	466,274,788.73	151,048,608.85	315,226,179.88	0	0.00
15	Ahocol Savings And Loans Limited					15	335,722.22
		62,069	3,461,821,993.07	594,086,314.42	2,867,735,678.65	869	70,533,895.81

Source: NDIC

(d) Payment of Liquidation Dividend to Uninsured Depositors of DMBs

During the year, the NDIC paid the sum of ₦1.52 billion to uninsured depositors of 20 DMBs in-liquidation. The details of payment is presented in Table 4.5.

TABLE 4.5 LIQUIDATION DIVIDENDS paid TO UNINSURED DEPOSITORS OF DMBs in 2018.

S/N	Name Of Bank	Total Uninsured Paid (₦)
1	Abacus Merchant Bank	519,259.28
2	ABC Merchant Bank	227,464.21
3	Allied Bank of Nigeria	8,919,763.70
4	Allstates Trust Bank	76,501,741.94
5	Alpha Merchant Bank	946,690.41
6	Century Merchant Bank	122,514.31
7	City Express Bank	30,103,820.95
8	Commerce Bank Plc	15,006,471.97
9	Commercial Trust Bank	2,375,849.08
10	Cooperative & Commerce Bank	228,976.42
11	Gulf Bank	135,789,322.78

S/N	Name Of Bank	Total Uninsured Paid (₦)
12	Hallmark Bank	1,237,305,709.55
13	ICON Merchant Bank	478,964.94
14	Mercantile Bank of Nigeria	3,016,884.26
15	Merchant Bank of Africa	355,437.00
16	North South Bank Ltd.	7,897,682.38
17	Prime Merchant Bank	178,228.04
18	Progress Bank of Nigeria	323,851.66
19	Rims Merchant Bank	595,760.73
20	Trade Bank	184,707.30
	TOTAL	1,521,079,100.91

Source: NDIC

Cumulatively, the NDIC has paid the sum of ₦100.39 billion as liquidation dividend to uninsured depositors of closed DMBs as at 31st December, 2018.

(e) Payments to Shareholders of Banks in-liquidation

During the year under review, the NDIC paid the sum of ₦593.78 million to 48 shareholders of Alpha Merchant Bank, Rims Merchant Bank and Continental Merchant Bank. The details of the payment for 2018 is presented in the Table 4.6.

TABLE 4.6 TOTAL AMOUNT PAID TO SHAREHOLDERS IN 2018

S/N	Name Of Bank	Number Of Shareholders Paid	Amount Paid To Shareholders ₦
1	Alpha Merchant Bank Limited	33	307,612,764.00
2	Rims Merchant Bank Limited	2	4,077,674.88
3	Continental Merchant Bank	13	282,091,868.05
	Total	48	593,782,306.93

Source: NDIC

The cumulative liquidation dividend paid amounted to ₦3.30 billion to 679 shareholders of 6 DMBs in-liquidation as at 31st December, 2018 against ₦2.71 billion paid to 631 shareholders of DMBs in-liquidation as at 31st December, 2017. However, the total liquidation dividend declared for shareholders of DMBs-in-liquidation stood at ₦4.04 billion as at 31st December, 2018 as shown in Table 4.7.

TABLE 4.7 LIQUIDATION DIVIDEND PAID TO SHAREHOLDERS AS AT 31ST DECEMBER, 2018

S/N	Name Of Bank	Number Of Shareholders Paid	Amt. Declared for Shareholders of DMBs In-Liquidation (₦ million)	Amt. Paid to Shareholders of DMBs In-Liquidation (₦ million)
1	Alpha Merchant Bank Limited	488	1,562.82	1,147.22
2	Nigeria Merchant Bank Limited	2	620.00	620.00
3	Pan African Bank Limited	2	860.55	860.55
4	Rims Merchant Bank Limited	57	274.97	184.56
5	Cooperative and Commerce Bank	16	390.70	193.71
6	Continental Merchant Bank	114	328.25	294.37
	Total	679	4,037.29	3,300.41

Source: NDIC

(f) Banks for which NDIC has Declared Full Payment of both Insured and Uninsured Deposits as at 31st December, 2018

Through sustained and diligent liquidation activities, the NDIC has realized assets to pay in full the deposits of the customers of 17 out of the 49 Deposit Money Banks in liquidation. In effect, all the depositors of the 17 defunct banks who came forward to file their claims have been paid all their monies (both insured and uninsured) that were erstwhile trapped in such banks. Banks in which NDIC had declared a 100% liquidation dividend (full payment) are presented in Table 4.8.

Table 4.8 BANKS WITH 100% DIVIDEND DECLARED FOR DEPOSITORS as at 31st December, 2018

S/N	Bank In Liquidation	Cumulative Dividend to Date (%)
1	ABC Merchant Bank Limited	100.00
2	Alpha Merchant Bank Plc	100.00
3	Amicable Bank of Nig. Limited	100.00
4	Commercial Trust Bank Limited	100.00
5	Continental Merchant Bank Plc	100.00
6	Cooperative & Commerce Bank Plc	100.00
7	Eagle Bank	100.00
8	Financial Merchant Bank Limited	100.00
9	Icon Limited (Merchant Bankers)	100.00
10	Ivory Merchant Bank	100.00
11	Kapital Merchant Bank Limited	100.00
12	Mercantile Bank of Nig. Plc	100.00
13	Merchant Bank of Africa Limited	100.00
14	Nigeria Merchant Bank Plc	100.00

S/N	Bank In Liquidation	Cumulative Dividend to Date (%)
15	Pan African Bank Limited	100.00
16	Premier Commercial Bank Limited	100.00
17	Rims Merchant Bank Limited	100.00

Source: NDIC

(g) Banks for which Payment to Depositors was put on hold due to Litigations

Payments to depositors of Fortune International Bank, Triumph Bank Ltd, Peak Merchant Bank, Peak Savings and Loans and Ufuma Microfinance Bank, was put on hold because the NDIC was confronted with litigation challenging their revocation of their operating licence. The court cases were yet to be determined as at 31st December, 2018.

Similarly, the Management/Owners of some banks whose licences were revoked by the CBN were yet to render account/stewardship of the affairs of their bank to the NDIC. Thus, the NDIC was not provided with the required documents needed to prepare the deposit register which is essential to pay insured depositors of the closed banks. As a consequence, the payment to the insured depositors of the affected banks was put on hold pending the availability of the required documents.

The 45 MFBs/PMBs for which payment to insured depositors was put on hold due to challenges caused by their Management and Owners are listed in Tables 4.9A and 4.9B below.

TABLE 4.9A CLOSED MFBs WITH INSURED DEPOSIT PAYMENT ON HOLD

S/N	Closed Banks	Date of Licence Revocation
1	Cubic MFB	24-Sep-10
2	Galaxy MFB	24-Sep-10
3	Homeland MFB	24-Sep-10
4	Mustason MFB	24-Sep-10
5	New Gate MFB	24-Sep-10
6	Primate MFB	24-Sep-10
7	South West MFB	24-Sep-10
8	Avalon MFB	4-Feb-14
9	Citiserive MFB	4-Feb-14
10	Compass MFB	4-Feb-14
11	Crystal Gold MFB	4-Feb-14
12	EDS MFB	4-Feb-14
13	Enterprise MFB	4-Feb-14
14	Freigate MFB	4-Feb-14

S/N	Closed Banks	Date of Licence Revocation
15	Funds Matrix MFB	4-Feb-14
16	Interglobal MFB	4-Feb-14
17	Keystone MFB	4-Feb-14
18	Kings MFB	4-Feb-14
19	SVP MFB	4-Feb-14
20	Traders MFB	4-Feb-14
21	Accalaim Homes and Loans	6-Aug-12

Source: NDIC

TABLE 4.9B CLOSED PMBs WITH INSURED DEPOSIT PAYMENT ON HOLD

S/N	Closed Banks	Date of Licence Revocation
1	CB Homes Savings and Loans	6-Aug-12
2	Coastal Homes Savings and Loans	6-Aug-12
3	Crest Mortgage Savings and Loans	6-Aug-12
4	Estoport Building Society	6-Aug-12
5	Guardian Trust Savings and Loans	6-Aug-12
6	Home Trust Savings and Loans	6-Aug-12
7	Horizon Building Society	6-Aug-12
8	Imani Savings and Loans	6-Aug-12
9	Mars Home Investment Savings and Loans	6-Aug-12
10	Melrose Savings and Loans	6-Aug-12
11	New Capital Savings and Loans	6-Aug-12
12	Omono Building Society	6-Aug-12
13	Owners Home Savings and Loans	6-Aug-12
14	Perennial Building Society	6-Aug-12
15	Primrose Savings and Loans	6-Aug-12
16	Secure Savings and Loans	6-Aug-12
17	Urban Shelter Savings and Loans	6-Aug-12
18	Alliance and General Mortgage Ltd	5-Jan-15
19	Consolidated Estate Building Society	5-Jan-15
20	First Amalgamated Building Society	5-Jan-15
21	Global Building Society (Confluence Savings & Loans)	5-Jan-15
22	Home Foundation Savings & Loans	5-Jan-15
23	Multibanc Savings and Loans	5-Jan-15
24	Password Savings and Loans	5-Jan-15

Source: NDIC

(h) Payment/Reimbursement to CBN in Respect of Banks for which it made Advance Payment to their Private Depositors

Sequel to the successful banking industry consolidation exercise which ended 31st December, 2005, DMBs that could not meet the ₦25 billion recapitalisation deadline were closed by the CBN in January 2006. Because their closure and subsequent liquidation was policy-induced and to minimize their negative impact on the safety of the Nigerian banking industry, the CBN, on behalf of the Federal Government, gave full guarantee (i.e. 100%) for the payment of uninsured private deposits in the banks. These banks' licences were revoked in 2006.

Under the cover of that guarantee, all private depositors in the affected banks who came forward to file their claims up to 28th February, 2012 were paid their deposits in full by the CBN. The money paid in full by the CBN for the uninsured private sector deposits was to be recouped from the proceeds of assets of such banks by CBN in its right of subrogation. Consequently, in 2018, CBN was paid the total sum of ₦858.14 million by the NDIC as the Liquidator of City Express Bank. It is worthy of note that in 2017, the sum of ₦6.64 billion was paid to CBN for 5 other closed banks.

(i) Reimbursement to NDIC (Subrogation)

During the year, the sum of ₦20.38 million was paid to NDIC, as part of subrogation for insured amounts earlier paid to depositors of closed banks that (from City Express Bank, ₦10.52 million and Lead Bank Plc, ₦9.86 million) have declared liquidation dividends.

(j) Summary of Payments to Depositors, Creditors and Shareholders of Closed Institutions as at 31st December, 2018

In the discharge of its obligation as Liquidator, the NDIC had made cumulative payments amounting to ₦116.258 billion to depositors, creditors and shareholders as at 31st December, 2018. The breakdown includes payments of insured and uninsured deposits of ₦108.641 billion, ₦2.973 billion and ₦70.53 million to depositors of defunct DMBs, MFBs and PMBs, respectively. The NDIC also made payments of ₦1.272 billion to Creditors and ₦3.30 billion to Shareholders of banks in-liquidation as shown in Table 4.10.

TABLE 4.10 BREAKDOWN OF CUMULATIVE PAYMENTS AS AT 31ST DECEMBER, 2018

	DMBs (₦ Million)	MFBs (₦ Million)	PMBs (₦ Million)	TOTAL (₦ Million)
Insured Payments	8,252.41	2,973.85	70.53	11,296.79
Uninsured Payments	100,388.36	-	-	100,388.36
Creditors	1,272.47	-	-	1,272.47
Shareholders	3,300.41	-	-	3,300.41
TOTAL	113,213.65	2,973.85	70.53	116,258.03

Source: NDIC

4.2 ASSET MANAGEMENT ACTIVITIES

In 2018, the NDIC ensured the efficient conversion of assets of closed financial institutions to cash for the payment of Liquidation Dividend to uninsured depositors, creditors and shareholders.

4.2.1 Management and Recovery of Risk Assets

In its debt recovery efforts, the NDIC during the year applied various strategies such as direct recovery drive where debtors are directly engaged by its staff to ensure the payment of outstanding debts. It also employed the services of Debt Recovery Agents (DRAs) and external solicitors to recover debts through the litigation process, especially for recalcitrant debtors, insider-related debts, and contentious loan facilities with substantial balances. Facilities related to criminal prosecution were also addressed through the court processes.

Collaborative efforts with AMCON and other agencies of the Federal and State Governments, who had in previous years acquired physical and risk assets of banks in liquidation also continued during the year under review.

Table 4.11 shows the breakdown of loans & advances, and recoveries for 47 DMBs in liquidation as at 31st December, 2018. The total loans & advances owed to the DMBs in liquidation as at closure was ₦197.16 billion. Cumulative recovery from debtors of the affected DMBs stood at ₦29.01 billion as at 31st December 2018, compared with ₦28.48 billion as at 31st December, 2017.

TABLE 4.11 SUMMARY OF RECOVERIES ON LOANS FOR THE CLOSED DMBs AS AT 31ST DECEMBER, 2018

S/N	Banks in Liquidation	Total Loans at Closure (₦ Million)	Cumulative Recoveries as at December 2018 (₦ Million)
1	Abacus Merchant Bank Ltd	1,213.87	41.81
2	ABC Merchant Bank Ltd	565.37	77.96
3	African Express Bank Ltd	9,847.81	4,120.54
4	AIB	11,688.04	370.46
5	Allied Bank Nig. Plc	2,535.48	444.13
6	Allstates Trust Bank Plc	25,414.95	4,461.43
7	Alpha Merchant Bank Plc	1,030.72	908.47
8	Amicable Bank Plc	328.99	28.80
9	Assurance Bank Ltd	6,369.79	415.47
10	Century Merchant Bank Ltd	809.81	31.66
11	City Express Bank Plc	13,323.06	1,110.83
12	Commercial Trust Bank Ltd	570.59	157.39
13	Commerce Bank Ltd	1,643.59	304.40
14	Continental Merchant Bank Plc	1,712.28	453.79
15	Co-operative & Commerce Bank Plc	2,305.38	632.05
16	Credite Bank Nigeria Ltd	479.92	27.27
17	Crown Merchant Bank Ltd	340.31	13.99
18	Eagle Bank Ltd	217.62	11.39
19	Finance Merchant Bank Ltd	447.19	150.65
20	Great Merchant Bank Ltd	393.44	17.19
21	Group Merchant Bank Ltd	741.81	36.82
22	Gulf Bank Ltd	21,269.06	516.59
23	Hallmark Bank Plc	29,716.74	3,713.78
24	Highland Bank Plc	114.05	21.01
25	ICON Merchant Bank Ltd	1,220.71	237.40
26	Ivory Merchant Bank Ltd	1,491.37	57.56
27	Kapital Merchant Bank Ltd	344.27	273.41
28	Lead Bank Plc	12,380.78	2,399.53
29	Liberty Bank Plc	5,191.10	237.13
30	Lobi Bank Ltd	291.60	85.31
31	Merchant Bank of Africa Ltd	2,048.81	258.95
32	Mercantile Bank Plc	1,217.60	261.83
33	Metropolitan Bank Ltd	8,258.00	1,375.41
34	Nig. Merchant Bank Plc	1,243.15	262.98
35	North-South Bank Plc	932.04	42.95
36	Pan African Bank Ltd	1,282.45	669.32
37	Peak Merchant Bank	5,474.97	2.98

S/N	Banks in Liquidation	Total Loans at Closure (₦ Million)	Cumulative Recoveries as at December 2018 (₦ Million)
38	Pinacle Commercial Bank Ltd	1,551.90	157.81
39	Premier Commercial Bank Ltd	1,102.00	37.50
40	Prime Merchant Bank Ltd	838.11	52.80
41	Progress Bank Plc	1,880.94	493.73
42	Republic Bank Ltd	232.56	35.69
43	Rims Mer. Bank Ltd	1,900.88	79.79
44	Royal Merchant Bank Ltd	1,131.07	58.65
45	Trade Bank Plc	11,901.30	3,652.92
46	United Com Bank Ltd	1,864.58	186.24
47	Victory Merchant Bank Ltd	301.47	21.10
	Miscellaneous	0	0.1
	GRAND TOTAL	197,161.53	29,008.97

Source: NDIC

The details on the total loans & advances and their recoveries for the MFBs in-liquidation are shown in Appendix 3. As at 31st December, 2018, a sum of ₦125.84 million out of the ₦4.69 billion owed to the MFBs had been recovered from the MFBs debtors. During the year, only ₦710,000 was recovered.

Furthermore, the sum of ₦8.15 billion was owed to the 8 PMBs in-liquidation as shown in Table 4.12. The cumulative loan recovery from debtors of these PMBs as at 31st December, 2018, stood at ₦290.43 million, compared to ₦239.27 million recorded as at 31st December, 2017. That indicated a total loan recovery of ₦51.16 million during the year under review.

TABLE 4.12 SUMMARY OF RECOVERIES FOR PMBs (IN-LIQUIDATION) AS AT 31ST DECEMBER, 2018

S/N	PMB-In-Liquidation	Total Loans & Advances At Closure (₦ Million)	Cumulative Recoveries As At 31st December 2018 (₦ Million)
1	Eurobanc	743.28	2.81
2	Lagoon Homes	2,247.06	63.11
3	PHB Morgages	3,471.13	221.10
4	Post Service Homes	773.33	3.40
5	Leverage Homes	59.14	0.00
6	Omega Homes	206.73	0.00
7	First Capital	10.89	0.00
8	Havard Trust S&L	641.32	0.00
	GRAND TOTAL	8,152.88	290.43

Source: NDIC

4.2.2 Realization of Physical Assets

In 2018, the NDIC continued with the management of the Physical Assets of failed financial institutions. To ensure transparency, integrity and accountability in its disposal process, the NDIC continued to advertise for sale all physical assets recovered from the closed institutions. The services of reputable professional estate surveyors and valuers were also engaged to assess all the properties of the closed institutions to guide the disposal of the physical assets. High-value items, such as buildings, motor vehicles, plants and machinery were sold to interested members of the public through sealed competitive bidding process, while the chattels were sold by public auction with the aid of professional auctioneers.

Tables 4.13 highlights the proceeds from the sale of physical assets of closed DMBs as at 31st December, 2018. A cumulative sum of ₦21.396 billion was realised from the disposal of physical assets of closed DMBs as at 31st December, 2018, compared to ₦21.395 billion in 2017. A cumulative amount of ₦17.37 billion, ₦1.43 billion and ₦2.58 billion was realised from the sale of landed property, vehicles/generators and chattels, of the closed DMBs in-liquidation, respectively.

TABLE 4.13 SUMMARY OF PROCEEDS FROM THE SALE OF PHYSICAL ASSETS OF DMBs IN-LIQUIDATION AS AT 31ST DECEMBER, 2018

S/NO	Bank	Landed Property (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
1	Abacus Merchant Bank Ltd.	-	2.71	3.66	6.37
2	ABC Merchant Bank Ltd	-	3.83	3.40	7.23
3	Afex Bank Plc	225.13	-	127.75	352.88
4	Allstates Trust Bank Plc	3,246.28	36.67	17.63	3,300.58
5	Allied Bank Plc	697.02	64.78	39.84	801.64
6	Alpha Merchant Bank Plc.	122.24	0.11	0.71	123.06
7	Amicable Bank of Nig. Plc	8.00	7.14	17.55	32.69
8	Assurance Bank Ltd.	1,297.80	456.61	0.50	1,754.91
9	Century Merc. Bank Ltd.	-	7.10	10.51	17.61
10	City Express Bank Plc	557.00	14.42	316.52	887.94
11	Commerce Bank Ltd.	151.14	42.57	31.28	224.99
12	Commercial Trust Bank Ltd.	36.08	10.30	25.38	71.76
13	Continental Merc. Bank Plc.	984.33	11.57	22.36	1,018.26
14	Co-operative & Commerce Bank	726.72	13.10	33.02	772.84
15	Credite Bank Nigeria Ltd.	15.00	14.09	14.89	43.98
16	Crown Merchant Bank Ltd.	15.00	6.06	3.80	24.86
17	Eagle Bank	885.00	0.49	-	885.49

S/NO	Bank	Landed Property (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
18	Financial Merchant Bank Ltd.	-	-	10.33	10.33
19	Great Merchant Bank Ltd.	4.27	1.88	0.96	7.11
20	Group Merchant Bank Ltd.	-	2.16	4.68	6.84
21	Gulf Bank	314.28	2.71	177.04	494.03
22	Hallmark Bank Plc	1,911.50	4.80	1,315.99	3,232.29
23	Highland Bank of Nig. Plc	12.97	5.54	7.99	26.50
24	ICON Ltd. [Merchant Bankers] Ltd	667.45	3.47	20.88	691.80
25	Ivory Merchant Bank Ltd	56.00	3.76	1.53	61.29
26	Kapital Merchant Bank Ltd.1	-	41.36	0.24	41.60
27	Lead Bank Plc	847.26	202.56	-	1,049.82
28	Liberty Bank Plc	796.00	0.59	90.00	886.59
29	Lobi Bank of Nig. Ltd.	83.11	3.90	11.71	98.72
30	Mercantile Bank of Nig. Plc.	387.81	6.99	42.27	437.07
31	Metropolitan Bank Limited	517.40	0.72	85.00	603.12
32	Merchant Bank of Africa Ltd.	287.04	1.87	16.87	305.78
33	Nigeria Merchant Bank Ltd.	123.55	4.89	0.50	128.94
34	North-South Bank Nig. Plc.	213.00	1.20	16.39	230.59
35	Pan African Bank Ltd.	338.81	6.52	5.04	350.37
36	Peak Merchant Bank	-	0.40	-	0.40
37	Pinacle Commercial Bank Ltd.	-	12.19	18.42	30.61
38	Premier Merchant Bank Ltd.	37.43	3.98	9.90	51.31
39	Prime Merchant Bank Ltd.	-	2.28	5.39	7.67
40	Progress Bank of Nig. Plc	136.13	15.50	40.11	191.74
41	Republic Bank Limited	170.00	0.10	6.38	176.48
42	Rims Merchant Bank Ltd.	402.40	3.11	1.43	406.94
43	Royal Merchant Bank Ltd.	-	2.84	3.88	6.72
44	Trade Bank Plc	1,103.97	376.82	1.39	1,482.18
45	United Commercial Bank Ltd.	-	29.13	15.68	44.81
46	Victory Merchant Bank Ltd.	-	0.31	6.63	6.94
	Miscellaneous	-	-	0.42	
	TOTAL DMBs	17,377.12	1,433.11	2,585.87	21,396.10

Source: NDIC

The cumulative proceed from the sale of physical assets of MFBs in-liquidation as at 31st December, 2018 stood at ₦391.25 million compared with a cumulative sum of ₦386.11 million realised as at 31st December, 2017, which indicated an increase of ₦5.14 million in 2018. Specifically, ₦192.36 million, ₦9.21 million and ₦189.68 million

were realised from sales of landed property, vehicles/generating set and chattels, respectively (see Appendix 4).

The sum of ₦78.17 million was realised from the disposal of physical assets of closed PMBs as at 31st December, 2018. Out of that amount, ₦51.00 million was realised from landed properties, ₦26.87 million was realised from chattels, and ₦0.30 million was realised from sale of vehicles/generating set. Table 4.14 shows the proceeds from the sale of physical assets of closed PMBs.

TABLE 4.14 SUMMARY OF PROCEEDS FROM THE SALE OF PHYSICAL ASSETS OF PMBs IN-LIQUIDATION AS AT 31ST DECEMBER, 2018

S/N	PMB-In-Liquidation	Landed Property/ Rent (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
1	Credence Pmb	-	-	1.45	1.45
2	Cymon Savings & Loans	-	-	2.38	2.38
3	Euro Bank S&L	-	-	2.81	2.81
4	First Capital Savings	-	-	0.03	0.03
5	Havard Trust Saving	-	-	1.17	1.17
6	Jubilee Building Society	-	-	0.36	0.36
7	Lagoon Savings and Loan	-	-	8.73	8.73
8	Leverage Savings & Loan	-	-	1.24	1.24
9	Mortgages PHB	51.00	0.30	6.72	58.02
10	Omega S&L	-	-	1.74	1.74
11	Harmony S&L	-	-	0.04	0.034
12	Benhouse Building Society	-	-	0.19	0.19
	TOTAL	51.00	0.30	26.87	78.17

Source: NDIC

4.2.3 Realization of Investments

The NDIC realised a cumulative sum of ₦4,623.29 million as at 31st December, 2018, from 13 DMBs and 2 MFBs in-liquidation, slightly higher than the cumulative sum of ₦4,419.66 million and ₦4,419.73 million received from disposal of investment in closed financial institutions in 2016 and 2017, respectively. A cumulative sum of ₦4,620.13 million was realised from the sale of investment in the 13 DMBs in-liquidation as at 31st December, 2018 compared with ₦4,418 million reported in 2017. Also, the proceeds from the disposal of investment of 2 MFBs in-liquidation stood at ₦3.16 million as at 31st December, 2018.

The NDIC engaged the services of reputable professionals such as stockbrokers, accountants and other financial services experts for the valuation and sale of

identified investments at competitive prices in quoted and unquoted companies. The investments included quoted stocks, shares in subsidiaries and equity participation in other investment windows.

TABLE 4.15 CUMULATIVE REALISATION ON INVESTMENT OF DMBs AND MFBs AS AT 31ST DECEMBER, 2018

SN	Name Of Banks	Cumulative Realisation From 2008 To Dec 2018 (₦ Million)
1	Afex Bank Ltd	1.55
2	City Express Bank Plc	995.40
3	Gulf Bank Ltd	1.50
4	Hallmark Bank Plc(Homes)	1,242.97
5	Lead Bank Plc	893.39
6	Liberty Bank	9.88
7	Metropolitan Bank Ltd	260.26
8	Nig. Merc. Bank Plc	0.16
9	Rims Mer. Bank Ltd	52.28
10	Trade Bank Plc	702.30
11	Allstates Trust Bank	445.34
12	African International Bank	12.93
13	Republic Bank	2.36
14	Ihitte Microfinance Bank	2.16
15	Akesan Microfinance Bank	0.80
	TOTAL	4,623.29

Source: NDIC

Overall, the NDIC realised the sum of ₦777.03 million from the disposal of risk assets, physical assets and investments for the DMBs, MFBs and PMBs in-liquidation during the year ended 31st December, 2018. The share of risk assets out of that amount was 74.42%, while that of physical assets and investment disposal stood at 0.8% and 24.78%, respectively. Presented in Table 4.16 is the quarterly receipts of the assets of closed insured financial institutions.

TABLE 4.16 QUARTERLY RECEIPTS OF DMBs, MFBs AND PMBs IN 2018

S/N	Activities	1 st Quarter (₦ Million)	2 nd Quarter (₦ Million)	3 rd Quarter (₦ Million)	4 th Quarter (₦ Million)	TOTAL (₦ Million)
1	Risk Assets	184.82	261.00	53.00	79.44	578.26
2	Physical Assets	0.361	Nil	0.342	5.5	6.20
3	Investments	1.14	111.02	79.72	0.69	192.57
	TOTAL	186.32	372.01	133.06	85.63	777.03

Source: NDIC

4.2.4 Data Management and Administration

As part of its collaborative efforts and contribution to a safe and sound financial industry, the NDIC has continued to issue Letters of Clearance to customers of DMBs in-liquidation after all debts had been fully paid. Such clearance effectively enabled delisting of the affected DMBs customers from the Credit Risk Management System (CRMS) and Credit Bureau Systems used to track and monitor a borrower or potential borrowers' credit history by CBN and licenced private credit bureaus in Nigeria. On an ongoing basis, the NDIC maintains and regularly updates "Risk Assets" Registers of all DMBs in-liquidation with information on recoveries, interest waivers and write-offs on accounts of debtors.

Following policy guidelines provided by the CBN, the NDIC uploaded the Risk Asset Register of all closed DMBs to the Credit Risk Management Platform of two (2) Credit Bureaus operating in the country. That was to provide lenders (banks and other financial institutions) with accurate, up-to-date and reliable information on borrowers and assist them to make informed decisions in their lending activities.

4.2.5 Major Challenges Faced in Asset Management Activities in 2018.

Realization of assets of failed institutions is an ongoing process and often challenging. Some of the challenges included the following among others:

- i. Inadequate documentation of borrowers' information by failed banks;
- ii. Unwilling attitude of high net-worth debtors of failed banks to liquidate their debts;
- iii. Preponderance of uncollateralised loans;
- iv. Problems associated with identifying assets of judgment debtors;
- v. Protracted legal processes due to frequent adjournment of cases;
- vi. Large outstanding insider-related debts usually characterised by poor documentation and insider abuse; and
- vii. Difficultiestorepayloansinducedbyeconomicrealities,policyinconsistencies as well as issues relating to moral hazards.

SECTION 5

CORPORATE SUPPORT INFRASTRUCTURE

5.0 Introduction

This section presents the activities of support Departments and autonomous Units whose accomplishments helped in the attainment of the NDIC's vision and mission in 2018.

5.1 Legal Department

The Legal Department is charged with the responsibility of providing corporate secretarial services for the Executive Committee and Management; and legal opinion and advice on legal issues affecting the NDIC's operations. The Department managed a total of 416 civil and criminal litigations involving the NDIC both in its corporate personality and as a liquidator of failed insured institutions; and coordinated the criminal prosecution of officers, directors and customers of banks in-liquidation.

The Department managed the perfection of title to properties acquired by the NDIC and those of banks in-liquidation, and maintained safe custody of the NDIC's security documents and Common Seal.

As part of its collaborative efforts with stakeholders including the members of the National Assembly and Judiciary, the Department organised and coordinated various seminars, trainings and workshops on pertinent legal issues on Deposit Insurance Law and Practice.

5.2 Strategy Development Department

The Strategy Development Department (SDD) drives the NDIC's strategy and performance. It ensured that all activities and functions of the various Departments/ Units/Zones were aligned with the Corporate Strategy and that they were geared towards achieving the Corporation's Vision, Mission and Mandate.

The following are the achievements of the Department during the year:

- Quarterly strategy monitoring and collection of performance data
- Capacity building on dEPM system
- Mid-term review of the 2016-2020 Strategic Plan
- Bi-annual assessment of efficiency activities
- Execution of FSS 2020 activities for 2018
- Coordinated process Improvement projects
- Arranged Focal Officers' meeting

- Managed Customer Care Workshop
- Collaborated with relevant Departments on ISO Certification Project
- Reviewed and uploaded Standard Operating Procedure (SOP)
- Participated in Ministerial SERVICOM Meetings
- Managed the Help Desk/Front Desk.

5.3 Establishment Office

The Establishment Office (ESTAB) renders support services to Departments and Units in the Lagos Office. The Office carried out the functions of Procurement and Management Services, Human Resources and Engineering & Technical Services.

During the year, the office performed the following functions:

- Provided and maintained office accommodation, as well as security and cleaning services.
- Provided support services to all the Departments /Units in Lagos Office for efficiency.
- It provided logistics support for EXCO and Departmental meetings held in Lagos.
- The Office also liaised on behalf of the NDIC with various Consultants, Agencies, Contractors, Service Providers and Lagos State Government on the on-going NDIC building projects and other services.

5.4. Finance Department

The Department is responsible for implementing all approved financial policies of the NDIC, ensuring adequate funding; as well as effective and efficient management of resources. It maintains comprehensive financial records and provides accurate and reliable information on NDIC's finances to Management and other stakeholders in a timely, efficient and transparent manner.

The Department plans, organizes and controls the NDIC's financial affairs using a robust Performance Based Budgeting System (PBBS) which is tied to the NDIC's Strategic Plan.

It also ensures the prompt investment of Funds (DIF, SIF and NIDIF) in eligible securities with safety and liquidity as its guiding principles.

In 2018, the Department engaged in the following activities, amongst others:

- Hosted auditors from the office of Accountant-General of the Federation (OAGF) and Office of Auditor-General of the Federation (OAuGF), who carried out audit and inspection exercises to affirm the Corporation's continuous

adherence to rules and regulations governing its operations.

- ii. Hosted External Auditor, Messrs. PricewaterhouseCoopers (PwC) to conclude the final audit of the NDIC's Financial Statements for the year ended 31st December, 2017.
- iii. Commenced the Interim Audit of the NDIC's 2018 Financial Statements in November 2018.
- iv. Prepared the NDIC's 2018 annual budget which was defended before the relevant Committees of the National Assembly.
- v. Deployed the Business Intelligence Module of the Infor d/EPM (Dynamic Enterprise Performance Management) budgeting software.
- vi. Submitted the NDIC's three (3) year 2019 – 2021 Medium Term Expenditure Framework (MTEF) to the Budget-Office of the Federation.
- vii. Filed and remitted all Taxes deducted (Stamp Duty, VAT and WHT) to the appropriate tax authorities.
- viii. Remitted the sum of ₦57.22 billion to the Consolidated Revenue Fund (CRF) in compliance with Fiscal Responsibility Act 2007.

5.5 Information Technology Department

The Department continued to build on the successes of the previous years as an enabler to NDIC operations. It aligned its initiatives with the policy and strategic framework 2016-2020, focused on deploying latest technologies and appropriate human capacity to ensure that the NDIC discharged its mandate. The major achievements of the Department in 2018 were as follows:

- i. The Department played its role in sustaining the three best-practice standard awarded to the NDIC by the British Standards Society (BSI) in IT business: IT Service Management System (ISO 20000), IT Security Management (ISO 27001) and Business Continuity Management (ISO 22301) earlier achieved in 2017 were maintained. Consequently, the NDIC passed the mandatory surveillance audit and the corresponding maturity test.
- ii. Deepened IT security and fortified existing cutting edge infrastructure against internal and external threats. An Identity Service Engine was implemented to ensure compliance, enhance infrastructure security, and streamline service operations. Similarly, a robust global data replication and disaster recovery project was concluded. That mitigates the possibility of the NDIC's operations being threatened in the event of any natural or artificial disaster,

no matter the magnitude.

- iii. To further achieve the objective of deploying latest technology needed for the integration of the NDIC business operations, IP telephone services were extended and massively deployed to the Lagos Office while end-points were dropped at all Zonal Offices. By this, every NDIC office was literally operating as if in one location.
- iv. It is worthy of note that the, NDIC ITD personnel developed the Special Insured Institutions Portal (SIIP) which serves as one-stop-shop for information on all special insured institutions in Nigeria.
- v. The NDIC in collaboration with the CBN, moved into the implementation phase of the Integrated Regulatory System (IRS) project aimed at developing a one-stop off-site and on-site regulatory platform for the financial system in Nigeria.
- vi. The National Association of Microfinance Banks Unified IT (NAMBUIT) Platform, funded through a special purpose vehicle between the CBN and NDIC to produce a cloud SaaS for core and agent banking applications for the MFB industry went into deployment phase.
- vii. To develop and maintain the requisite skills and human capital for driving the NDIC's IT infrastructure and processes, diverse local training and certifications were organized on: Manage Engine, ISO 20000, 22301 and 27001 standards, Cyber Security, Information Technology Infrastructure Library (ITIL), Projects Management, IT Governance, Networking, Operating Systems, etc.

5.6 Performance Management Unit

The Unit commenced a planning exercise for the year 2018/2019 performance cycle which was the bedrock of the Performance Management System (PMS). The major activities of the Unit in 2018 included the following:

- i. Performance monitoring exercise was undertaken.
- ii. NDIC's in-house knowledge sharing sessions for staff on Performance Management System and Policy were conducted.
- iii. Coordinated the confirmation appraisal of 162 eligible staff.
- iv. Conducted 2018 end of year staff performance appraisal exercise.
- v. Compiled and circulated the four-year appraisal scores of staff eligible for 2018 promotion/conversion.

5.7 Internal Audit Department

The Department remained committed to providing reasonable assurance to

management on the adequacy, effectiveness and efficiency of internal controls, risk management and governance structure; through a systematic risk based audit approach of the activities of the Departments, Units and Zonal Offices of the NDIC.

In 2018, the Department carried out the following activities:

- i. The review of payment vouchers, review of cash advance retirements and Inspection of all purchases made by the Corporation. These were aimed at ensuring compliance with laid down policies, procedures and guidelines.
- ii. In collaboration with other relevant departments, it ensured that the Surveillance Audit by the British Standard Institute (BSI) of the three ISO Standards, earlier awarded to the NDIC, was successful. That enabled the NDIC retain its Certifications by the International Organization for Standardization (ISO).
- iii. Carried out the maiden Audit of the three ISO standards to address the non-conformities raised during the Surveillance Audit and reviewed the adequacy of the Corrective Action Plans (CAPs) put in place by the concerned Departments.
- iv. Continued in the drive to boost the capacity of staff as Certified Lead Auditors in ISO: 20000 - Information Technology Service Management System (ITSMS) and ISO: 27001 - Information Security Management System (ISMS) by Professional Examination Certification Board (PECB) of Canada.
- v. Organized training for the Resident Internal Auditors (RIAs) to sensitize them on their roles and responsibilities and also on the functions of Internal Audit Department as well as their need to add value to the processes in the Zonal Offices.

5.8 Enterprise Risk Management Department

The Department performed its core function of coordinating the implementation of the Corporation's ERM Framework by identifying, assessing, controlling, monitoring, treating and reporting on all significant risks that were likely to impede the achievement of the NDIC's mandate.

The Department also conducted Enterprise Risk Monitoring exercise across the Departments, Units and Offices to ensure that all control measures put in place to mitigate the identified risks were effective. Subsequently, feedback reports on the outcome of the exercise with appropriate recommendations were issued to Departments, Units and Offices for immediate implementation.

Furthermore, the Department conducted a Business Impact Analysis (BIA) and Risk Assessment (RA) across the NDIC which was aimed at obtaining the most critical activities, their priorities and timeframe for resumption following an unscheduled business interruption. Consequently, a BIA report was generated, and was subsequently approved by the Business Continuity Steering Committee (BCSC). In addition to the above, the Business Continuity Plans (BCPs) for Abuja, Lagos and Zonal offices were also updated based on the BIA and RA results.

Furthermore, in continuation with the implementation of the Document Policy in the NDIC, monitoring of compliance on the standardization of filing system was embarked upon to ensure proper documentation, filing system practices and referencing.

Similarly, the DocuWare (Electronic Document Management Software) deployed in the NDIC was upgraded from DocuWare version 6.10 to DocuWare version 6.11. The essence of the upgrade was to improve the functionality and efficiency of the application.

5.9 Engineering And Technical Services Department

The Department is responsible for effective service delivery and ensuring the professional execution of capital projects, maintenance of facilities and equipment for the Abuja, Lagos and Zonal Offices of the NDIC. Some of its activities during the year under review included:

- i. Supervised the construction of three (3) major building projects, namely: Lagos Office Complex at Ikoyi, Lagos; Training Centre, Lekki, Lagos; and Head Office Annex, Abuja.
- ii. Supervised the renovation works of the acquired property at Murtala Mohammed Way, GRA, Ilorin for relocation of the NDIC Zonal Office.
- iii. Out-sourced facility management to professional service providers for categories under office equipment, lifts, generators, fire-fighting system, central air-conditions systems, cleaning and gardening services.
- iv. Ensured that improved assets and facilities management processes, e-facility management system solution were deployed. It is expected that the new system would motivate staff and improve productivity.

5.10 Procurement & Management Services Department

The Department undertook various operational activities in line with its mandate and the provisions of Public Procurement Act (PPA) 2007.

During the review period, the Department coordinated the disposal of 25 obsolete motor vehicles whose continuous operations had become so expensive to maintain. The Department also took delivery of 14 new vehicles to replace the old ones in order to enhance logistic support and delivery services in the NDIC.

The Department improved the NDIC's operational activities by taking the delivery of several printers, laptops, desktops and photocopiers in line with the need to ensure improved business process.

The Department maintained all security and safety of human and electronic devices and ensured adequate surveillance in all locations of the NDIC.

5.11 Human Resource Department

The Department is charged with the responsibility of selecting, recruiting, training and the general management of NDIC's human resources. In the year under review, it continued to render services with the efficiency and effectiveness needed to achieve NDIC's mission, vision and objectives.

The major activities of the Department during the year under review were as follows:

- i. Executed all Management's welfare policies in a holistic and proactive manner for the benefit of staff.
- ii. Coordinated the election of Executive Committee members to the 8th Council of the JCC following the expiration of the tenure of the 7th Council.
- iii. Facilitated the 2018 Health Talk in ten (10) locations of the NDIC.
- iv. Ensured that the Corporation met its obligation to the National Health Insurance Scheme (NHIS) in four quarters instalments.
- v. Facilitated capacity development of 1,767 staff.
- vi. Facilitated the enrollment of fifteen (15) staff in the 4th Batch of the Chartered Banker/MBA (CB/MBA) program. Out of that number, five (5) were placed on the Full Program, one (1) on the accelerated route and nine (9) on the super accelerated route. Also, 27 staff, from Batch 3 of the program, graduated during the year and were duly inducted into the Chartered Institute of Bankers of Nigeria (CIBN). Out of the ninety two (92) staff enrolled on the program since its introduction, seventy four (74) had completed the program.
- vii. Ensured the Corporation complied with the Federal Government directives on compulsory 1% annual training contribution to Industrial Training Fund. As at the end of 2018, the NDIC was up to date on its contribution to the ITF.

- viii. Twenty-five (25) staff employed; nine (9) were seconded; two went on study leave; and 44 exited the Corporation (24 mandatory retirement, 5 voluntary retirement, 8 resignation, 1 termination and 6 deceased) during the period under review.
- ix. Held two sessions of Women Empowerment workshop in Abuja and Lagos for 141 female employees. The purpose of the workshop is to equip female employees with skills needed to assist them perform optimally as well as manage other issues that could hinder their performances at work.
- x. Coordinated 46 Knowledge Sharing Sessions, of which, 22 were recorded.

5.12 NDIC Academy

The Academy executed 28 (87.5%) out of 32 courses approved in 2018, trained 3,353 participants as against 2,406 in 2017, a 39% increase. The composition of employees trained included 61 (2%) Executive staff, 3,175 (95%) Senior Staff and 53 (2%) Junior Staff. Sixty-four (64) were staff of local and foreign stakeholders (CBN, SEC, AMCOM, FMF, EFCC, ICPC, DIS agencies in IADI Africa, etc.).

The Academy worked in concert with some Operations Departments and the Quality Assurance Review Committee (QARC) to validate their curricula. Some of the programs, particularly the generic ones, were replicated in all the Academy's training locations – Abuja, Lagos, Kano and Enugu.

NDIC WINS BEST MDA (COMPLIANCE TO IT CLEARANCE REGULATION) AWARD DURING THE NIGERIA 2018 DIGITAL PROMOTION AWARDS



L-R: MD/CEO, Umaru Ibrahim receives the award of “Best MDA Compliance to IT Clearance Regulations” supported by NDIC Head Information Technology Department, Mr Imade Uhumwagho and National Information Technology Development Agency (NITDA) Director Infrastructure and Technical Support Service, Dr. Abdullahi Gambo during the 2018 eNigeria Conference Digital Promotion Awards.

NDIC SENSITIZATION SEMINAR FOR FEDERAL HIGH COURT JUDGES



MD/CEO, Umaru Ibrahim in a chat with the Chief Judge of the Federal High Court, Hon. Justice Abdul A. Kafarati at the 2018 NDIC Sensitization Seminar for Federal High Court Judges in Abuja.

PRESENTATION OF ISO CERTIFICATION TO NDIC



MD/CEO, Umaru Ibrahim (2nd right), Executive Director (Operations), Prince Aghatise Erediauwa (1st right) and the representative of the British High Commissioner and Lead Trade Adviser for Education Sector Opportunities, Ms. Natasha Anjekwu (3rd right) along with Executive Director Corporate Services, Hon. Mrs. Omolola Abiola Edewor (3rd left) and CBN Director Financial System Strategy (FSS 2020) (2nd left), Mr. Mohammed D. Suleyman celebrate the formal presentation of the 3 International Standards Organisation (ISO) Certifications awarded to the Corporation by the British Standards Institution (BSI).



MD/CEO, Umaru Ibrahim, unveiling the Laboratory Blocks donated by the Corporation, while the Chairman and Proprietor of the school (Zaria Academy, Shika), Mal. Haroun-Rashid Adamu (PhD) 2nd right watches.

SECTION 6

PUBLIC AWARENESS AND CORPORATE SOCIAL RESPONSIBILITY

6.0 Introduction

Public awareness has been recognised as a critical activity in implementing and achieving an effective Deposit Insurance System (DIS) across all jurisdictions. The aim of public awareness is to spur public confidence in the deposit insurance system; the safety and soundness of the financial system; and thus contribute to financial system stability which aligns with NDIC's public policy objectives. It is in this regard that a deposit insurer often conducts survey to ascertain the perception level of the public to its deposit insurance system. The NDIC places great emphasis on public awareness as one of the four (4) cardinal themes of its 2016–2020 Strategic Plan.

This section focuses on public awareness initiatives and corporate social responsibility projects embarked upon in 2018.

6.1 Public Awareness Initiatives

The NDIC embarked on several public awareness initiatives and programmes to further promote public confidence and contribute to financial system stability. Some of these initiatives are as follows:

- i. Nationwide newspaper adverts and transmission of depositor protection awareness on television and in radio jingles.
- ii. Production and telecast of 13 episodes of weekly documentary series titled NDIC calling on the network service of the NTA.
- iii. Production of television special reports on some of the NDIC's major activities.
- iv. Participation on television and radio programmes by NDIC Management
- v. Participation in Lagos, Kaduna, Enugu, Kano and Abuja international trade fairs.
- vi. Establishment of information desk at strategic events such as university convocation ceremonies, professional association AGMs and conferences, and exhibitions.
- vii. Participation in the initiative "Learn, Earn, Save" to promote financial inclusion and financial literacy.
- viii. Hosted the 15th edition of the Annual Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) in Benin, Edo State with the

theme: “Financial Inclusion, Consumer Protection and Evolution of Virtual Currencies in Nigeria”. A total of 140 participants attended that workshop.

- ix. Hosted the Editors Forum in Lagos with the theme: “Technology in Banking: Challenges and Opportunities for Regulators and Operators”. Twenty four (24) Senior Executives, Publishers and Editors of major print and electronic media were in attendance.
- x. Hosted over 998 students from educational institutions, primary and secondary schools on academic visits, including students from Internally Displaced Camps.
- xi. Held annual sensitization Seminar for Judges and NDIC External Solicitors with the theme: “Challenges to Deposit Insurance Law and Practice in Nigeria”.

6.1.1 Help Desk

In 2018, as in previous years, the Help Desk continued to educate and enlighten depositors as well as attend to enquires and issues raised by customers of banks and the general public. During the year under review, the Helpdesk received 312 calls. The summary and analysis of calls obtained at the Helpdesk in 2016, 2017 and 2018 are presented in Table 6.1 below.

TABLE 6.1 SUMMARY OF CALLS RECEIVED AT THE HELP DESK

S/N	Banks	2016	%	2017	%	2018	%
1	Deposit Money Banks	94	15.80	66	21.35	83	26.60
2	Failed Deposit Money Banks	95	15.97	35	11.33	40	12.82
3	AMCON Acquired Banks	2	0.34	8	2.59	4	1.29
4	Primary Mortgage Banks	80	13.45	53	17.15	6	1.92
5	Microfinance Banks	9	1.51	32	10.36	24	7.69
6	Closed Microfinance Banks	193	32.43	57	18.45	90	28.85
7	General	122	20.50	58	18.77	65	20.83
	TOTAL	595	100	309	100	312	100

Source: NDIC

Table 6.1 indicates that 130 calls were received in respect of closed banks representing 41.67%, 117 calls were received in respect of banks in operation representing 37.5% and 65 general calls were received representing 20.83%. In addition, a total of 5,181 e-mails were received during the year. The e-mails were mainly complaints and petitions against DMBs, PMBs and MFBs. All the complaints were forwarded to the appropriate Departments for investigation and resolution.

6.1.2 Social Media Campaign

The NDIC exploited the social media to escalate the awareness of deposit insurance in Nigeria in 2018. Increased followers visits to NDIC's sites on major media platforms was witnessed in 2018 as the number of followers on, Facebook, Twitter, Instagram LinkedIn and YouTube increased by 33.92%, 35.0%, 48.74%, 51.68%, and 28% respectively. The highlights of the social media followership in 2018 is presented hereunder:

Facebook

Followers: 5,135

Total Impressions: 201,918

Total likes: 6,996

Most Popular Post: "Press Release on the Resolution of Skye Bank Plc."

Twitter

Followers: 1,360

Tweets: 244

Total Impressions: 119,226

Total likes: 877

Most Popular Tweet: "Press Statement on the Resolution of Skye Bank Plc."

Instagram

Followers: 911

Total impressions: 7,859

Total likes: 5,050

Posts: 180

Most Popular Post: "The Press Statement on the Resolution of Skye Bank Plc."

LinkedIn

Followers: 2643

Total impressions: 44761

Total likes: 870

Most Popular Post: ISO Quote, MD/CE NDIC, Alh. Umaru Ibrahim "We are proud to announce that the NDIC is the first Public organisation in Nigeria to be certified with the three standards at once"

YouTube

Followers: 25

Posts: 9

Most Popular Post Impressions: <https://www.youtube.com/watch?v=VkqAdKbdITw&t2s> (25 views)

6.2 Corporate Social Responsibility

The NDIC sponsored a number of projects in educational institutions nationwide as part of its Corporate Social Responsibility (CSR) geared towards enhancing public awareness, in line with its strategic objectives. Accordingly, in 2018, the NDIC expended the sum of ₦162.15 million on seven (7) projects in various locations as presented in the Table 6.2 below.

TABLE 6.2 CSR PROJECTS/DISBURSEMENTS IN 2018

S/N	Name of Institutions	Description of Project	Location	Project Amount (₦Million)	Amount Disbursed in 2018 (₦Million)	Project Approved Date	Remarks
1	Unguar Pepa Primary School Igabi LGA, Kaduna State	Construction of two (2) Blocks of Classrooms	North-West	29.8	29.8	Feb., 2018	100% disbursed in 2018
2	Govt Secondary School Okporo Obio/Akpo, Rivers State	Construction of four (4) Classrooms	South-South	28	28	Feb., 2018	100% disbursed in 2018
3	Kwara State College of Education, Oro, Kwara State	Construction and furnishing of a Computer/ ICT Building and Installations	North-Central	29.9	29.9	Feb., 2018	100% disbursed in 2018
4	Kamfani Kagara Skills Acquisition Centre, Niger State	Construction of a Skill Acquisition Center	North-Central	14.7	14.7	Feb., 2018	100% disbursed in 2018
5	C.M.S Grammar School, Bariga, Lagos State	Construction and furnishing of a proposed Library	South-West	29.5	14.75	Feb., 2018	50% disbursed in 2018
6	G.S.S Kashere, Kashere Akko LGA Gombe State	Construction and equipping of Science Laboratory'	North-East	30	15	Feb., 2018	50% disbursed in 2018
7	NIPPS, Kuru Plateau State	Establishment of Centre for Financial Economist (CFE)	North-Central	30	30	March, 2017	Project 100% disbursed in 2018
TOTAL				191.9	162.15		

Source: NDIC

KADUNA TRADE FAIR



NDIC Head Communication and Public Affairs Unit, Mohammed Kudu Abubakar presents a prize to one of the winners of the Lucky Dip during the NDIC Special Day at the 2018 Abuja International trade Fair.



Members of the National Association of Chambers of Commerce Industry Mines and Agriculture (NACCIMA) Youth Council led by the National Coordinator, Abiola Ofunlekon (front row, 2nd from right) pose for a group photograph with NDIC staff during a visit to the NDIC stand at the 2018 Kaduna International Trade Fair.

FICAN WORKSHOP



MD/CEO, Umaru Ibrahim (6th from left) and Executive Director (Operations), Prince Aghatise Erediauwa (7th from left) in a group photograph with participants at the 2018 Workshop for Business Editors and members of the Finance Correspondents Association of Nigeria (FICAN) in Benin City, Edo State.



Cross section of participants at the 2018 Workshop for Business Editors and members of the Finance Correspondents Association of Nigeria (FICAN) in Benin City, Edo State.

MINISTER OF FINANCE VISIT TO NDIC



The Hon. Minister of Finance, Hajiya Zainab Ahmed (3rd Left) with the MD/CEO, Umaru Ibrahim (2nd Right) during her familiarisation visit to NDIC Head Office, Abuja. Other are Executive Director Corporate Services, Hon. Mrs. Omolola Abiola-Edewor (1st Left), Director, Home Finance, Federal Ministry of Finance, Mrs Olunmi Siyanbola (2nd Left) and Permanent Secretary Federal Ministry of Finance, Mahmoud Isa-Dutse (1st Right).



The Hon. Minister of Finance, Hajiya Zainab Ahmed receiving copies of publications by the NDIC from the MD/CEO, Umaru Ibrahim (Right).

CIBN COURTESY VISIT



MD/CEO, Umaru Ibrahim (2nd Left) with Executive Council Members of the Council, Chartered Institute of Bankers of Nigeria (CIBN) lead by the President and Chairman, Dr. Uche Olowu (2nd Right), Registrar/CEO, Seyi Awojobi, (1st left) and National Treasurer, Prof. Deji Olarewaju (1st right) during the Council's visit to the NDIC Head Office, Abuja

AGENCY BANKING FAIR, KANO



L-R: Chairman BiZi Money Cashless Consultants Limited, Aminu Aminu Bizi; Controller NDIC Zonal Office Kano, Bashir Alhassan Nuhu, Receiving Award of Excellence on behalf of the Corporation from the Kano State Commissioner of Commerce and Industries, Alhaji Ahmed Rabiu and NDIC Head of Communication and Public Affairs Unit, Mohammed Kudu Ibrahim at 1st Agency Banking Fair in Kano.

FINANCIAL LITERACY DAY



Mr. G. O. Alabi, Controller, NDIC Ilorin Zonal Office presenting the Corporation's Research Publications to Mrs. C. F. Teniola, Head, Guidance & Counselling Department, Fiwasaye Girls Grammar School, Akure Ondo State as part of activities to celebrate Financial Literacy Day during the 2018 Global Money Week (GMW) held in March, 2018 with the theme "Money Matters Matter".



A student from one of the participating schools asks a question during the question and answer session of the Financial Literacy Day Presentation to students held at Fiwasaye Girls Grammar School, Akure, Ondo State during the 2018 Financial Literacy Day.



NDIC staff with students from Chonoby Secondary School at the 29th Enugu International Trade Fair 2018.

2018 IOD ANNUAL DIRECTORS CONFERENCE ABUJA 8TH NOVEMBER 2018



Director General, Institute of Directors, Alhaji Ahmed Rufai Mohammed exchanges pleasantries with MD/CEO, Umaru Ibrahim, at the 2018 Annual Directors Conference in Abuja.

SECTION 7

REVIEW OF THE PROPOSED AMENDMENT TO THE NDIC ACT 2006

7.0 Introduction

The amendment to the NDIC Act No. 16 of 2006 is still being considered by the National Assembly during the year under review. To facilitate the passage of the bill, a retreat was organised for members of the relevant committee of the National Assembly to sensitise as well as acquaint them with the mandate and activities of the NDIC.

The focus of the proposed amendment is to empower the NDIC to discharge its supervisory mandate and also strengthen its duties as a liquidator of closed insured financial institutions.

Some of the issues in the proposed amendment are:

7.1 Correction of Editorial Errors

The proposed amendment seeks to correct identified editorial and grammatical errors in the NDIC Act 2006. Some of the errors were corrected by publishing a corrigendum. However, there is the need to incorporate the contents of the corrigendum and other corrections not codified at that time in the proposed amendment to the NDIC Act 2006.

7.2 Composition of the Management Committee

There was error in the drafting of the provision that relates to the appointment of the Chairman of a Management Committee in the absence of a Board for the NDIC. In addition, the existing provision made reference to only one (1) Executive Director, contradicting the Act which provides for two (2) Executive Directors. The proposed amendment was to reconcile the errors.

7.3 Public Policy Objectives

An explicit statement of the Public Policy Objectives (PPOs) of the NDIC is missing in the NDIC Act 2006. The introduction of PPOs for the operation of the DIS in Nigeria will serve as a veritable guide for the NDIC's policy thrusts and operations. In compliance with the IADI Core Principle 1, the PPOs of DIS in Nigeria were formulated and incorporated in the proposed amendment.

7.4 Mandate of the Corporation

In line with the recommendation of IADI, the proposed Act expressly provided for

the mandate of the NDIC to be clearly stated in its enabling Act. This provision was embedded in a way that acknowledges the CBN as the lead supervisor in the Nigerian financial system, and that the supervision of insured institutions would be jointly undertaken by the NDIC and CBN.

7.5 Composition of the Board

Section 5(5) of the NDIC Act 2006, provides that the Chairman and Members of the Board shall be "Part-Time Members", inevitably, making the Managing Director and 2 Executive Directors (who are also members of the Board) Part-Time Members. The Bill before the Legislature seeks to clarify that, only the Chairman and other members of the Board appointed from the six (6) geo-political zones of the country are Part-Time Members. The CBN is to be represented on the Board by two (2) officers not below the rank of a Director (one of whom must be the Director of Banking Supervision) and the Federal Ministry of Finance is to be represented by the Director, Home Finance.

7.6 Interim Management Board

The proposed amendment makes provision for a situation where the tenure of the Board expires and there is an unavoidable delay in constituting a new Board. It is proposed that, the Minister of Finance shall in consultation with the Governor of CBN constitute an Interim Management Board (IMB) for the NDIC to be made up of the Permanent Secretary, Federal Ministry of Finance, who shall be the Chairman, the Managing Director, the 2 Executive Directors of NDIC and 2 representatives of CBN not below the rank of a Director, one of whom shall be the Director of Banking Supervision.

7.7 Removal of a Board Member

In order to promote good corporate governance in NDIC, the amendment Bill proposes that, no member of the Board shall be removed without compliance with the provisions of the enabling law.

7.8 Vacancy in the Composition of Board Membership

The proposed amendment provides that, in the event of a Board Member vacating office for any reason, another person should be appointed to fill the vacancy and such appointee should represent the vacating Member's constituency.

7.9 Conflict of Interest

The proposed amendment formalizes NDIC's commitments to transparency, accountability and probity. This is in compliance with IADI Core Principle 3, which requires the deposit insurer to be operationally independent, transparent, accountable and insulated from undue political and industry influence. The

proposal also ensures that employees and Board Members display high levels of professionalism and ethical conduct in line with the standards expected of members of DIS worldwide.

7.10 General Reserve Fund

The proposed amendment seeks to restore the ability of NDIC to rapidly build up the General Reserve Fund by increasing the amount of surplus that should go to the Fund in order to create sufficient buffer to address anticipated risks in accordance with international best practices. Consequently, this reduces the amount to be paid into the Consolidated Revenue Fund of the Government. The growth of the General Reserve Fund was in recent times hampered by the Fiscal Responsibility Act 2007, which states that 80% of NDIC's operating surplus should be remitted to the Consolidated Revenue Fund (CRF) Account.

7.11 Expanding Incidence for Payment of Insured Deposits

The requirement for payment of insured deposits in the event of revocation of an Insured Institution's operating licence poses restraint on the NDIC's ability to effectively carry out its mandate. Experience has shown that, an insured institution may actually be solvent but illiquid and therefore suspends payment or is unable to meet its obligations to its depositors' thereby causing hardship to depositors even when its operating licence has not been revoked.

The proposed amendment therefore seeks to expand the crystallization of the NDIC's liability in the payment of insured deposits beyond revocation of licence to include suspension of payment and inability to meet up with obligations to depositors as a result of illiquidity in such institutions.

7.12 Supervision of Related Entities of Insured Institutions

Some Nigerian banks have grown rapidly and expanded over the years, thus having interest in subsidiaries, associates and affiliates. In order to prevent the latter from being used as conduits through which depositors' funds are siphoned, it is imperative that the NDIC have access to the books and affairs of all the related entities of insured DMBs to enable it assess on-going transactions between them. The proposal seeks to ensure Consolidated Supervision of the banking groups by the NDIC.

7.13 Special Examination

Conducting Special Examinations require the approval of the Board. There may be times when issues on ground demands immediate action, thus getting the Board's approval could be cumbersome. The proposed amendment therefore seeks to substitute the word "Board" in the extant Act with the words "Managing Director",

so as to ensure speedy conduct of bank examinations when required.

7.14 Prompt Corrective Action

The rationale for the introduction of this proposal is to act as an additional measure that facilitates action towards ensuring the implementation of the NDIC's recommendations contained in Examination Reports in order to strengthen its supervisory capacity.

The amendment aims at ensuring compliance with IADI Core Principle 13, which states that a deposit insurer should be part of a framework within the financial safety-net that provides for the early detection and timely intervention and resolution of troubled insured institutions.

7.15 Insured Institutions Resolution Fund

The proposed amendment sought to establish an Insured Institution's Resolution Fund (IIRF) that would be used as an Open Bank Resolution Option for resolving distress in large insured institutions while the Insurance Fund should primarily be reserved for effecting closed bank resolution.

Following the 2005 banking sector consolidation, some of the DMBs have grown so large that failure of any one of them could pose a serious threat to the Insurance Fund. Therefore, the need for a Statutory Contingency Plan to address Open Bank Resolution in order to reduce the risk of failure becomes imperative. The proposed amendment also aims at complying with IADI Core Principles 2 and 9 that provide for the deposit insurer to have powers and availability of adequate funding to fulfil its mandate, respectively.

7.16 The NDIC as a Conservator

The Banks and Other Financial Institutions (BOFIA) Act 1990 (as amended) has provisions empowering the NDIC to assume control of certain category of failing insured institutions. However, the NDIC Act 2006 has no provision stipulating its status in such circumstances. The experience of the NDIC in such matters had shown that its status should be likened to that of a Conservator.

Accordingly, a distressed insured institution which the NDIC had assumed control of, should be protected from attachment of its assets and that of NDIC against the liabilities of such institution. There is need to prohibit the attachment of assets of the NDIC for liabilities of a failing or failed insured institution because the NDIC is acting as Conservator or Liquidator of such institutions. In addition, the NDIC's statutory mandate in the area of supervisory intervention has been enhanced to ensure that shareholders do not interfere when the NDIC is carrying out Open Bank Resolution

measures aimed at restructuring distressed insured institutions in the larger interest of the depositors of such institutions.

7.17 Winding-Up Rules

The NDIC Act excluded the application of the companies winding up rules in the liquidation of insured institutions, which is understandable given the specialised insolvency legal framework required for such institutions. However, no other Rules were provided thereby leaving a lacuna in the framework. The proposed amendment empowers the Chief Judge (CJ) of the Federal High Court (FHC) to make the Winding-Up Rules applicable to insured institutions. The Companies and Allied Matters Act (CAMA) empowers the CJ, FHC to make the Winding-Up rules for companies, and so the CJ is thus the appropriate authority to make such rules for the insured institutions which are registered companies. It is expected that the CJ will consult with the Regulatory Authorities in the course of drawing up the Rules.

7.18 Transfer of Pending Suits

The proposed amendment makes provisions for other suits filed against the NDIC or an Insured Financial Institution (IFI) in the process of the revocation of licence to cease until the resolution of the Winding-Up petition.

Whenever the revocation of the licence of an IFI and the NDIC's status as provisional Liquidator are being challenged in court, several other suits are also instituted by landlords, judgment creditors, and other claimants against the failed insured institution and NDIC. The suits invariably drag the NDIC into defending the failed insured institution even when its status as Liquidator remains tenuous.

7.19 Interest on Judgment Sum

The NDIC, as Liquidator, is often faced with admitting to proof claims filed by judgment creditors in respect of insured institutions under liquidation, based on judgment sums issued by the courts. While judgment debts constitute proper claims in the class of other creditors (they rank after preferred creditors and depositors in the case of insured institutions), the issue of interest payment on the judgment sums beyond the date of revocation of the licence of such institutions, remains a sore issue. This is as a result of misunderstanding as to the nature of a claim under an insolvency regime. This has led some courts to award interest on a judgment sum to be calculated even after the licence of the insured institution has been revoked and liquidation of such institution has actually commenced, contrary to the norms and practice of insolvency law. The proposed amendment seeks to ensure that, such anomaly is addressed by prohibiting calculation and payment of interest on judgment sum after the licence of the debtor insured institution has been revoked and liquidation

has commenced.

7.20 Proceedings of the Board

Rule 2 in the Schedule to the Act governing proceedings at Board meetings provides that, the Chairman must be present before a quorum can be formed. That provision conflicts with Rule 3(2) which empowers any other Director to act as Chairman in his/ her absence at a Board meeting. In addition, the requirement that both ex-officio members must be present to form a quorum results in aborted meetings if only one of them is present.

The proposed amendment to Rule 3 of the Schedule corrects the above anomaly by removing the requirement for the Chairman to be present before a quorum can be formed and also making the presence of one ex-officio member sufficient for the formation of a quorum.

7.21 Payment of Insured Deposits while Action Challenging Revocation is pending in Court

The proposed amendment seeks to empower NDIC to pay insured deposits irrespective of the filing of such an application in court, to challenge the revocation of licence. Where the licence of the institution is restored, or for an institution that is insolvent but still has its licence, the NDIC would have a right of subrogation. In the event that payment of such insured deposits was an error in law, the aggrieved party would have remedy in damages. The amendment would ensure prompt payment of depositors of failed insured institutions, while litigation challenging revocation of the failed institution's operating licence is ongoing.

7.22 Interim Dividend Payment

This new provision seeks to enable the NDIC to make advance payment on uninsured deposits of an insured institution in-liquidation if the conditions stipulated are met, without waiting until after realisation of the failed insured institution's assets. That is in-line with best practices obtainable in developed jurisdictions.

7.23 Restriction on Mortgage of Assets

The provision places restriction on the insured institutions to mortgage, pledge, sell or dispose of any land, building or interest in any real property without the consent of the NDIC. It would enable the NDIC keep track of the assets of insured institutions so as to avoid the difficulties of assets realisation during liquidation.

7.24 Dealing with Parties at Fault in Bank Failure

The proposed amendment sought to provide the NDIC with adequate powers to

seek legal redress against those parties at fault in bank failure. The amendment will enable the NDIC to comply with the IADI Core Principle 12. Some of the areas of focus under this provision include the following:

(a) Liability of Directors and Officers

Some of the issues for which amendment on the legislation was being proposed included the following: Duties of Board and Management, Conflicts of Interest, Duty of Care and Skill, Directors' Liability for Negligence resulting in failure of the bank, Directors Duties as Trustees of Bank's Assets, Provisions Against Secret Benefits, Establishing Unlimited and Personal Liability on Directors for Unauthorized Credit Facilities, as well as Ensuring Compliance with Banking Legislation, Regulations and Guidelines.

(b) Criminal Prosecution of Directors and Officers of Insured Institutions

The proposed amendment seeks to empower the Board of Directors of the NDIC to prosecute Directors and Officers of insured institutions for violation of other laws governing banking operations apart from the NDIC Act. That is in realisation of the fact that, it is not only a contravention of the NDIC Act that could cause bank failure.

(c) Civil Penalty

The proposed amendment seeks to subject convicted erring officials to civil penalty that would be related directly to the amount involved in the provisions of the violated law.

7.25 Powers of the Corporation

- a) To Act as Liquidator
- b) Self-Appointment as Liquidator
- c) Issuance of 90 days notice by CBN to Critically Undercapitalised Insured Institutions.

Hitherto, the Act provides Liquidator in Section 40 for the appointment of the NDIC as Provisional Liquidator immediately the licence of an insured institution is revoked with powers conferred on a liquidator under CAMA. However, that provision has not proved helpful in addressing the problem of inability of the NDIC to reimburse depositors promptly after an insured institution's closure.

The status of a Provisional Liquidator appears to be that of a preserver of the assets of the company facing liquidation pending the determination of the winding up petition. Thus, the provisional liquidator may not have the power to dispose of assets, compromise debts and/or pay-out claims and so the extant provision on appointment

of the NDIC as provisional liquidator does not really address the objectives for which it was intended.

The proposed amendment seeks to strengthen the appointment of NDIC as Liquidator, self-appointment and appointment following 90 days notice as obtained in other jurisdictions. That would enable the NDIC carry out its liquidation activities effectively.

7.26 Right of Lien and Disposal

The aim of this amendment is to empower the NDIC, by giving it the right of lien over any collateral in its custody pledged as security for a loan by a debtor of a failed insured institution under liquidation.

SECTION 8

RESEARCH ACTIVITIES, INTERNATIONAL EXCHANGE AND COOPERATION

8.0 Introduction

The NDIC undertakes research activities related to its mandate in order to sustain and promote stability in the Nigerian banking system.

The research activities, international exchange as well as cooperation with local and international institutions in 2018 are presented in this section.

8.1 Research Activities

During the period under review, the following research activities were undertaken:

i. Development of Case Studies on Bank Failures in Nigeria

In 2018, the NDIC continued with the publication of case studies of failed banks. Thus, volumes 1–7 of the “Case Studies on Bank Failures in Nigeria” had been produced and distributed to stakeholders. The motivation for documenting the case studies is to serve as an authoritative and valuable source of all that happened at the point of failure of the affected banks. The publication provides the main causes of the bank failures, how the failures evolved, the cost implication of the failures to the NDIC and other stakeholders, the supervisory measures taken and the resolution measures adopted to resolve the failed banks. The studies also outline the lessons learnt so as to guide future policy decisions and influence banking practice.

ii. NDIC Quarterly Publication

The Editorial Board of the NDIC Quarterly Journal was reconstituted and membership was increased from 6 to 11. The eleven member Editorial Board was inaugurated by the Executive Director (Operations) on behalf of the MD/CEO on 25th April, 2018. The Board had in its membership five (5) internal and six (6) external members. The External members comprises three (3) Professors and three others (two of which were former Directors of RPIRD, NDIC). The Q3 2017, Q4 2017, Q1 2018 and Q2 2018 quarterly editions of the NDIC Quarterly Journal were written, compiled, edited and published within 2018. The highlights of some of the papers published are presented below.

a) Mobile Money and Monetary Policy in Nigeria

This paper examined the bi-directional relationship between mobile money and monetary policy in Nigeria. The study used time series data from 2008 to 2016, and

the findings showed that mobile money had no significant effect on monetary policy operations. In addition, monetary policy shocks emanating from TB rates were found to impact more on mobile money than from money supply. Flowing from this finding, the study recommended further enlightenment and education to deepen the use of mobile money in order to achieve expansionary monetary policy and financial inclusion.

b) The Effects of Oil Price Volatility on Selected Banking Stock Prices in Nigeria

This paper examined the impact of oil price volatility on selected banking stock prices in Nigeria, using monthly disaggregate (bank-level) data for six banks between January, 2000 and December, 2015. The findings showed that the returns on all the bank stocks were significantly affected by their own past values suggesting some evidence of their short-term predictability. In addition, past oil shocks affected stock prices fluctuations in five out of the six banks examined. Findings showed that the impact of oil price fluctuations on stock returns exhibited considerable variation across banks. This suggests that investors consider bank stock price response to fluctuation of oil prices when selecting bank stocks in their portfolio.

c) Financial Innovation and Industrial Growth Volatility: Evidence from the Nigerian Banking Industry

Traditional innovation-growth view posits that financial innovations help reduce agency costs, facilitate risk sharing, and ultimately improve efficiency and economic growth. The study examined the effects of financial innovation in the banking sector on industrial growth volatility. It used causal research design to analyse data from Central Bank of Nigeria (CBN) Statistical Bulletin for the period 1981 to 2016. Findings showed that financial innovation, bank branch network and growth of banks' credit to private sector significantly reduced industrial growth volatility, while the quasi-money in the circulation worsened it.

d) Board Structure, Audit Committee and Earnings Management of Deposit Money Banks in Nigeria

This study examined the effect of board structure and audit committee on earnings management of listed Deposit Money Banks in Nigeria. Chang, Shen and Fang (2008) model was used to proxy earnings management, while women director, foreign director, board ownership, board size, board composition and audit committee represents board structure. Data were obtained from the annual reports and accounts of the 14 listed banks between 2006 and 2016. The study adopted Ordinary Least Square regression. The findings revealed that, women director and board size had significant negative effect on earnings management, while board ownership and audit committee were found to have significant positive effect on

earnings management of the banks. Foreign director and board composition did not exert any significant effect on earnings management.

iii. Book on 30 Years of Deposit Insurance in Nigeria

The NDIC articulated a draft publication on “30 Years of Deposit Insurance in Nigeria” which was developed, reviewed and finalised during the year. In the past 30 years, the NDIC had proven to be effective and efficacious in protecting less financial sophisticated depositors, contributing to the financial system stability by making incidence of bank run less likely and enhancing public confidence by providing orderly resolution of failing and failed banks. The book focussed on the achievements, benefits and limitations of the deposit insurance practice in Nigeria.

The book commemorates the 30th Anniversary of the NDIC's existence and its desire to bridge the knowledge gap on the features, benefits, limitations of deposit insurance practice in Nigeria among the general public.

The book offers a scholarly master piece for those interested in being aware of insurable deposits, insurable institutions, deposit insurance coverage limits, funding structure, bank supervision, reimbursement process, distress resolution & liquidation processes, internal administrative structure, consumer protection, local and international collaborations around DIS practiced in Nigeria, as one of the leading DISs in the world.

It would also serve as a useful resource for depositors, creditors, debtors and shareholders of banks, mass media, students, researchers, consultants, governments and practitioners of deposit insurance locally and abroad.

8.2 International Exchange and Cooperation

In 2018, the NDIC participated in the following International Association of Deposit Insurance (IADI) activities:

- i) The NDIC hosted the 2018 IADI Africa Regional Committee AGM and Technical Assistance Workshop. The theme of the Workshop was “Financial Stability, System Wide Crises Preparedness and Effective Bank Resolution”. The event held from 25th – 28th September, 2018 at Four Points by Sheraton, Victoria Island, Lagos, Nigeria.

The AGM was attended by 19 delegates from 10 countries, namely; Sudan, Kenya, Zimbabwe, Swaziland, WAMU (Senegal), Uganda, Nigeria, Sierra Leone, Ghana, and Rwanda. During the meeting, elections were conducted into the offices of the Chairman and Vice Chairman of the IADI-Africa Regional Committee (ARC). The MD/CEO of NDIC, Umaru Ibrahim, was elected as

the new Chairman of ARC to replace Mr. John Chikura, the former CEO of Zimbabwe Deposit Protection Corporation ARC Chairman. Mr. Mohamud Mohamud, the CEO of Kenya Deposit Insurance Corporation was elected as the Vice Chairman.



2018 IADI Africa Regional Committee AGM and Technical Assistance Workshop Group Photograph



Handing over and Taking over between the outgoing IADI-ARC Chairman, Mr. John Chikura and in-coming elected IADI-ARC Chairman, Mr. Umaru Ibrahim, FCIB, mni, MD/CEO of the Nigeria Deposit Insurance Corporation (NDIC) during the IADI-ARC AGM held in Lagos, Nigeria on 25th – 28th September 2018.



IADI-ARC Annual General Meeting Group Photograph

The Workshop was attended by 67 participants out, of which 23 were international delegates from Sudan, Kenya, Swaziland, Uganda, Switzerland (IADI Secretariat), Zimbabwe, Ghana, Rwanda, and West African Monetary Union (WAMU). Specifically, the IADI Secretary General, David Walker, former IADI-ARC Chairman, John Chikura, Chief Executive Officers of Uganda Deposit Protection Fund, Julia Oyet, WAMU Deposit Insurance Fund, Habib Soumana and Kenya Deposit Insurance Corporation, Mohamud A. Mohamud were among those that attended the conference. There were 44 local participants, comprising 28 from the NDIC, and the remaining from the Federal Ministry of Finance, Budget Office of the Federation, SEC, National Insurance Commission, CBN and the CIBN. Six (6) facilitators made presentations at the workshop, out of which two were foreign (Mr. David Walker and Mr. Mohamud A. Mohamud) and four (4) Nigerians.

The workshop discussed the relevance of deposit insurance system in stabilising the financial system in Africa and the need to re-tool it to brace up for the challenges ahead. The workshop observed the growing interconnectedness of the banking sector globally and in Africa, and the rising threats to global financial stability. To address the threats, the workshop advocated for a system-wide crisis preparedness strategy, which could be implanted through collaborative efforts of financial safety-net participants and regional deposit insurance agencies.

- ii. The NDIC participated at the 55th IADI Executive Council and related Committee meetings and the International Conference on “Deposit Insurance: Promoting Accessibility and Convenience” hosted by the Deposit Insurance Agency of Russia and IADI in Moscow, Russia, from 28th May – 1st June, 2018.
- iii. The staff of the Deposit Protection Fund of Uganda were hosted on a 5-day attachment programme from 25th – 29th June, 2018.
- iv. Participated at the 5th Malaysia – Africa Open House held at the MDIC Head Office in Kuala Lumpur, Malaysia from 1st – 2nd August, 2018.
- v. Participated at the 17th IADI AGM and Annual Conference with the theme “Deposit Insurance and Financial Stability: Recent Financial Topics” that held from 15th – 19th October, 2018 at the Bank for International Settlements (BIS) in Basel, Switzerland.
- vi. Provided technical assistance by organising a 4-day attachment programme to the Bank of Sierra Leone staff in October 2018.
- vii. Received, completed and forwarded the 2018 IADI annual Survey to the IADI Secretariat. Similarly, the information obtained from the survey was part of the reports presented at the 17th IADI's Annual General Meeting in Basel, Switzerland in October 2018.

8.3 Other Cooperations and Collaborations

- i. In 2018, the NDIC applied and obtained full membership status to the Islamic Financial Services Board (IFSB) in Kuala Lumpur, Malaysia. The IFSB is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The NDIC is the second institution after the CBN to be admitted as a full member of IFSB in Nigeria.
- ii. The NDIC continued with its effort of extending the teaching of DIS to selected tertiary institutions in the country. Accordingly, Train-the-Trainers programme on “Fundamental of Deposit Insurance Scheme (DIS)” were organised in Lagos for lecturers of the University of Lagos; University of Abuja; and Bayero University, Kano.

IADI Regional Meeting, Lagos



Executive Director (Operations), Prince Aghatise Erediauwa (centre) explaining a point during the IADI Technical Assistance Workshop being hosted by the Corporation in Lagos while Executive Director (Corporate Services), Hon. Mrs. Lola Abiola-Edewor and CBN Director Banking Supervision Mr. Ahmad Abdullahi listen



IADI Secretary General, David Walker (Left), Former CEO, Deposit Protection Corporation of Zimbabwe, John Chikura (third right) and NDIC, MD/CEO, Umaru Ibrahim, giving his speech during the Annual General Meeting (AGM) of IADI-ARC in Lagos.



A cross section of participants at the IADI-Africa Regional Committee meeting which was a prelude to the IADI Technical Assistance Workshop hosted by NDIC in Lagos.

US TREASURY & OTA VISIT



L-R: Regional Adviser US Treasury, Philip Morris; Executive Dir. Corporate Services, Hon. (Mrs) Omolola Abiola-Edewor; MD/CEO, NDIC, Umaru Ibrahim and Snr. Advisor, Office of Technical Assistance (OTA) US Treasury, Mr. William Thomas, during a visit to NDIC.

CAPACITY BUILDING UGANDA DEPOSIT PROTECTION



MD/CEO, Umaru Ibrahim (4th Left), Executive Director (Operations), Prince Aghatise Erediauwa (3rd Left), Executive Director (Corporate Services), Hon. Mrs. Omolola Abiola-Edewor (5th Left), and staff of Deposit Protection Fund of Uganda (DPFU) on a five-day study visit to NDIC. Members of the DPFU study visit team (L-R) Head, Human Resources & Admin., Moses Apell Odongo, Asst. Board Secretary, Felix Nsiimoomwe, Asst. Head Finance and Investment, Justine Komugisha, Head Communications, Hashim Kirungi and Asst. Head Investments, Tamabe Moses.



Director, Research Policy and International Relations Department (RPIRD), Dr. Sunday Oluyemi (1st Left) in a handshake with staff of DPF, Uganda, Hashim Kirungi (1st right), Felix Nsiimoomwe (2nd left) and Justine Komugisha (2nd right).

SECTION 9

CORPORATE GOVERNANCE

9.0 Introduction

The activities of the NDIC Board of Directors, Board Committees, Management and staff are all guided by sound corporate governance principles.

In 2018, the NDIC operated without a Board, hence the decisions of its Executive Management Committee (EXCO) were referred to the Honourable Minister of Finance for approval. The EXCO and the Hon. Minister acted in compliance with the NDIC Act 2006 and the NDIC's Strategic Plan in their decision making.

9.1 Board of Directors

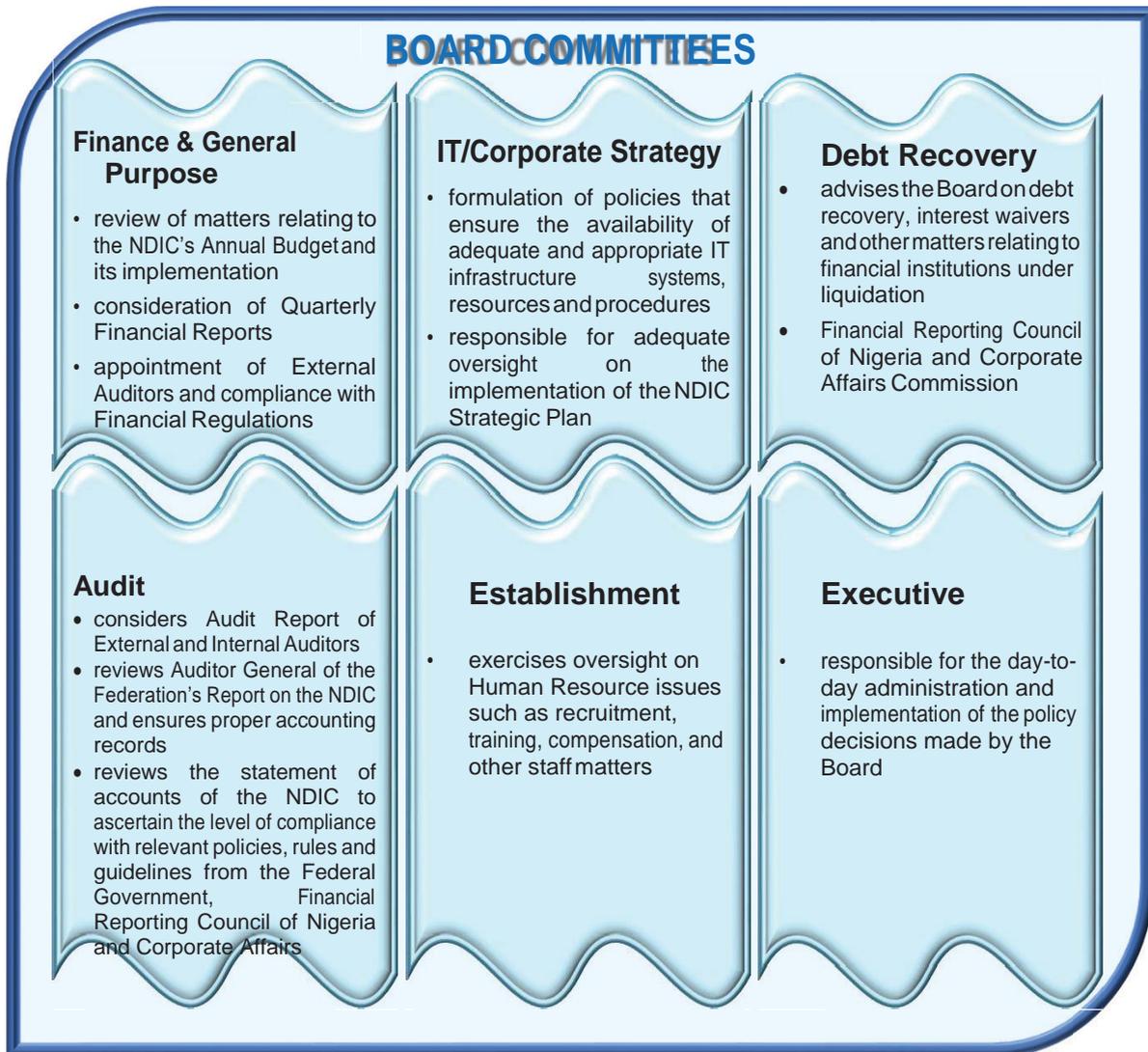
The NDIC Act 2006 stipulates that, the NDIC Board should comprise 12 members representing the Federal Government, through the Ministry of Finance and the CBN as well as each of the 6 geo-political zones of the country. In 2018, the NDIC operated without a Board. However, President Mohammadu Buhari, GCFR appointed the following persons to the Board of NDIC.

- i. Mrs. Ronke Sokefun – Chairperson
- ii. Barr. Festus Keyamo, SAN
- iii. Alhaji Garba Bello
- iv. Brig-Gen Josef O. J. Okoloagu (Rtd)
- v. Mustapha Adewale Mudashiru
- vi. Mr. Adewale W. Adeleke

On 12th December, 2018, the Senate confirmed the appointment of NDIC Board Members. These eminent Nigerians in conjunction with representatives of the CBN, Federal Ministry of Finance and the NDIC EXCO form the Board of Directors of the NDIC.

9.2 Board Committees

The Board operates through 6 Standing Committees, namely:



9.2.1 The Executive Committee

In 2018, only the Executive Committee (EXCO) performed its functions due to the absence of a Board. The Executive Committee (EXCO) comprises:

- i. The Managing Director/Chief Executive Officer (MD/CEO) - Umaru Ibrahim, FCIB, mni,
- ii. Executive Director, Operations (ED, Ops) - Prince Aghatise Erediauwa, and
- iii. Executive Director, Corporate Services (ED, CS) – Hon. Omolola Abiola Edewor.

In 2018, the EXCO met seven (7) times with all the members present. All decisions taken were referred to the Honourable Minister of Finance for approval.

9.3 Compliance with Statutory Requirements

The NDIC complied with the provisions of Fiscal responsibility Act 2007, Pension Reform Act 2014 (as amended), National Health Insurance Scheme (NHIS), National Housing Fund Act as well as the provisions of the Code of Conduct for Public Officers. The NDIC also rendered returns in respect of banks in-liquidation to the CAC and CBN as required by CAMA 1990 and BOFIA 1991 (as amended), respectively. In addition, the NDIC continued to comply with the requirements of FIRS on taxes and Public Procurement Act in respect of contracts. Furthermore, all requests by the National Assembly, Ministry of Finance and CBN were promptly responded to.



PART TWO

INSURED INSTITUTIONS' PERFORMANCE AND PROFILE

SECTION 10

THE OPERATING ENVIRONMENT IN 2018

10.0 Introduction

There were several developments in both domestic and international markets which affected the business environment in which the insured financial institutions operated in 2018. The relevance of these developments to the financial industry, especially the financial institutions and policy makers, arises from the transmission mechanism linking the domestic economic activities with the external global economic environment, which invariably determine the overall financial stability of an economy.

This section presents the operating environment and other various regulatory guidelines released in 2018.

10.1 Global Economy

The global economic growth slowed down in 2018 as the annual real growth was estimated at 3.7% according to October 2018 World Economic Outlook (WEO), compared to 3.8% growth recorded in 2017. That was attributed to uncertainties surrounding Brexit, a weaker outlook for some key emerging markets and developing economies, tighter financial conditions, higher oil import bills, geopolitical and social tensions, and escalated trade tensions.

Financial conditions in advanced economies tightened amidst rising trade tensions and anticipated slower global growth. Furthermore, major central banks also appeared to be adopting a more cautious approach. In December 2018, the US Federal Reserve raised the target range for the federal funds rate to 2.25-2.50% and the European Central Bank ended its net asset purchases. Rising aversion to risk coupled with declining sentiment about growth prospects and shifts in policy expectations, have added to a drop in sovereign yields, most especially German, UK and US Treasuries.

Financial conditions in emerging markets also tightened, after an optimistic start, due to rising trade tensions and high risk aversion. There was a reduction in capital inflow to emerging markets, particularly those with greater vulnerabilities. Other risks included unstable outlook for oil prices for commodity-dependent economies, geopolitical tensions and political uncertainty as well as elevated policy uncertainties. In the third quarter of 2018, emerging market economies experienced net capital outflows with investors generally lowering exposure to riskier assets.

10.2 Domestic Macroeconomic Conditions

10.2.1 Real GDP

Nigeria's real GDP grew by 1.93% in 2018, compared to 0.82% in 2017, which was an increase of 1.09% points. Quarterly analysis of the 2018 performance showed that the growth of 2.38% in Q4 2018 was the highest real growth since the nation's economy exited recession in Q2 2017.

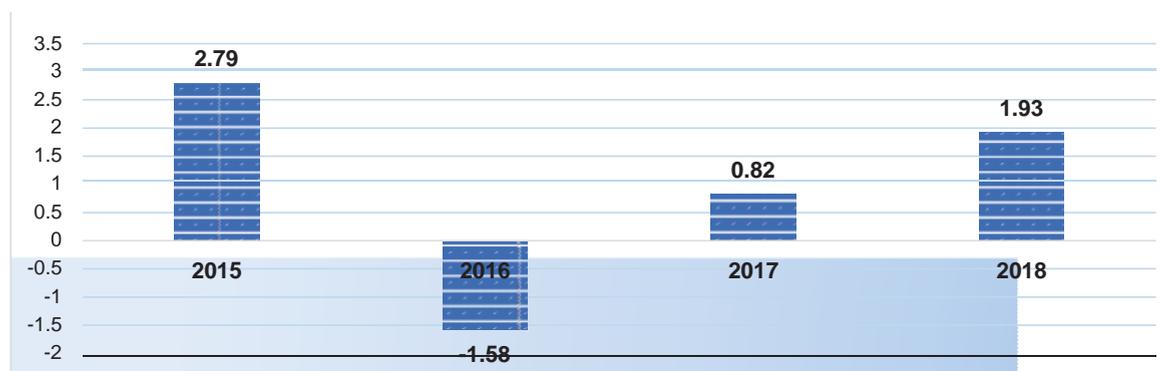
The oil sector contributed 8.60% to aggregate real GDP in 2018, which was slightly lower than 8.67% reported in 2017. The non-oil sector recorded a growth rate of 2% in 2018, which was higher than 0.47% recorded in 2017 and contributed 91.40% to aggregate real GDP, compared with 91.33% in 2017. The improvement in the non-oil sector was largely on account of key performing activities like transport, information and communication, electricity, water as well as arts and entertainment. Table 10.1 shows the quarterly real GDP growth for oil and non-oil sectors while Chart 10.1 displays the Annual Real GDP growth rate.

TABLE 10.1 REAL GDP GROWTH (QUARTERLY)

PERIOD	GDP GROWTH (%)	NON-OIL GDP GROWTH (%)	OIL GDP GROWTH (%)
Q1 17	-0.91	0.72	-15.6
Q2 17	0.72	0.45	3.53
Q3 17	1.17	-0.76	23.03
Q4 17	2.11	1.45	11.2
Q1 18	1.95	0.76	14.77
Q2 18	1.5	2.05	-3.95
Q3 18	1.81	2.32	-2.91
Q4 18	2.38	2.7	-1.62

Source: NBS

CHART 10.1 REAL GDP GROWTH (ANNUAL)

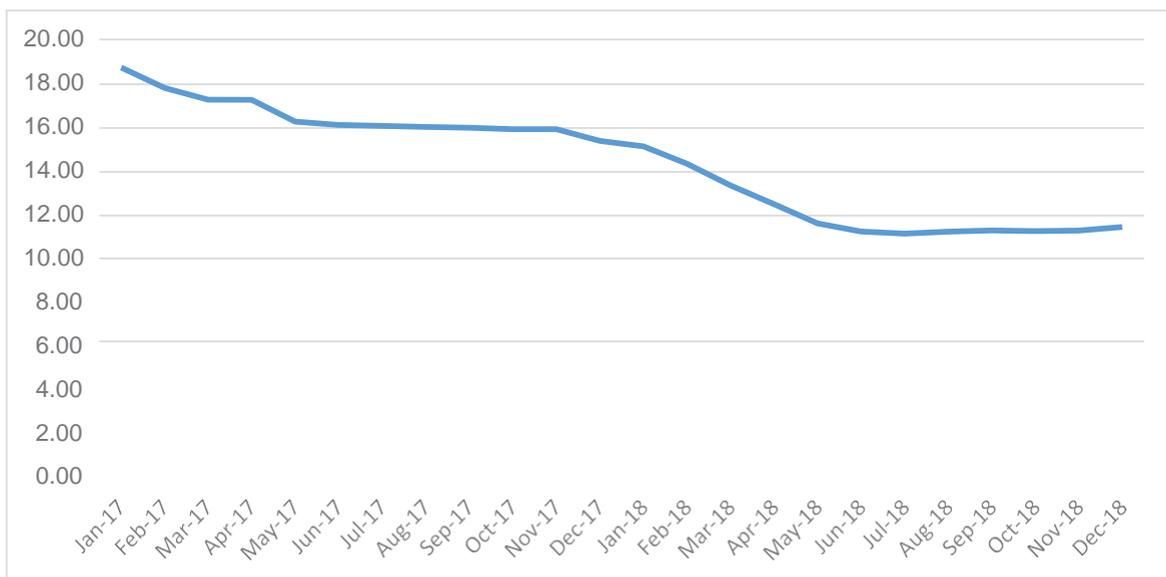


Source: NBS

10.2.2 Inflation

The year-on-year composite inflation rate was above the single-digit in 2018, although the rates were below those recorded in 2017. The year-on-year composite inflation stood at 11.44% as at 31st December, 2018 against 15.37% reported in December 2017. The declining inflation rate could be attributed to the non-expansionary monetary policy stance; boost in agricultural activities occasioned by favourable weather conditions across the country, among others. The inflation rate is shown in Chart 10.2.

CHART 10.2 INFLATION RATE (COMPOSITE)



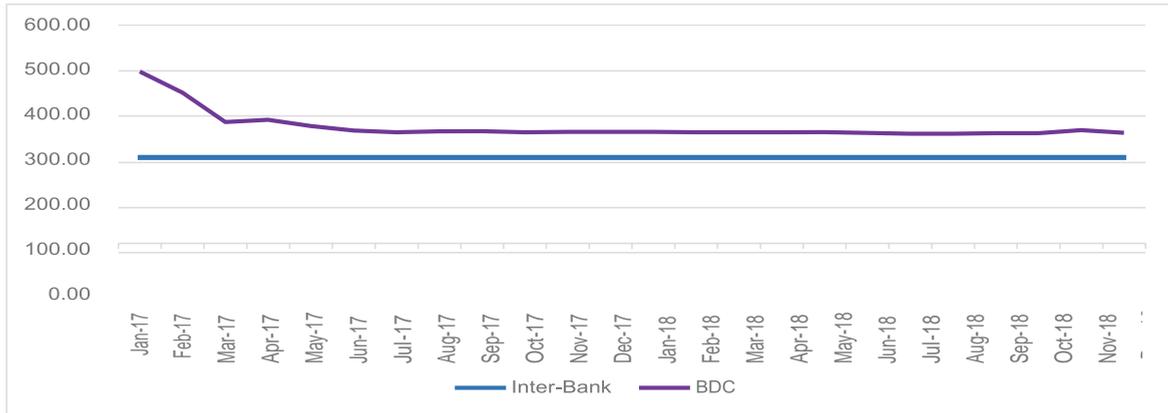
Source: NBS

10.2.3 Exchange Rate Movements

The exchange rate was relatively stable at the Interbank Foreign Exchange Market (IFEM), Bureau-de-Change (BDC) and the Investors' and Exporters' (I&E) window. The relative stability witnessed in the exchange rate was as a result of interventions in the market. Also, the implementation of the Bilateral Currency Swap Agreement (BCSA) with China and the inflow of the US\$2.8 billion Euro bond impacted positively in stabilising exchange rate movements during the period.

Chart 10.3 presents the trend of Naira/US\$ exchange rate at both the interbank and the BDC markets in 2018 and 2017. The average exchange movement was N306.92 to the US\$1 as at 31st December, 2018, compared with the N306.31 to the US\$1 recorded as at 31st December, 2017 at the interbank market.

CHART 10.3 EXCHANGE RATE MOVEMENTS



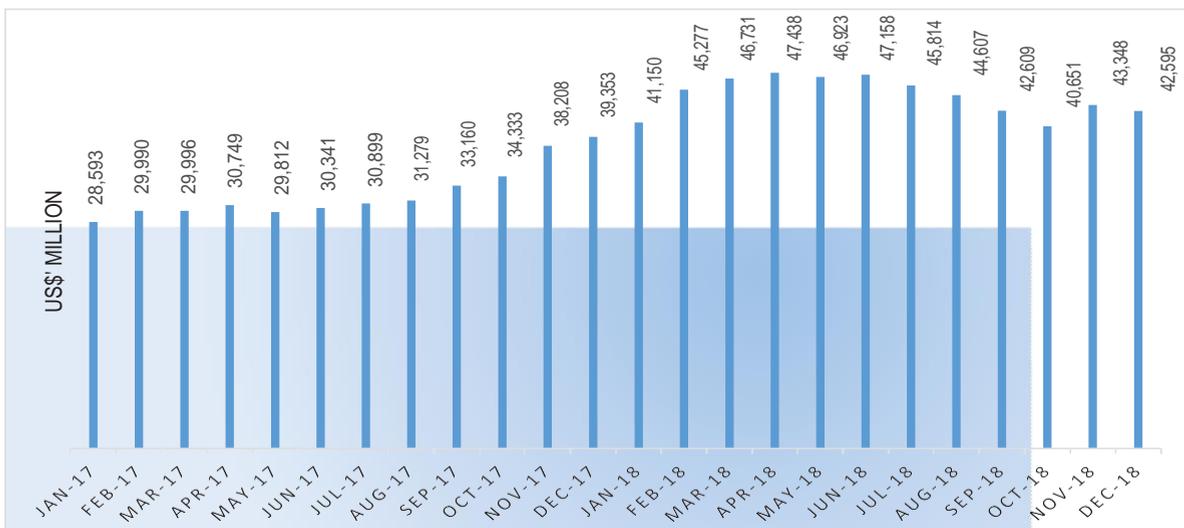
Source: CBN

On the other hand, the BDC rate was ₦362.83/US\$1 as at December, 2017 and closed the year 2018 at ₦363.46/US\$1. While, the exchange rate premium which stood at ₦56.52 in December 2017 increased by 0.035% to ₦56.54 as at 31st December, 2018.

10.2.4 External Reserves Movement

Nigeria's Adjusted External Reserves position has been on an upward trend since June 2017. However, the Adjusted Reserves have been fluctuating from May – December 2018 due to dwindling proceeds from crude oil sales, strengthening of the US\$ as a result of rates hikes by the US Federal Reserve which led to capital flights and the FX intervention of CBN in order to stabilise the Naira. Chart 10.4 presents the trend of Nigeria's Adjusted External Reserves position for 2017 to 2018.

CHART 10.4 ADJUSTED EXTERNAL RESERVES POSITIONS



Source: CBN

As depicted in the chart 10.4, from the December 2017 value of US\$39.353 billion, the adjusted external reserves increased by 8.25% to US\$42.595 billion as at 31st December, 2018.

10.3 Money and Financial Market Development

10.3.1 Money Market Development

a) Money Market Interest Rate

The CBN maintained a non-expansionary monetary policy stance throughout 2018 as the Monetary Policy Rate (MPR), Cash Reserve Ratio (CRR) and Liquidity Ratio (LR) were all maintained at 14%, 22.50% and 30%, respectively to contain inflationary pressure. It would be recalled that the rates remained unchanged since July 2016.

The average Interbank Call rate and the Open-Buy Back (OBB) rate were 9.93% and 10.65% as at 31st December, 2018 compared with average Interbank Call rate of 24.0% and the Open-Buy Back (OBB) of 23.51% as at December 2017, respectively.

b) Money Supply and Credit Development

Year-on-year, narrow money grew by 5.10% from the December 2017 value of ₦11.17 trillion to ₦11.75 trillion in December 2018. Broad money decreased by 5.54% year-on-year basis from the ₦28.66 trillion in December 2017 to ₦27.07 trillion in December 2018. Similarly, year-on-year Net Domestic Credit grew by 6.44% from the December 2017 value of ₦25.92 trillion to ₦27.59 trillion in December 2018.

10.3.2 Capital Market Development

The Equity Market Capitalization of the Nigerian Stock Exchange (NSE) decreased by 13.87% from ₦13.61 trillion at 31st December, 2017 to ₦11.72 trillion as at 31st December, 2018. Similarly, the Total Market Capitalization for Equity, Bond and Exchange Traded Markets as at 31st December, 2018 was ₦21.9 trillion, representing a 4.36% decrease when compared with the ₦22.9 trillion recorded as at 31st December, 2017. Other performance indices of the NSE are as shown in Table 10.2.

These developments largely reflected the impact of the progressive monetary policy normalization in some advanced economies and the sustained profit taking activities of foreign investors arising from perceived political risk in the build-up to the 2019 general elections.

TABLE 10.2 NSE INDEX PERFORMANCE

Categories	2018	2017	% Change
NSE All-Share Index	31,430.5	38,243.19	-17.81%
NSE 30 Index	1,417.15	1,746.68	-18.87%
NSE Alternative Security Market (AseM) Index	793.81	1,087.32	-26.99%
NSE Banking Index	398.94	475.44	-16.09%
NSE Consumer Good Index	748.83	976.1	-23.28%
NSE Insurance Index	126.48	139.37	-9.25%
NSE Industrial Index	1,237.88	1,975.59	-37.34%
NSE Oil/Gas Index	302.23	330.69	-8.61%
NSE Pension Index	1,207.46	1,379.74	-12.49%

Source: NSE

10.4 Federation Account Allocation Committee Disbursement and Federal Government Budget

The Federal Account Allocation Committee (FAAC) monthly disbursement for the 3-tiers of government in 2018 is presented in Chart 10.5. From the Chart, the amount disbursed to the 3-tiers of government improved significantly when compared with the previous year.

CHART 10.5 FAAC MONTHLY DISBURSEMENTS



Source: NBS

The sum of ₦8.52 trillion (derived by monthly addition of the FAAC reports of NBS) was disbursed to the 3-tiers of government in 2018. That was an increase of ₦2.28 trillion (36.4%) over the ₦6.25 trillion (derived by monthly addition of the FAAC reports of NBS) disbursed in 2017. The FAAC disbursed the sum of ₦3.19trn to the Federal Government of Nigeria while states received a total of ₦2.57trn within the period under review. The amount disbursed to the FGN comprised of ₦2.8trn as Net Statutory Allocation, ₦156.98bn as Valued Added Tax (VAT), ₦10.66bn as NNPC refund to FG and the distribution of ₦128.41bn from the FOREX equalisation fund.

The approved budget of the Federal Government for the year 2018 as passed by the National Assembly was ₦9.12 trillion with ₦2.873 trillion and ₦3.512 trillion for capital and recurrent expenditures, respectively. The Fiscal Deficit for the 2018 budget amounted to ₦1.954 trillion which was 27.21% of the projected revenue and 5.54% of the fourth quarter Nominal GDP for the year.

10.5 Socio-Political Environment

In the year under review, quite a lot of events impacted the financial sector and the economy. Several political party members have crossed to other parties, creating further uncertainty in the political space and deepening the fissure between the Executive and the Legislature. These events showed the existence of real political risk in the country, creating uncertainty in the environment that had serious negative consequences for business, banking and the economy, in general.

The security situation in the country witnessed tremendous improvement in comparison to the recent past but there were still regional patches of instability.

Other factors that caused serious disruptions to the macro economy were renewed struggle over the minimum wage between the Nigerian government and labour unions as well as the strike embarked upon by the Academic Staff Union of Universities (ASUU) that had negative impact on the political environment.

Despite these challenges, the economy improved relative to the previous year. Some of the positive developments included the stability of the foreign exchange market due to the introduction of I&E window; improvement in GDP and inflation figures, increase in financial inclusion rate and improved security and stability in most sectors of the economy and regions of the nation. Further improvement in the socio economic environment is expected based on the Federal Government's effective implementation of the 2018 capital budget, the Economic Recovery and Growth Plan and improvement in the security situation.

SECTION 11

FINANCIAL CONDITION AND PERFORMANCE OF INSURED INSTITUTIONS

11.0 Introduction

The performance of the banking industry was reflective of the overall performance of the economy. The banking industry exhibited resilience amidst the macroeconomic and socio-political factors that impacted on its financial condition in 2018. There were 27 DMBs (21 Commercial Banks, 5 Merchant Banks and one Non-Interest Bank), 888 MFBs and 38 PMBs as at 31st December, 2018.

The banking industry recorded an increase in the average capital adequacy ratio from 10.23% in 2017 to 15.26%, liquidity ratio of 51.87% as against 45.56% recorded in 2017, an improvement in NPLs ratio from 14.84% in 2017 to 11.70% as well as improvement in earnings & profitability.

This section highlights the financial conditions of the deposit money banks, the microfinance banks and the primary mortgage banks sub-sectors using the CAEL (Capital Adequacy, Asset Quality, Earnings and Liquidity) parameters.

11.1 Financial Condition of DMBs

11.1.1 Capital Adequacy

The banking industry average Capital Adequacy ratio (CAR) increased to 15.26% in 2018 from 10.23% in 2017, above the regulatory minimum of 10% and 15% for banks with national and international authorisation, respectively. The increase in the CAR could further be explained by the 44.88% increase in the total qualifying capital from ₦2,201.58 billion in 2017 to ₦3,189.55 billion in 2018 and complemented by the 2.89% decline in the Total Risk-Weighted Assets from ₦21,520.82 billion in 2017 to ₦20,898.71 billion in 2018.

The number of DMBs that failed to meet the minimum capital adequacy ratio threshold remained 4 as reported in 2017. The recapitalisation requirements declined from ₦1.57 trillion in 2017 to ₦704.88 billion as at 31st December, 2018.

Table 11.1 shows select Capital Adequacy Indicators while Chart 11.1 shows the trend of Capital Adequacy Ratios in 2017 and 2018.

TABLE 11.1 DMBs' CAPITAL ADEQUACY INDICATORS

Capital Adequacy Indicators		
Total Qualifying Capital (₦' billion)	2,201.58	3,189.55
Adjusted Shareholders' Funds (Tier 1 Capital) (₦' billion)	1,757.96	2,825.99
Tier II Capital (₦' billion)	443.62	363.56
Total Risk Weighted Assets	21,520.82	20,898.71
Average Capital to Total Risk-Weighted Asset Ratio (%)	10.23	15.26
Recapitalisation Requirements	1,565.25	704.88
No. of Banks with CAR ≤ 10% and 15%	4	4

Source: NDIC

CHART 11.1 TREND OF DMBs CAPITAL ADEQUACY RATIO



11.1.2 Asset Quality of DMBs

The total credit extended by the DMBs to the domestic economy amounted to ₦15.29 trillion in 2018, representing a 3.90% decrease from the ₦15.91 trillion recorded in 2017. Similarly, the industry non-performing loans (NPLs) decreased by 25.15% to ₦1.79 trillion in 2018 from ₦2.36 trillion in 2017.

The banking industry was exposed to high credit risk as depicted by the high NPLs ratio of 11.70% as at 31st December, 2018, though an improvement when compared with NPLs ratio of 14.84% recorded as at 31st December, 2017. However, the industry NPLs ratio of 11.70% exceeded the maximum prudential threshold of 5% for DMBs.

In the same vein, the NPLs to Shareholders' Fund Ratio improved from 69.21% in 2017 to 57.50% in 2018. Table 11.2 shows some select Asset Quality Indicators, Chart 11.2 shows the trend in NPLs of DMBs and Chart 11.3 shows the trend in NPLs/Total Loan ratio.

TABLE 11.2 ASSET QUALITY OF THE BANKING INDUSTRY

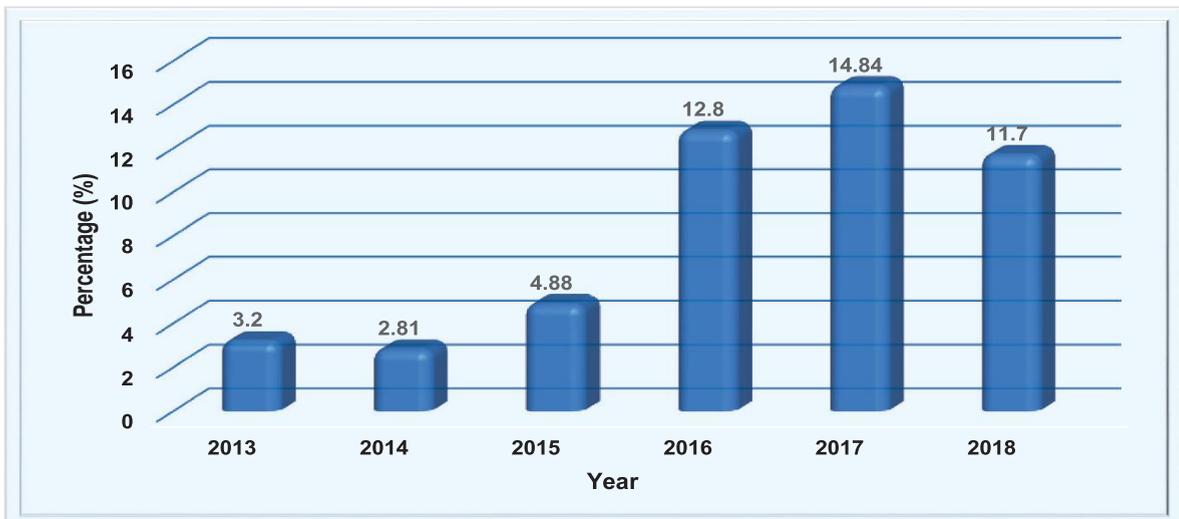
Asset Quality Indicators	Year	
	2017	2018
Total Loans & Advances (₦ Trillion)	15.91	15.29
NPLs (₦ Trillion)	2.36	1.79
NPLs to Total Loans (%)	14.84	11.70
Ratio of NPLs to Shareholders' Funds (%)	69.21	57.50

Source: NDIC

CHART 11.2 TREND OF NPLs IN THE BANKING INDUSTRY



CHART 11.3 BANKING INDUSTRY NPLS/TOTAL LOANS RATIO



11.1.3 Earnings and Profitability

The banking industry unaudited profit before tax (PBT) significantly rose from ₦150 billion in 2017 to ₦310 billion in 2018. That could be attributed to a reduction in operating expenses by 25% from ₦440 billion in 2017 to ₦330 billion in 2018. Table 11.3 shows some select DMBs Earnings Performance Indicators and corresponding values for 2017 and 2018.

TABLE 11.3 EARNINGS & PROFITABILITY INDICATORS OF THE DMBs

Indicators	2018	
	2017	2018
Profit Before Tax (₦ trillion)	0.15	0.31
Net Interest Income (₦ trillion)	0.45	0.70
Non-Interest Income (₦ trillion)	0.98	0.79
Interest Expenses (₦ trillion)	0.37	0.30
Operating Expenses (₦ trillion)	0.44	0.33
Yield on Earning Assets (%)	2.62	3.23
Return on Equity (%)	4.70	9.73
Return on Assets (%)	0.48	0.88

Source: NDIC

Table 11.3 further shows that the Yield on Earning Assets increased from 2.62% as at 31st December, 2017 to 3.23% as at 31st December, 2018. Similarly, Return on Assets (ROA) rose to 0.88% as at 31st December, 2018 from 0.48% recorded as at 31st December, 2017. Also, Return on Equity (ROE) increased from 4.70% as at 31st December, 2017 to 9.73% as at 31st December, 2018.

11.1.4 Liquidity Position of DMBs

As part of the Monetary Policy objective of preserving price stability, the prudential Liquidity Ratio (LR) requirement for DMBs remained at 30% throughout the year.

Table 11.4 presents the liquidity position of DMBs in 2017 and 2018. Collectively, the table revealed that the banking industry was liquid with liquidity ratio above the minimum threshold. For example, the average Liquidity Ratio was 51.87% as at 31st December, 2018 compared with 45.56% for the same period in 2017. Equally, loans to deposit ratio was as high as 72.30% as at 31st December, 2017 but reduced slightly to 64.69% as at 31st December, 2018 which was within the maximum prudential threshold of 80%.

However, on specific basis two (2) DMBs as shown in the table failed to meet the minimum liquidity ratio threshold of 30% as at 31st December, 2018. That was a 50% improvement when compared to the position in the preceding year. Table 11.4 and

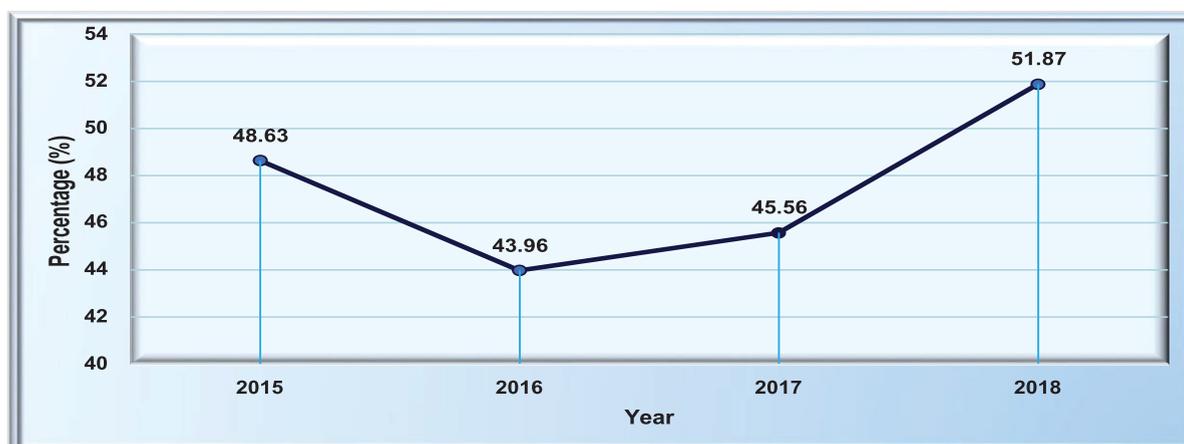
Chart 11.4 show the trend of liquidity ratio position of DMBs as at 31st December, 2018.

TABLE 11.4 LIQUIDITY POSITION OF DMBs

Items		
Average Liquidity Ratio (%)	45.56	51.87
Loans to Deposit Ratio (%)	72.30	64.69
No. of Banks with Less than 30% Minimum Liquidity Ratio	4	2

Source: NDIC

CHART 11.4 TREND OF AVERAGE LIQUIDITY RATIO



11.1.5 DMBs' Maturity Profile of Assets and Liabilities

The analysis of maturity profile of DMBs' (excluding the non-interest bank) assets and liabilities revealed a cumulative mismatch of ₦5,421.26 billion (-34.24%), ₦5,738.53 billion (-237.91%), ₦5,137.87 billion (-634.49%), ₦2,036.64 billion (-476.08%) and ₦4,658.58 billion (140.58%) for the periods "Below 30 Days", "31-90 Days", "90-181 Days", "181-365 Days" and ">365 Days" respectively. A negative mismatch in a period indicates that the value of total assets of the banking industry would not be able to meet the maturing obligations (liabilities) within that period while negative mismatch in % shows the extent that maturing total liabilities would not be met as they fall due.

For the Commercial banks segment of the DMBs, the cumulative mismatch was ₦5,424.52 billion (-34.39%), ₦5,749.34 billion (-239.3%), ₦5,149.03 billion (-640.96%), ₦2,055.71 billion (-481.59%) and ₦4,607.75 (139.05%) billion for the periods "Below 30 Days", "31-90 Days", "90-181 Days", "181-365 Days" and ">365 Days", respectively.

Also, the Merchant Banks segment shows positive cumulative mismatch of ₦3.26

billion (5.43%), ₦10.81 billion (113.11%), ₦11.16 billion 173.58%), ₦19.07 billion (2,036.70%) and ₦50.84 billion (84,055.3%) billion for the periods "Below 30 Days", "31-90Days", "90-181 Days", "181-365Days" and ">365Days", respectively.

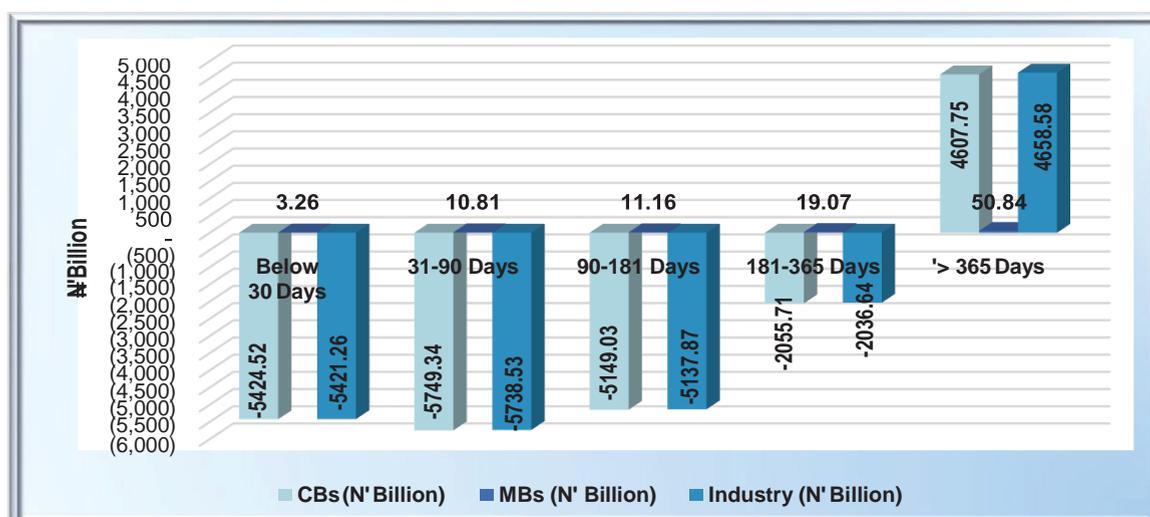
Table 11.5 presents the maturity profile of assets and liabilities of the DMBs and Chart 11.5 show DMBs' Assets/(Liabilities) Mismatch in Values during the year ended 31st December, 2018.

TABLE 11.5 THE MATURITY PROFILE OF DMBs ASSETS AND LIABILITIES FOR 2018

	TENOR				
	Below 30 Days	31-90 Days	90-181 Days	181-365 Days	> 365 Days
	₦' Billion	₦' Billion	₦' Billion	₦' Billion	₦' Billion
Assets					
Commercial Banks (CBs)	10,349.63	2,077.72	1,403.64	3,520.18	9,977.28
Merchant Banks (MBs)	63.30	17.10	6.78	8.85	31.83
Industry Total Assets	10,412.93	2,094.82	1,410.42	3,529.02	10,009.11
Liabilities					
Commercial Banks (CBs)	15,774.15	2,402.53	803.33	426.86	3,313.82
Merchant Banks (MBs)	60.04	9.55	6.43	0.94	0.06
Industry Total Liabilities	15,834.19	2,412.08	809.76	427.79	3,313.89
Mismatch: CBs					
Mismatch for the period	(5,424.52)	(324.81)	600.31	3,093.32	6,663.46
Cumulative Mismatch	(5,424.52)	(5,749.34)	(5,149.03)	(2,055.71)	4,607.75
Cumulative Mismatch to Total Liabilities (%)	-34.39	-239.30	-640.96	-481.59	139.05
Mismatch: MBs					
Mismatch for the period	3.26	7.55	0.35	7.91	31.77
Cumulative Mismatch	3.26	10.81	11.16	19.07	50.84
Cumulative Mismatch to Total Liabilities (%)	5.43	113.11	173.58	2035.70	84055.30
Mismatch: MBs					
Mismatch for the period	(5,421.26)	(317.27)	600.66	3,101.23	6,695.22
Cumulative Mismatch	(5,421.26)	(5,738.53)	(5,137.87)	(2,036.64)	4,658.58
Cumulative Mismatch to Total Liabilities (%)	-34.24	-237.91	-634.49	-476.08	140.58

Source: NDIC

CHART 11.5 DMBs' ASSETS/LIABILITIES MISMATCH IN VALUES



11.1.6 Sectoral Allocation of Credit

The analysis of Table 11.6 on sectoral allocation of credit by DMBs shows that the sector with highest credit concentration in 2018 was the oil and gas. The level of DMBs exposure to the Oil & Gas Sector stood at ₦4.66 trillion or 30.46% of the industry total credits of ₦15.29 trillion as at 31st December, 2018. The second in the level of exposure was the Manufacturing Sector with ₦2.25 trillion or 14.71% of total credits. That was followed by the Government with ₦1.34 trillion or 8.78% of the total credits. While the General Commerce accounted for ₦1.14 trillion or 7.44% of total credits, the Finance & Insurance and General sectors received 6.49% and 6% of total credit, respectively. Chart 11.6 highlights Sectoral Allocation of Credits by DMBs in absolute and percentage values, respectively.

Table 11.6 SECTORAL ALLOCATION OF CREDIT BY DMBs IN 2017 AND 2018

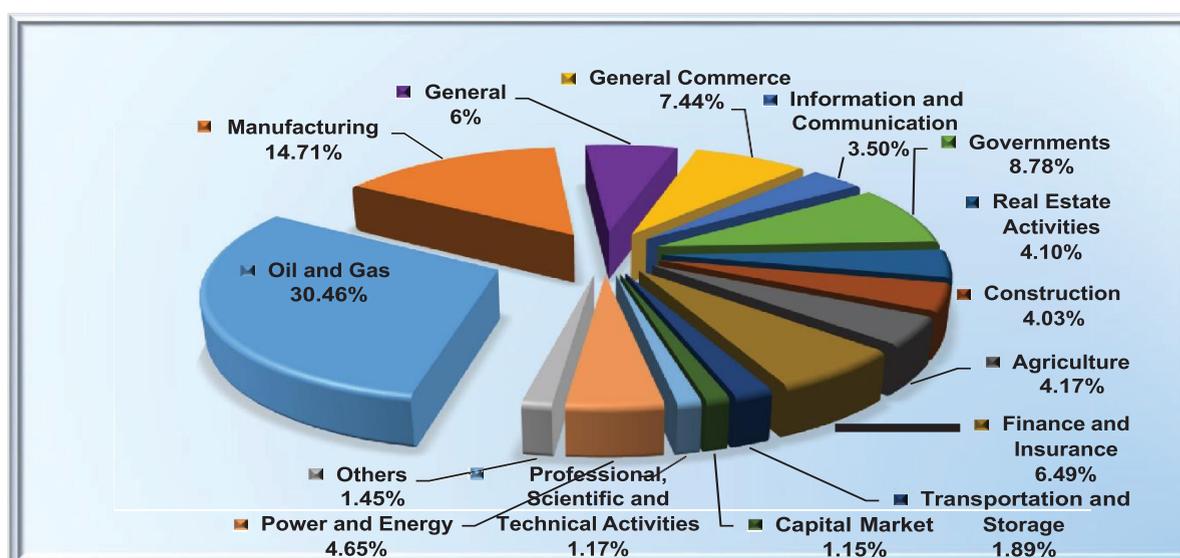
S/N	Sector	*TL 2017 (N'Bn)	% of Total Loan	*NPL/TL 2017 (%)	*TL 2018 (N'Bn)	% of Total Loan	NPL/TL 2018 (%)
1	Oil and Gas	4,774.46	29.94	17.54	4,657.30	30.46	18.86
2	Manufacturing	2,171.00	13.61	7.43	2,249.41	14.71	5.78
3	General	1,041.15	6.53	19.50	916.99	6.00	13.69
4	General Commerce	1,091.94	6.85	14.24	1,137.61	7.44	12.28
5	Information and Communication	785.87	4.93	10.77	534.86	3.5	13.56
6	Governments	1,397.84	8.76	0.07	1,342.57	8.78	0.14
7	Real Estate Activities	769.68	4.83	19.21	627.34	4.10	8.11
8	Construction	657.08	4.12	18.12	615.38	4.03	8.43

S/N	Sector	*TL 2017 (₦'Bn)	% of Total Loan	*NPL/TL 2017 (%)	*TL 2018 (₦'Bn)	% of Total Loan	NPL/TL 2018 (%)
9	Agriculture	536.12	3.36	17.84	638.06	4.17	5.69
10	Finance and Insurance	985.69	6.18	29.42	992.03	6.49	2.91
11	Transportation and Storage	335.69	2.10	30.19	289.42	1.89	19.37
12	Capital Market	156.10	0.98	0.54	176.10	1.15	0.38
13	Professional, Scientific and Technical Activities	162.60	1.02	5.71	178.30	1.17	4.46
14	Power and Energy	755.03	4.73	12.75	711.10	4.65	22.73
15	Education	72.53	0.45	19.11	57.36	0.38	6.8
16	Administrative and Support Services	37.85	0.24	6.58	20.26	0.13	5.14
17	Human Health & Social Work Activities	43.15	0.27	15.80	27.35	0.18	50.29
18	Activities of Extra territorial Organisation & Bodies	36.34	0.23	0.00	0.09	0.00	0.00
19	Water Supply Sewerage, Waste Management & Remediation	19.34	0.12	16.87	23.50	0.15	6.18
20	Art, Entertainment & Recreation	16.80	0.11	67.85	10.11	0.07	74.14
21	Public Utilities	77.34	0.48	-	79.69	0.52	23.32
22	Mining & Quarrying	25.25	0.16	0.16	3.68	0.03	2.28
TOTAL		15,948.85	100.00	13.91	15,288.52	100.00	11.70

Source: NDIC

*NPL = Non-Performing Loans *TL = Total Loan

Chart 11.6 SECTORAL ALLOCATION OF CREDITS BY DMBs IN 2018



Source: NDIC

11.1.7 Level of Soundness of DMBs in 2018

The analysis of the financial condition of the 26 DMBs' as at 31st December, 2018 based on Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and sensitivity to market risk, revealed that 15 DMBs were rated "Moderate Risk", 6 DMBs were rated "Above Average Risk" while 5 DMBs were rated "High Risk".

Overall, the banking industry was relatively stable and sound in 2018.

Table 11.7 presents the summary of some financial indicators of the DMBs from 2015 to 2018.

TABLE 11.7 SELECT PERFORMANCE INDICATORS OF DMBs FOR 4-YEAR PERIOD (2015- 2018)

S/N	DETAILS	2015	2016	2017	2018
1	Total Assets (OBS Inclusive) (₦ Trillion)	31.39	35.33	38.53	42.08
2	Total Deposit (₦ Trillion)	17.51	18.54	19.38	21.73
3	Insured Deposit (₦ Trillion)	2.66	2.63	2.77	3.32
4	Total Loans & Advances (₦ Trillion)	13.33	16.26	15.91	15.29
5	Non-Performing Loans (₦ Trillion)	0.65	2.08	2.36	1.79
6	Profit Before Tax (₦ Trillion)	0.63	0.44	0.15	0.31
7	Adjusted Shareholders' Fund (Tier I Capital) (₦ Billion)	2.78	2.65	1.76	2.83
8	Non-Performing Loans/Total Loans (%)	4.88	12.80	14.84	11.7
9	Non-Performing Loans/Shareholders' Fund (%)	12.79	43.84	69.21	57.50
10	Capital Adequacy (%)	17.66	14.78	10.23	15.26
11	Average Liquidity Ratio (%)	48.63	43.93	45.56	51.87
12	Loans/Deposit Ratio (%)	73.76	87.29	72.30	64.69
13	Return on Assets (%)	2.34	1.48	0.48	0.88
14	Return on Equity (%)	19.78	12.56	4.70	9.73
15	Net Interest Margin (NIM) (%)	7.40	1.96	1.43	1.85

Source: NDIC

11.2 Financial Condition of NIBs

There were one Non-Interest Bank (Jaiz Bank) and a Non-Interest Bank Window (Sterling Bank Window) in operation as at 31st December, 2018.

The Jaiz Bank and Sterling Bank Non-Interest Window recorded capital adequacy ratios (CARs) of 18% and 15.27%, respectively as at 31st December, 2018 which were above the regulatory threshold of 10%. Also, the Jaiz Bank generated a total gross income of ₦7.16 billion against total expenses of ₦6.5 billion, resulting in unaudited profit before tax (PBT) of ₦0.66 billion as at 31st December, 2018. A further analysis indicates a ratio of total expenses to gross income of 90.8%. On the other hand, the

Sterling Bank Non-Interest Bank Window recorded unaudited profit before tax of ₦1.34 billion with a total income of ₦2.18 billion against a total expenditure of ₦0.84 billion. That represented 38.53% ratio of expenses in relation to the gross income as at 31st December, 2018.

Table 11.8 shows select performance indicators of the NIB and Non-Interest Bank window as at 31st December, 2018

TABLE 11.8 SELECT PERFORMANCE INDICATORS OF NON-INTEREST BANKS AS AT 31ST DECEMBER, 2018

	Jaiz Bank Plc ₦' Billion	Sterling Bank Window ₦' Billion	Total ₦' Billion
Total Assets	109.53	51.8	161.33
Total Liabilities	95.85	48.45	144.3
Shareholders' Funds	13.68	3.35	17.03
Total Income	7.16	2.18	9.34
Total Expenses	6.5	0.84	7.34
Profit Before Tax	0.66	1.34	2.00
Total Deposits	85.02	23.87	108.89
Insured Deposits	13.83	0.77	14.60
CAR (%)	18.00	15.27	
Total Number of Accounts	343,823	29,930	373,753

Source: NDIC

11.3 Financial Condition of MFBs

In 2018, the CBN revoked the licences of 154 MFBs while a few new ones were licensed. As a result of these developments, there was a decrease in the number of MFBs in operation from 1,008 as at 31st December, 2017 to about 888 as at 31st December, 2018. Similarly, the number of MFBs rendering statutory returns dropped from 651 in 2017 to 595 as at 31st December, 2018. Thus, the number of MFBs consolidated in Table 11.9 was 595.

11.3.1 Capital Position of MFBs

The MFBs shareholders' funds stood at ₦89.15 billion as at 31st December, 2018 which was a significant improvement when compared with ₦85.77 billion as at 31st December, 2017.

11.3.2 Asset Quality of MFBs

The total assets of MFBs stood at ₦384.50 billion as at 31st December, 2018 against ₦360.59 billion as at 31st December, 2017. Likewise, total loans and advances stood

at ₦221.51 billion in December 2018 against ₦201.37 billion in December 2017. The NPLs decreased by 5.27% from ₦26.18 billion in December 2017 to ₦24.80 billion in December 2018. Similarly, the NPLs (portfolio-at-risk) ratio improved from 13% in 2017 to 11.20% in 2018 which was slightly above the regulatory threshold of 5% for a normal bank.

11.3.3 Earning and Profitability

The MFBs' sub-sector reported a gross income of ₦105.00 billion as at 31st December, 2018 against ₦89.63 billion in 2017. Interest income also recorded an increase of 3.06% from ₦78.98 billion in 2017 to ₦81.40 billion in 2018. Non-interest income slightly improved by 2.25% from ₦23.08 billion as at 31st December, 2017 to ₦23.60 billion as at 31st December, 2018.

The total operating expenses of the MFBs marginally increased by 1.29% from ₦73.42 billion to ₦74.37 billion as at 31st December, 2017 and 2018, respectively. Similarly, profit before tax also recorded a marginal increase of 0.06% from ₦16.21 billion in 2017 to ₦16.22 billion in 2018. However, ROA and ROE decreased from 4.50% and 18.90% in 2017 to 4.22% and 18.19% in 2018, respectively.

11.3.4 Liquidity Position

The MFBs' total deposit liability increased by 14.7% from ₦166.88 billion in 2017 to ₦191.41 billion in 2018. The average liquidity ratio also increased from 72.54% in 2017 to 73.95% in 2018, the ratio is above the minimum regulatory threshold of 20%. Also there was a decline in the MFBs loan to deposit ratio which stood at 115.73% as at 31st December, 2018 against 120.66% as at 31st December, 2017.

Investment in fixed assets has also recorded a significant decline from ₦33.64 billion in 2017 to ₦17.18 billion as at 31st December, 2018.

The Performance Indicators of MFBs subsector in 2018 with the corresponding figures in 2017 are summarized in Table 11.9.

TABLE 11.9 SELECT PERFORMANCE INDICATORS OF MFBs

S/N	DETAILS	2017	2018
1	Number of MFBs in Operation	1,008	888
2	Number of MFBs that Rendered Returns	651	595
3	Total Assets (₦Billion)	360.59	384.50
4	Total Deposits (₦Billion)	166.88	191.41
5	Insured Deposits (₦Billion)	125.16	143.56
6	Total Loans & Advances (₦Billion)	201.37	221.51
7	Gross Income (₦Billion)	89.63	105.00
8	Interest Income (₦Billion)	78.98	81.40
9	Non-Interest Income (₦Billion)	23.08	23.60
10	Non-Performing Loans (NPLs) (₦Billion)	26.18	24.80
11	Profit Before Tax (PBT) (₦Billion)	16.21	16.22
12	Total Operating Expenses (₦Billion)	73.42	74.37
13	Shareholders' Fund (₦Billion)	85.77	89.15
14	Investment in Fixed Assets (₦Billion)	33.64	17.18
15	Non-Performing Loans/Total Loans (Portfolio-at-Risk) (%)	13	11.20
16	Non-Performing Loans/Shareholders Fund (%)	30.52	27.82
17	Average Liquidity Ratio (%)	72.54	73.95
18	Loans/Deposit Ratio (%)	120.66	115.73
19	Return on Assets (%)	4.50	4.22
20	Return on Equity (%)	18.90	18.19

Source: NDIC

11.4 Financial Condition of PMBs

During the year, the operating licences of six (6) PMBs were revoked by the CBN while some either converted to MFBs or were acquired. As at 31st December, 2018, there were 38 PMBs in operation. The analysis in this section is based on the returns rendered by 27 PMBs as shown in Table 11.10.

11.4.1 Capital Position

The PMBs' subsector recorded paid-up capital of ₦83.18 billion as at 31st December, 2018, against ₦86.59 billion as at 31st December, 2017. The shareholders' fund also declined to ₦67.19 billion as at 31st December, 2018 from ₦91.65 billion in the corresponding period of 2017. These declines were largely associated with both the reduction in the number of PMBs in operation and the number that rendered their statutory returns in 2018.

11.4.2 Asset Quality

The PMBs total loans stood at ₦153.45 billion as at 31st December, 2018, against ₦155.60 billion recorded as at 31st December, 2017. The quality of those credits further deteriorated significantly as Non-Performing Loans (NPLs) rose from ₦5.76 billion in 2017 to ₦18.63 billion in 2018, resulting in increase in the NPLs to Gross Loan Ratio from 3.70% in 2017 to 12.14% in 2018. That ratio exceeded the regulatory threshold of 5%.

11.4.3 Earnings and Profitability

The PMBs gross earnings significantly dropped from ₦48.47 billion in 2017 to ₦29.80 billion in 2018. Operating Expenses declined from ₦19.61 billion in 2017 to ₦17.67 billion in 2018. The subsector recorded a Loss of ₦2.29 billion in 2018, against a profit of ₦19.87 billion in 2017. Consequently, return on asset (ROA) was negative 0.74% in 2018 against 6.12% in 2017 while return on equity (ROE) was negative 3.41% against 21.68% in 2017.

11.4.4 Liquidity Position

The PMBs' average liquidity ratio was 102.53% in 2018, against 154.35% in 2017. The PMBs total deposits declined from ₦103.22 billion in 2017 to ₦98.91 billion in 2018. The Loans to Deposit Ratio increased from 150.75% in 2017 to 158.28% in 2018 as shown in Table 11.10 with other performance indicators.

TABLE 11.10 SELECT PERFORMANCE INDICATORS OF PMBs

S/N	DETAILS	2017	2018
1	No. of PMBs in Operation	42	38
2	No. of PMBs Consolidated in this Table	32	27
3	Total Assets (₦Billion)	324.76	311.28
4	Total Deposit (₦Billion)	103.22	98.91
5	Insured Deposit (₦Billion)	77.42	74.18
6	Gross Total Loans and Advances (₦Billion)	155.60	153.45
7	Mortgage Assets (₦Billion)	103.11	105.78
8	Non-Performing Loans (₦Billion)	5.76	18.63
9	Gross Income (₦Billion)	48.47	29.80
10	Interest Income (₦Billion)	45.24	23.44
11	Non-Interest Income (₦Billion)	3.23	6.35
12	Profit Before Tax (₦Billion)	19.87	(2.29)
13	Total Operating Expense (₦Billion)	19.61	17.67
14	Paid Up Capital (₦Billion)	86.59	83.18
16	Shareholders' Funds (₦Billion)	91.65	67.19
17	Adjusted Shareholders' Funds (Tier-1 Capital) (₦Billion)	91.63	51.97

S/N	DETAILS	2017	2018
	RATIOS		
18	Non-Performing Loans/Total Loans (NPL) (%)	3.70	12.14
19	Non-Performing Loans/Shareholders' Funds (%)	6.28	27.73
20	Capital Adequacy (%)	61.26	46.73
21	Average Liquidity Ratio (%)	154.35	102.53
22	Loans/Deposit Ratio (%)	150.75	158.28
23	Return on Assets (ROA) (%)	6.12	(0.74)
24	Return on Equity (ROE) (%)	21.68	(3.41)
25	Mortgage Assets/Total Loans	66.27	68.93
26	Mortgage Assets/Loanable Fund	222.60	216.39

Source: NDIC

SECTION 12

STRUCTURE OF DMBs' STATEMENT OF FINANCIAL POSITION

12.0 Introduction

This section presents the Statement of Financial Position (SFP) of insured DMBs in 2018 with specific emphasis on modifications in the structure of assets and liabilities, shareholders' funds, and ownership structure.

12.1 DMBs' Structure of Assets

The total assets of the DMBs (inclusive of Contingent Assets) as at 31st December, 2018 was ₦42.08 trillion against ₦38.53 trillion as at 31st December, 2017, as reported in Table 12.1.

TABLE 12.1 STRUCTURE OF ASSETS OF DMBs

Assets	Share of Assets as at 31 st December (%)	
	2017	2018
Cash Balances	1.43	1.78
Balances with Banks & Central Bank of Nigeria	18.97	19.14
Loans & Advances to Banks	0.88	1.11
Loans & Advances to Customers	36.44	31.10
Financial Assets Held-for-Trading	4.36	3.74
Investment Securities: Available-for-Sale	7.62	8.49
Investment Securities: Held-to-Maturity	4.49	4.44
Assets Pledged as Collateral	3.04	2.85
Investment in Subsidiaries & Associates	0.98	0.96
Property, Plant and Equipment	2.42	2.29
Other Assets	3.78	6.09
Asset Classified as Held for Sale & Discontinued Operations	0.04	0.04
Contingent Assets	15.54	17.25
Total Assets	100	100
Total Assets (Inclusive of Contingent Assets) (₦ Billions)	38,529.30	42,080.81

Source: NDIC

Table 12.1, shows that there were improvements in the share of DMBs' assets like Cash Balances increased from 1.43% in 2017 to 1.78% in 2018; Balances with Banks & Central Bank increased from 18.97% in 2017 to 19.14% in 2018; Loans & Advances to Banks increased from 0.88% in 2017 to 1.11% in 2018; Investment Securities available for sale increased from 7.62% in 2017 to 8.49% in 2018; Other Assets increased from 3.78% in 2017 to 6.09% in 2018. However, some assets recorded a drop in their share

of total assets as Financial Assets Held-for-Trading decreased from 4.36% in 2017 to 3.74% in 2018; Loans & Advances to Customers decreased from 36.44% in 2017 to 31.10% in 2018; Assets Pledged as Collateral declined from 3.04% in 2017 to 2.85% in 2018; Investment in Subsidiaries and Associates from 0.98% in 2017 to 0.96% in 2018 while Property, Plant and Equipment declined as a proportion of total assets from 2.42% in 2017 to 2.29% in 2018. Assets Classified as Held for Sale & Discontinued Operations remained unchanged at 0.04% in 2018.

12.2 Structure of Liabilities of DMBs

The Structure of Liabilities of DMBs in 2018 is presented in Table 12.2. The table shows some liability items recorded increases as a proportion of total liabilities in 2018 compared with 2017. For example, Deposits from Banks increased from 2.97% in 2017 to 5.00% in 2018; Deposits from Customers from 50.29% in 2017 to 61.90% in 2018; Financial Liabilities Held-for-Trading (HFT) from 0.06% in 2017 to 0.13% in 2018; Borrowings from 7.50% in 2017 to 8.69% in 2018; Debt Instruments from 3.47% in 2017 to 3.63%; Shareholders' Funds from 8.94% in 2017 to 8.99%; and Other Liabilities from 11.23% in 2017 to 11.65% in 2018.

TABLE 12.2 STRUCTURE OF LIABILITIES OF DMBs

LIABILITIES	% Share	
	2017	2018
Deposits from Banks	2.97	5.00
Deposits from Customers	50.29	61.90
Financial Liabilities Held-for-Trading	0.06	0.13
Borrowings	7.50	8.69
Debt Instrument	3.47	3.63
Other Liabilities	11.23	11.65
Shareholders' Fund	8.94	8.99
Total Liabilities	100	100
Total Value of Liabilities -Inclusive of Contingent Liabilities (₦ Billion)	38,529.30	42,080.81

Source: NDIC

12.3 DMBs' Shareholders' Funds

The DMBs' Shareholders' Fund was ₦4.29 trillion as at 31st December, 2018, against ₦2.66 trillion reported in 2017. The increase in Shareholders' Fund might be due to the injection of funds by shareholders, recapitalisation by AMCON, among others. Table 12.3 shows the Shareholders' Fund for the 27 DMBs in 2018 and 2017.

TABLE 12.3 SHAREHOLDERS' FUNDS OF DMBs

S/N	Banks	Shareholders' Funds (₦ Billion)	
		2017	2018
1	Access Bank Plc	380.67	462.08
2	Citibank Nigeria Ltd	52.93	57.61
3	Coronation Merchant Bank Ltd	18.82	22.33
4	Diamond Bank Plc	170.92	111.09
5	Ecobank Nigeria Plc	266.09	212.57
6	FSDH Merchant Bank Ltd	28.97	24.79
7	First City Monument Bank Plc	135.99	127.89
8	Fidelity Bank Plc	173.71	175.46
9	First Bank of Nigeria Ltd	567.79	392.96
10	FBN Merchant Bank Ltd	26.63	15.88
11	Guaranty Trust Bank Plc	450.48	558.23
12	Heritage Banking Company Ltd	(36.16)	227.52
13	Jaiz Bank Plc	14.73	13.68
14	Keystone Bank Ltd	(85.71)	95.38
15	Rand Merchant Bank Ltd	28.44	37.93
16	Polaris Bank Ltd (Skye Bank Plc)	(772.95)	33.35
17	Stanbic IBTC Bank Plc	109.58	141.76
18	Standard Chartered Bank Ltd	88.75	146.70
19	Sterling Bank Plc	85.68	89.64
20	SunTrust Bank Ltd	11.84	5.82
21	United Bank for Africa Plc.	255.59	290.45
22	Union Bank of Nigeria Plc.	128.21	112.58
23	Unity Bank Plc.	(219.01)	261.69
24	Wema Bank Plc.	48.50	23.14
25	Zenith Bank Plc	710.29	629.95
26	Providus Bank Plc	7.20	5.75
27	Nova Merchant Bank	-	17.14
	Total	2,656.98	4,293.37

Source: NDIC

12.4 Ownership Structure

There was a small change in the ownership structure of DMBs in 2018 in comparison to 2017. Table 12.4 shows that the private sector continued to dominate the ownership of Nigerian banks while government continued to divest from banks in line with the requirements of the Code of Corporate Governance for Banks and Discount Houses, as government shareholding was below 10% in all the DMBs. However, with the intervention of AMCON in Polaris (formerly Skye) bank, government's ownership in the bank has increased.

TABLE 12.4 OWNERSHIP STRUCTURE OF DMBs AS AT 31ST DECEMBER, 2018

S/N	Banks	Ownership Structure (%)		
		Government		
1	Access Bank Plc	0.19	94.50	5.31
2	Citibank Nigeria Ltd	-	18.1	81.90
3	Coronation Merchant Bank Ltd	-	100	-
4	Diamond Bank Plc	0.04	69.80	30.16
5	Ecobank Nigeria Plc	-	-	100
6	FSDH Merchant Bank Ltd	-	67.36	32.64
7	Fidelity Bank Plc	-	100	-
8	First City Monument Bank Plc	-	100	-
9	First Bank of Nigeria Ltd	-	100	-
10	FBN Merchant Bank Ltd	-	100	-
11	Guaranty Trust Bank Plc	0.11	87.09	12.08
12	Jaiz Bank Plc	9.83	81.66	8.51
13	Heritage Banking Company Ltd	-	100	-
14	Keystone Bank Ltd	-	100	-
15	Providus Bank Ltd	-	100	-
16	Rand Merchant Bank Ltd	-	-	100
17	Polaris Bank Ltd	100		-
18	Stanbic IBTC Bank Plc	-	100	-
19	Standard Chartered Bank Ltd	-	0.01	99.99
20	Sterling Bank Plc	0.11	66.03	33.86
21	SunTrust Bank Plc	-	100	-
22	United Bank for Africa Plc	1	78	21
23	Union Bank of Nigeria Plc	-	9.63	90.37
24	Unity Bank Plc	8.00	91.99	0.01
25	Wema Bank Plc	10	90	-
26	Zenith Bank Plc	0.65	99.3	0.05
27	Nova Merchant Bank	-	50.49	49.51

Source: NDIC

The table shows that, 15 out of the 27 DMBs had partial or full foreign ownership in 2018. For instance, 5 DMBs had substantial foreign ownership above 50%, namely: Citibank (81.9%), Ecobank (100%), Rand Merchant Bank (100%), Standard Chartered Bank (99.99%), and Union Bank (90.37%).

12.5 Market Share of Asset of DMBs

In 2018 as in previous years, a few DMBs controlled the assets of the banking industry. As at 31st December, 2018, the Top 5 DMBs had assets of ₦19.04 trillion, representing 54.26% of the industry total assets of ₦35.10 trillion (excluding Contingent Liabilities).

That proportion was, however, slightly lower than the 54.32% recorded by the top 5 DMBs in 2017 as shown in Table 12.5.

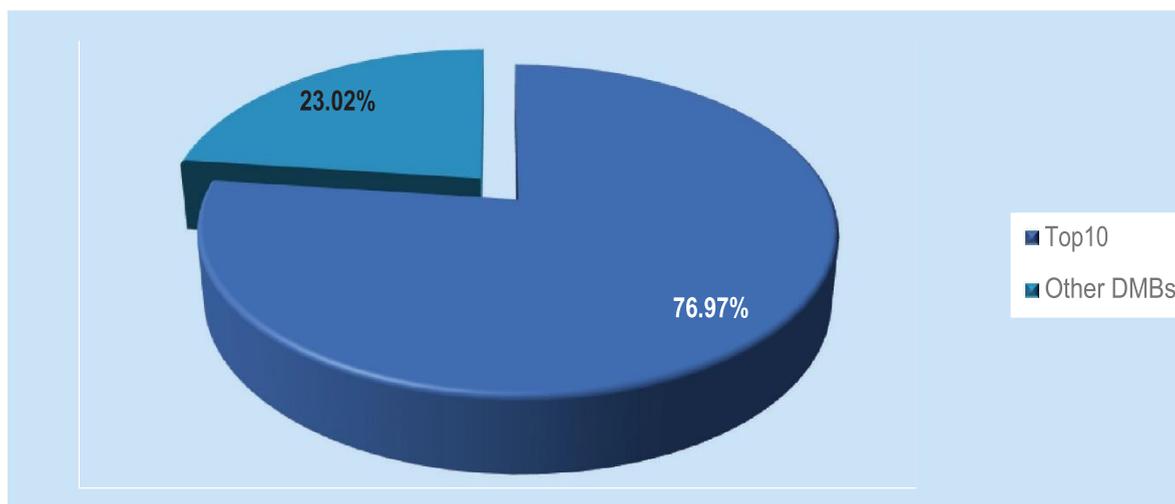
Also, the Top 10 DMBs' total assets marginally increased to ₦27.02 trillion in 2018 from ₦25.23 trillion in 2017 while its proportion relative to industry total assets slightly decreased from 77.52% in 2017 to 76.97% in 2018, as presented in Table 12.5 and Chart 12.1. The total assets of the remaining 16 was ₦8.08 trillion which represented 23.02% of total assets of the banking industry in 2018 against ₦7.41 trillion, representing 22.48% in 2017.

TABLE 12.5 MARKET SHARE OF ASSETS OF TOP DMBs

DMBs	2017		2018	
	Assets (₦ Billion)	Percentage of Total	Assets (₦ Billion)	Percentage of Total
Top 5	17,675.77	54.32	19,047.65	54.26
Top 10	25,225.18	77.52	27,021.09	76.97
Other DMBs	7,406.12	22.48	8,082.95	23.02

Source: NDIC

CHART 12.1 MARKET SHARE OF ASSETS OF TOP TEN DMBs

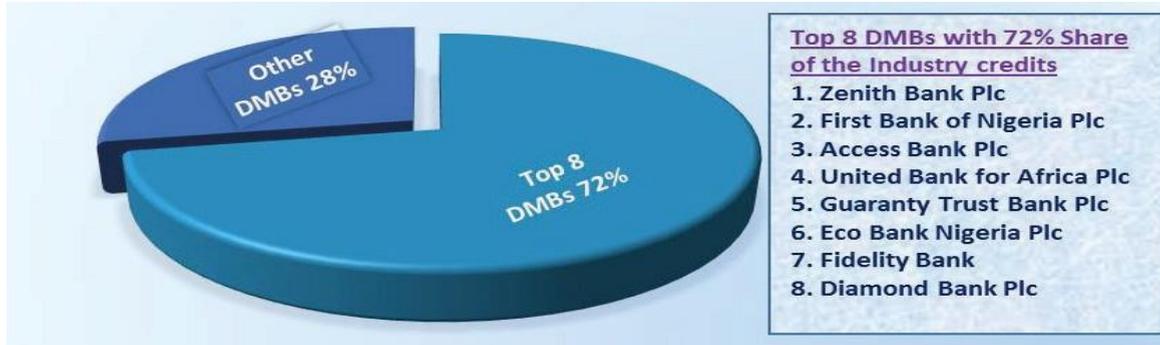


Source: NDIC

12.6 Top 8 DMBs Share of Total Loans

Chart 12.2 below revealed that eight (8) out of twenty six (26) DMBs had 72% share of the aggregate industry loans of ₦15.29 trillion extended to the domestic economy as at 31st December, 2018 as against 65% recorded as at 31st December, 2017. On the other hand, 18 other DMBs accounted for 28% of the industry total loans indicating high concentration of loans and control of the industry by few DMBs.

CHART 12.2 TOP 8 DMBs SHARE OF INDUSTRY TOTAL LOANS



12.7 Deposit Liabilities of DMBs by Market Share, Type and Tenor

The total deposits of DMBs stood at ₦21.73 trillion in 2018 compared with ₦19.38 trillion in 2017. Table 12.6 and Chart 12.3 present the total deposit liabilities of the DMBs as at 31st December, 2017 and 2018.

12.7.1 Deposit Liabilities by Market Share

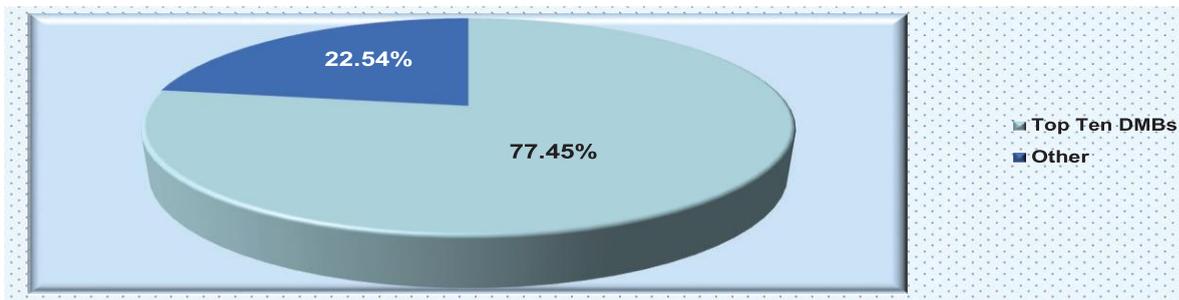
The market share by deposit liabilities of the top 5 DMBs was 54.44% in 2018 against 53.57% in 2017. In the same vein, the top 10 DMBs held 77.45% of the industry deposits in 2018 against 77.81% in 2017. The remaining 17 DMBs held only 22.54% of the banking industry total deposits.

TABLE 12.6 MARKET SHARE OF DEPOSIT LIABILITIES OF DMBs

DMBs	2017		2018	
	Deposits (₦ Billion)	(%)	Deposits (₦ Billion)	(%)
Top Five DMBs	10,379.43	53.57	11,831.44	54.44
Top Ten DMBs	15,077.19	77.81	16,834.67	77.45
Other DMBs	4,299.76	22.19	4,895.49	22.54

Source: NDIC

CHART 12.3 MARKET SHARE OF DEPOSIT LIABILITIES HELD BY INSURED DMBs.



Source: NDIC

12.7.2 Deposit Liabilities by Type

The deposit liabilities by type of DMBs for the period under review is presented in Table 12.7. According to the table, total deposit liabilities of DMBs increased from ₦19.38 trillion in 2017 to ₦21.73 trillion in 2018. The amount of Savings Deposits held in DMBs increased from ₦3.95 trillion in 2017 to ₦4.72 trillion in 2018. Furthermore, Demand Deposits was ₦10.83 trillion in 2017 against ₦12.28 trillion in 2018 while time deposits increased from ₦4.60 trillion in 2017 to ₦4.73 trillion in 2018.

TABLE 12.7 COMPOSITION OF DEPOSIT LIABILITIES OF DMBs

Types of Deposit Liabilities	2017		2018	
	Amount (₦' B)	% of Total	Amount (₦' B)	% of Total
Savings Deposits	3,945.44	20.36	4,718.69	21.71
Demand Deposits	10,828.06	55.88	12,276.94	56.50
Time/Term Deposits	4,603.45	23.76	4,734.65	21.79
TOTAL	19,376.95	100	21,730.28	100

Source: NDIC

12.7.3 Deposit Liabilities by Tenor

A review of total deposit liabilities of DMBs by tenor revealed that short term deposits of below 30 days increased from ₦14.26 trillion in 2017 to ₦14.69 trillion in 2018, representing an increase of 3.04% as shown in Table 12.8 and Chart 12.4. Deposits with tenor of between 31 and 90 days decreased both in absolute terms and as a percentage of total deposit liabilities from ₦2.47 trillion or 12.85% in 2017 to ₦2.17 trillion or 10.55% in 2018. Similarly, Deposits with tenor of between 91 and 180 days decreased from ₦948.38 billion or 4.94% in 2017 to ₦679.30 billion or 3.31% in 2018. This trend also extended to Deposits with tenor of between 181 and 365 days where they decreased both in absolute terms and as a proportion of deposit liabilities from ₦719.27 billion or 3.75% in 2017 to ₦400.40 billion or 1.95% in 2018. However, Long-tenored funds of more than 365 days increased both in absolute terms and as a proportion of deposit liabilities from ₦803.08 billion or 4.18% in 2017 to ₦2.60 trillion or 12.68% in 2018.

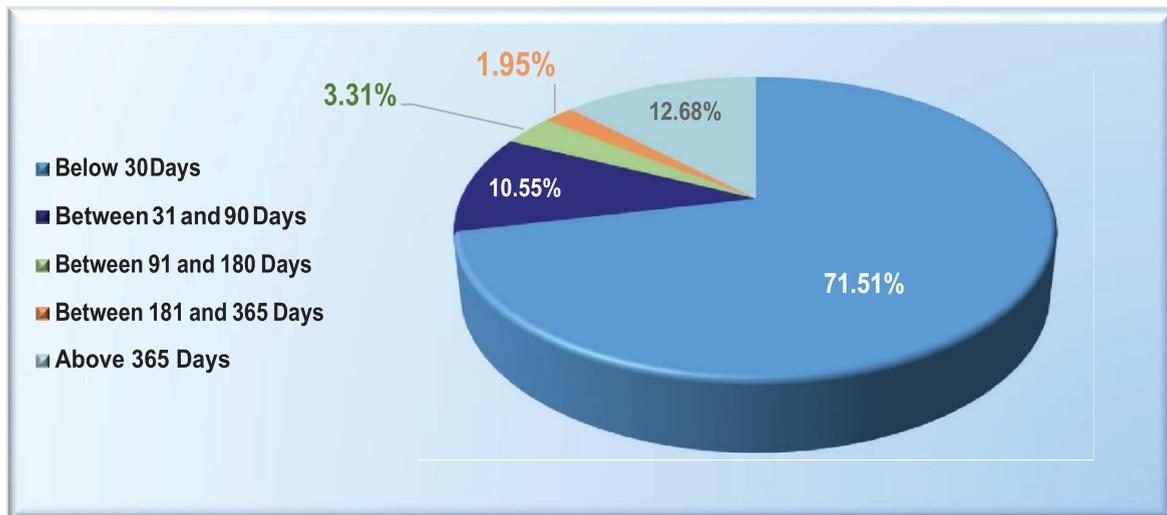
TABLE 12.8 MATURITY PROFILE OF DMBs' DEPOSIT LIABILITIES.

Maturity of Deposits	2017		2018	
	Amount (₦ 'B)	% of Total	Amount (₦ 'B)	% of Total
Below 30 Days	14,259.28	74.28	14,692.41	71.51
Between 31 and 90 Days	2,465.85	12.85	2,168.55	10.55
Between 91 and 180 Days	948.38	4.94	679.30	3.31
Between 181 and 365 Days	719.27	3.75	400.40	1.95
Above 365 Days	803.08	4.18	2,604.71	12.68
TOTAL	19,195.86	100.00	20,545.37	100.00

Source: NDIC

Note: Non-Interest Bank deposits excluded

Chart 12.4 MATURITY PROFILE OF DMBs' DEPOSIT LIABILITIES



Source: NDIC

SECTION 13

FRAUDS & FORGERIES AND FIDELITY BOND INSURANCE COVER

13.0 Introduction

During the year, the DMBs rendered returns on frauds and forgeries to the NDIC in compliance with Sections 35 and 36 of the NDIC Act No. 16 of 2006. Also, the banks provided information on their status regarding Fidelity Bond Insurance as required by Section 33 of the NDIC Act.

The reported fraud cases, types and nature of frauds and forgeries in the Nigerian banking industry in 2018 with comparative figures for 2017 and 2016 are presented here under. The section also covers report on insured DMBs' compliance with Fidelity Bond Insurance Cover in 2018.

13.1 Volume and Value of Frauds and Forgeries in DMBs in 2018

There was a significant increase in the number/frequency of reported frauds and forgeries cases in 2018. As seen in Table 13.1, a total of 324 responses were received from 27 banks for the year. As shown in Chart 13.1, a total of 37,817 fraud cases were reported in 2018 against 26,182 in 2017, representing an increase of 11,635 or 44.42%. Similarly, the amount involved significantly increased by over 224% to ₦38.93 billion in 2018 from ₦12.01 billion in 2017.

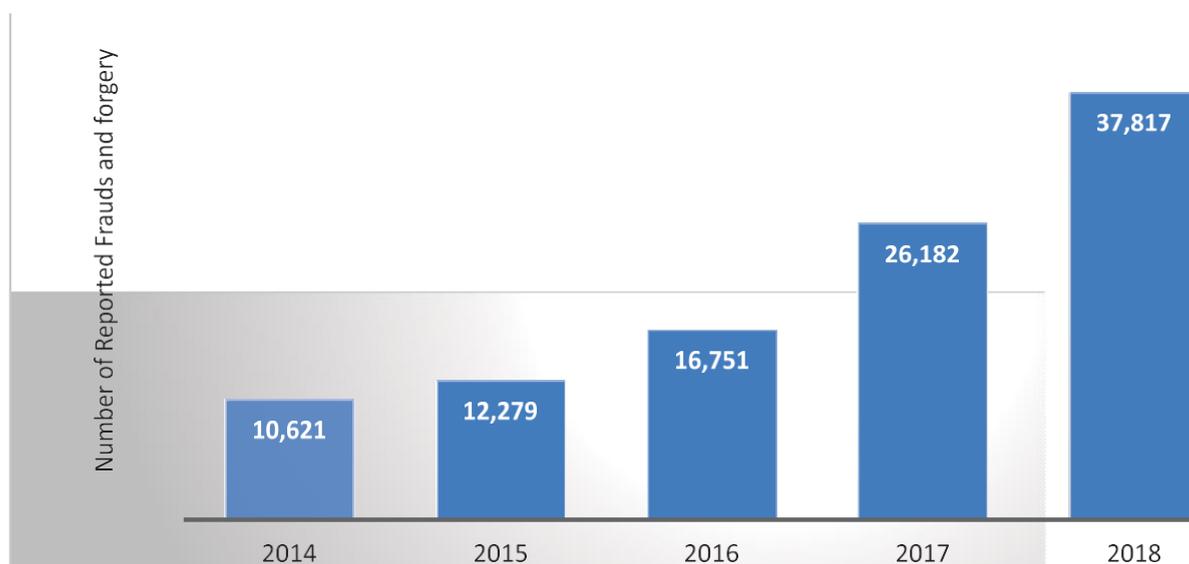
The actual amount lost to fraud incidences in 2018 significantly rose to ₦15.15 billion as against ₦2.37 billion and ₦2.40 billion in 2017 and 2016, respectively. The rising fraud incidences could be attributed to the increase in sophistication of fraud related techniques such as hacking, cybercrime as well as increase in information technology-related products and usage, fraudulent withdrawals and unauthorised credit.

TABLE 13.1 REPORTED FRAUDS AND FORGERIES IN DMBs FROM 2014-2018

	Quarter	Total No. of Fraud Cases	Total Amount Involved (₦'m)	Total Actual Loss (₦'m)	Proportion of Expected Loss to Amount Involved (%)
2018	1st	9,359	5,212	2,225,	42.69
2017		5,744	2,756	293	10.63
2016		4,413	2,211	538	24.33
2015		3,702	2,444	907	37.11
2014		1,897	3,552	1,221	34.38

	Quarter	Total No. of Fraud Cases	Total Amount Involved (₦'m)	Total Actual Loss (₦'m)	Proportion of Expected Loss to Amount Involved (%)
2018	2nd	5,985	14,842	10,326	69.57
2017		5,389	2,441	436	17.89
2016		4,611	2,054	787	38.31
2015		2,219	9,584	1,008	10.52
2014		2,357	12,915	473	3.66
2018	3rd	8,858	7,401	1,724	23.29
2017		6,903	2,685	527	19.66
2016		3,946	1,210	446	36.85
2015		3,550	2,119	479	22.61
2014		2,173	4,002	1,538	38.43
2018	4th	13,611	11,468	875	7.63
2017		8,146	4,129	1,114	26.98
2016		3,781	3,207	626	19.50
2015		2,808	3,874	776	20.03
2014		4,194	5,139	2,960	57.6
2018	Total (Cummulative)	37,817	38,926	15,151	38.92
2017		26,182	12,012	2,372	19.75
2016		16,751	8,683	2,396	27.6
2015		12,279	18,021	3,173	17.61
2014		10,621	25,608	6,192	24.18

Source: NDIC

CHART 13.1 TOTAL NUMBER OF REPORTED FRAUDS AND FORGERIES IN DMBs


13.2 Incidence and Types of Frauds & Forgeries Reported

Table 13.2 shows that frauds and forgeries are concentrated in a few banks. The table revealed that top 10 DMBs accounted for ₦37.51 billion or 96.35% of the amount reported on fraud cases in 2018. The remaining 17 DMBs accounted for ₦1.42 billion or 3.65% of the amount involved in frauds and forgeries in 2018. That has negative implications for customers' deposits in these banks and could lead to financial exclusion as confidence in the banking system is being eroded.

TABLE 13.2 TOP 10 DMBs SHARE OF REPORTED FRAUD CASES

GROUP	2015		2016		2017		2018	
	Amount Involved (₦ 'M)	% Share						
Top 10 DMBs	16,261.64	90.23	7,625.90	87.83	10,527.56	87.63	37,506.28	96.35
Total For All DMBs	18,022.49	100	8,682.66	100.00	12,012.65	100	38,926.32	100.00

Source: NDIC

The channels and instruments through which the reported frauds and forgeries were perpetrated are presented in Table 13.3. Internet and technology-based sources of fraud had the highest frequency, accounting for 59.2% of fraud cases and 42.83% of the actual total loss suffered.

Also, worthy of note was the change in the sources of fraud between 2017 and 2018. The table shows that the number of ATM/Card-related fraud cases declined from 16,397 in 2017 to 10,063 in 2018. That may be attributed to improved security features of the card as well as security awareness on the part of users. Web-based fraud cases, however, increased from 7,869 in 2017 to 12,343 in 2018. The use of internet banking platforms is increasingly becoming popular and this partly explains the reason for the rise in fraud cases associated with that channel. Cases of fraudulent transfers and withdrawal of deposits also increased sharply to 6,980 in 2018 from 963 in 2017, accounting for the third highest channel/instrument used for fraud and forgeries.

TABLE 13.3 CHANNELS AND INSTRUMENTS INVOLVED IN FRAUDS AND FORGERIES WITH ACTUAL LOSSES AND THEIR FREQUENCIES

S/N	Nature Of Fraud (Channels / Instruments)	2016		2017		2018	
		Frequency	Actual Loss Sustained (₦ 'B)	Frequency	Actual Loss Sustained (₦ 'B)	Frequency	Actual Loss Sustained (₦ 'B)
1	ATM/Card-Related Fraud	11,244	0.476	16,397	0.798	10,063	2.64
2	Web-Based (Internet Banking) Fraud	3,689	0.582	7,869	0.709	12,343	3.85
3	Fraudulent Transfers/ Withdrawal of Deposits	836	0.626	963	0.318	6,980	1.93
4	Suppression of Customer Deposits	357	0.224	279	0.116	3,918	0.960
5	Fraudulent Conversion Of Cheques	48	0.002	101	0.021	501	1.080
6	Presentation of Stolen Cheques	17	0.014	18	0.011	112	0.324
7	Presentation of Forged Cheques	59	0.021	41	0.049	183	0.642
8	Outright Theft by Staff(cash defalcation)	182	0.179	129	0.089	1,509	0.110
9	Unauthorized Credits	172	0.198	106	0.055	1,282	1.140
10	Outright Theft by Outsiders/ Customers	24	0.021	142	0.069	461	0.835
11	Foreign Currencies Theft	26	0.033	36	0.037	180	0.639
12	Diversion of Bank Charges (Commissions & Fees)	83	0.036	88	0.073	274	0.820
13	Lodgement of stolen warrants	14	0.034	13	0.028	7	0.018
TOTAL		16, 751	2.446	26,182	2.373	37,817	15.15

Source: NDIC

It is important to note that the alarming increase in bank-related frauds and forgeries if not adequately addressed could deter depositors from patronising some banking services, particularly those related to internet banking and the use of technology-based services. It can also prompt depositors' apathy in using banks as a safe-haven for their deposits, if they have the perception that their funds are not safe. The alarming increase in bank related fraud is a source of concern that has to be tackled by both the banks and their regulators for continued confidence in the system, especially the technology-based channels.

13.3 Staff Involvement in Frauds and Forgeries

During the year, a total of 899 staff were involved in frauds and forgery cases in 2018 compared with 320 in 2017. The number of temporary staff involved in fraud was 394, accounting for 43.83% of the total number of staff involved in frauds. This was followed by Officers & Executive Assistants' cadre with 206 or 22.91%. Supervisors and Managers accounted for 119 or 13.24% of the total fraud cases. Furthermore, Clerks & Cashiers category accounted for 65 or 7.23%, while Messengers, Drivers, Cleaners & Security Guards category accounted for 83 or 9.23%. Others' category was the least of the six categories of staff accounting for 32 or 3.56% of the total number of staff involved in frauds in 2018 as shown in Table 13.4 and Chart 13.2.

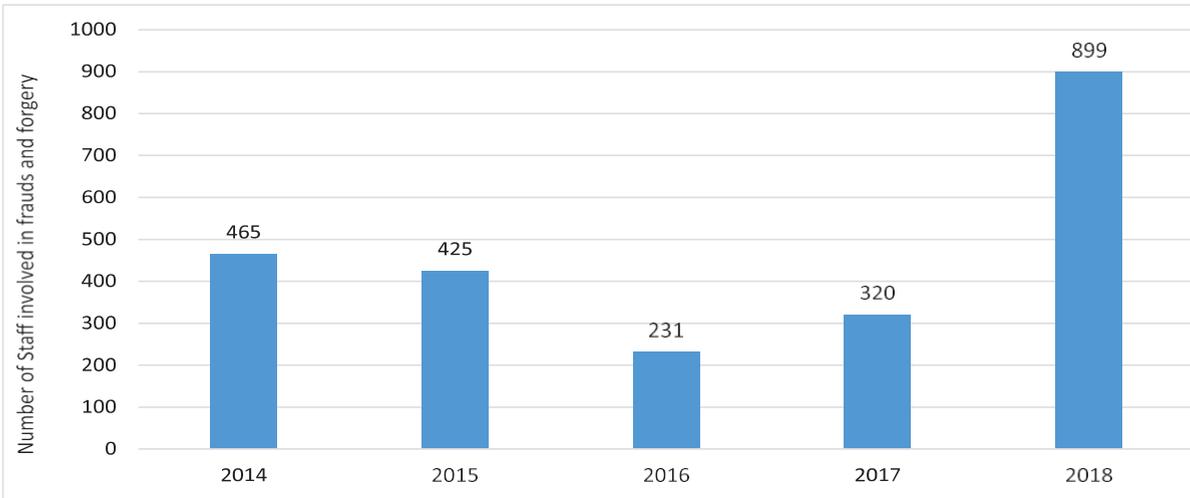
The number of Temporary Staff involved in fraud and forgery cases had consistently been on the increase. The DMBs and regulators need to address the problem of contract/temporary staff in terms of welfare and permanent employment in view of the risk their current status possess to banks operations. Furthermore, banks should strengthen their internal controls and validate their recruitment process.

TABLE 13.4 CATEGORIES OF STAFF INVOLVED IN FRAUDS AND FORGERIES

Status	2014		2015		2016		2017		2018	
	Number	%								
Supervisors & Managers	58	12.47	62	14.59	31	13.42	68	21.25	119	13.24
Officers & Executive Assistants	176	37.85	119	28	98	42.42	83	25.94	206	22.91
Clerks & Cashiers	78	16.77	69	16.24	18	7.79	7	2.19	65	7.23
Messengers, Drivers, Cleaners, Security Guards	2	0.43	11	2.59	1	0.43	13	4.06	83	9.23
Temporary Staff	126	27.1	164	38.59	59	25.54	132	41.25	394	43.83
Others	25	5.38	-	-	24	10.39	17	5.31	32	3.56
Total	465	100	425	100	231	100	320	100	899	100

Source: NDIC

CHART 13.2 TREND OF TOTAL NUMBER OF STAFF INVOLVED IN FRAUDS AND FORGERIES



Source: NDIC

13.4 DMBs Fidelity Bond Insurance Cover

As provided in Section 33 of the NDIC Act 2006, all insured institutions are statutorily required to take fidelity insurance cover to mitigate the impact of the potential losses from frauds and forgeries committed by members of their staff. Accordingly, all DMBs are required to have fidelity insurance cover of a minimum of 15% of their paid-up capital as at 31st December of the preceding year. The details of compliance with the fidelity insurance cover is reported in Table 13.5. The table shows that 26 DMBs submitted Returns on Fidelity Bond Insurance Cover for the year under review. As at 31st December, 2018, 14 (51.85%) out of 27 DMBs fully complied with the provisions of the law while 13 or 48.15% had inadequate fidelity bond insurance cover.

TABLE 13.5 DMBs' LEVEL OF COMPLIANCE WITH FIDELITY BOND INSURANCE FOR THE PERIOD 2014-2018

Year	No. Of DMBs in Operation	No. of DMBs that Rendered Returns	No. Of DMBs that Fully Complied	% Compliance
2018	27	26	14	51.85
2017	25	25	18	72
2016	25	25	17	60
2015	24	22	12	50
2014	24	24	21	88

Source: NDIC

SECTION 14

MAJOR DEVELOPMENTS IN OTHER INSURED FINANCIAL INSTITUTIONS

14.1 Introduction

This section highlights the major operations, developments as well as the challenges confronting the MFBs and PMBs sub-sector in 2018.

14.2 Operations of MFBs

In 2018, the number of licensed MFBs stood at 888. Table 14.1 shows the geopolitical distribution of MFBs across the country. From the table, the South-West Zone had the highest number of operational MFBs of 309, against 361 in 2017. The number of MFBs in the South-South region also dropped to 90 in 2018 from 112 in 2017. In the South-East, it dropped to 156 in 2018 from 177 in 2017. For the North-West, it dropped from 132 MFBs in 2017 to 117 in 2018. The North Central recorded a drop from 184 in 2017 to 147 in 2018. However, the number of MFBs in the North-East remained unchanged at 42.

TABLE 14.1 MFBs BY GEO-POLITICAL ZONES

Geo-Political Zone	2016		2017		2018	
	No. of MFBs	%	No. of MFBs	%	No. of MFBs	%
South-West	341	34.86	361	35.81	309	35.89
South-South	110	11.25	112	11.11	90	10.45
South-East	173	17.69	177	17.56	156	18.12
North-West	114	11.66	132	13.1	117	13.59
North-East	46	4.7	42	4.17	42	4.88
North-Central	194	19.84	184	18.25	147	17.07
Total	978	100	1008	100	861	100

Source: NDIC

14.2.1 Recapitalisation of MFBs

The CBN, in a circular dated 22nd October, 2018 raised the minimum capital base of MFBs operating in the country. Under the new capital requirements, the minimum paid-up capital for Unit MFBs was increased from ₦20 million to ₦200 million, while State MFBs and National MFBs were raised from ₦100 million and ₦2 billion to ₦1 billion and ₦5 billion, respectively.

The new capital requirements took immediate effect for new applications, while existing MFBs were expected to fully recapitalise effective April 01, 2020. The policy to

recapitalize MFBs was geared to effectively strengthen the sub-sector and improve their resilience to financial and liquidity shocks as well as spur financial inclusion rate, improve access to financial services for the active rural poor, thereby helping in poverty eradication.

During the year, the policy was reviewed and granted one year extension to April 2021 for the recapitalization of MFBs. Furthermore, two tiers of Unit MFBs were created, namely: Tier 1 (Unit Rural) and Tier 2 (Unit Urban). The capital requirement for Tier 1 Unit Rural MFBs was fixed at ₦50 million, while Tier 2 Unit Urban MFBs remained at ₦200 million.

The compliance timeline was reviewed to allow MFBs sufficient time to recapitalize. The Tier 1, Unit-Rural MFBs are expected to raise their capital to ₦25 million by April 2020 and to ₦50 million by April 2021. In the same vein, Tier 2 Unit Urban MFBs should meet capital base of ₦100 million by April 2020 and ₦200 million by April 2021. The State and National MFBs were given up to April 2021 to meet the new capital requirements.

14.2.2 National MFB (NIRSAL National Microfinance Bank)

During the year, the Bankers' Committee, in collaboration with the NIPOST and NIRSAL initiated the establishment of a National Microfinance Bank. The Bankers Committee would own 50% of the bank's equity, while the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) and the Nigerian Postal Service (NIPOST) would own 40% and 10%, respectively.

The bank which is expected to commence operation early 2019, would serve as an efficient channel for the disbursement and monitoring of key intervention funds by the CBN. Such funds include the Anchor Borrowers Fund and SME Funds to be disbursed through structured microcredits to peasant farmers and other financially excluded persons at the grassroots level. The NIRSAL MFB would leverage on NIPOST's presence in 774 local government areas of the country to reach its targeted beneficiaries.

14.2.3 Placement of Accounts without BVN on "Post no Debit"

During the year, the CBN directed Other Financial Institutions (OFIs) operators, including MFBs and PMBs to place all accounts without Biometric Verification Number (BVN) on a 'post no debit' status. The CBN had earlier extended the deadline for compliance with the BVN Registration to December 31, 2017 to allow all customers of MFBs to effectively have BVN linked to their accounts.

14.2.4 Challenges faced by the Microfinance Sub-Sector

During the period under review, the Microfinance subsector was faced with similar challenges as in the previous year. Some of the challenges included the following:

- i) The adoption of inappropriate business models
- ii) Poor corporate governance practices and insider abuse
- iii) Poor asset quality and loan underwriting process
- iv) Weak capital base
- v) Dearth of experienced and skilled staff in microfinance
- vi) Low financial literacy levels particularly in rural areas
- vii) High operating costs

14.2.5 Workshops and Training programmes

The NDIC continued to improve the capacity of operators in the Other Financial Institutions sub-sector through training and technical sessions during quarterly meetings with the financial institutions. During the year under review, the NDIC organised three (3) Sensitisation Workshops for 450 MFBs Operators on “Movable Collaterals” in Enugu, Lagos and Abuja to enhance their capacity in lending to MSMEs. Training on DPAS was also organised for 40 State and National MFBs operating in the Southwest zone.

14.3 Operations of PMBs

The number of PMBs in operation was 38 in 2018. Table 14.2 shows the geopolitical distribution of PMBs across the country as at 31st December, 2018.

From the Table, the South-West geo-political zone had the highest number of PMBs with 21 while the North Central had nine (9). Others accounted for the remaining eight (8).

TABLE 14.2 DISTRIBUTION OF THE PMBs BY GEO-POLITICAL ZONES

Geo-Political Zone		
South-West	21	55.26
South-South	3	7.9
South-East	1	2.63
North-West	2	5.26
North-East	2	5.26
North-Central	9	23.69
Total	38	100

Source: NDIC

14.3.1 Easing Liquidity in Primary Mortgage Institutions

During the year, the CBN unveiled an exposure draft on the regulation of the operation of Mortgage Guarantee Companies in a bid to promote mortgage financing and advance home ownership Nigeria. The aim was to increase mortgage lending, by guaranteeing against losses resulting from borrower defaults on their mortgage loan portfolios. The new firms are expected to operate with a minimum capital base of ₦6 billion, providing full or partial guarantee for residential mortgage loans.

14.2.2 Challenges Facing PMBs Sector

During the year, the PMBs encountered the following challenges which affected their ability to achieve their policy objectives. These challenges include the following:

- i) Preference for bank placements in DMBs
- ii) Weak capital base and difficulty in raising capital due to scarcity of long-term funds.
- iii) Perfection and foreclosure challenges
- iv) Delay in accessing NHF funds
- v) Poor corporate governance and risk management practices
- vi) Huge stock of non-current assets held for sale

SECTION 15

INSURED FINANCIAL INSTITUTIONS' OFFICES, BRANCHES, BOARD OF DIRECTORS AND APPROVED EXTERNAL AUDITORS

15.1 DMBs' Offices and Branches Nationwide

There were 27 DMBs in operation as at 31st December, 2018. The total number of bank branches stood at 5,136 as at 31st December, 2018. Table 15.1 shows the distribution of DMBs offices in the 36 States of the Federation and the Federal Capital Territory (FCT), Abuja.

TABLE 15.1 DISTRIBUTION OF DMBs' OFFICES/ BRANCHES AS AT 31ST DECEMBER, 2018

S/N	States (including FCT)	Number of Branches	Percentage Share of Branches (%)
1	Abia	128	2.49
2	FCT Abuja	390	7.59
3	Adamawa	58	1.13
4	Akwa Ibom	94	1.83
5	Anambra	208	4.05
6	Bauchi	47	0.92
7	Bayelsa	36	0.70
8	Benue	65	1.27
9	Borno	55	1.07
10	Cross Rivers	73	1.42
11	Delta	186	3.62
12	Edo	152	2.96
13	Ebonyi	47	0.92
14	Enugu	116	2.26
15	Ekiti	85	1.65
16	Gombe	34	0.66
17	Imo	96	1.87
18	Jigawa	36	0.70
19	Kaduna	156	3.04
20	Kano	168	3.27
21	Katsina	53	1.03
22	Kebbi	37	0.72
23	Kogi	76	1.48
24	Kwara	78	1.52
25	Nasarawa	51	0.99
26	Niger	74	1.44
27	Lagos	1,519	29.58
28	Ogun	150	2.92
29	Ondo	101	1.97
30	Osun	88	1.71
31	Oyo	200	3.89
32	Plateau	65	1.27
33	Rivers	282	5.49

S/N	States (including FCT)	Number of Branches	Percentage Share of Branches (%)
34	Sokoto	45	0.88
35	Taraba	24	0.47
36	Yobe	32	0.62
37	Zamfara	31	0.60
	TOTAL	5,136	100

Source: NDIC

Table 15.1 shows that Lagos State had the highest number of DMB branches of 1,519 or 29.58% of total DMBs branch network, followed by the FCT with 390 branches or 7.59%, and Rivers State with 282 or 5.49%. Other leading States with a high number of DMB branches were Anambra, Oyo and Delta States with 208 or 4.05%, 200 or 3.89%, and 186 or 3.62%, respectively.

The States with the least number of branches were Taraba, Zamfara and Yobe having 24 or 0.47%, 31 or 0.60% and 32 or 0.62%, respectively. Bayelsa and Jigawa states both had 36 or 0.70% of the DMBs branches.

15.1.2 DMBs Overseas Branches and Subsidiaries

As at 31st December, 2018, Nigerian banks had 242 branches overseas. Out of that number, GTBank had 109, accounting for 45.04% of the total branches outside the country. Also, Access Bank, Zenith Bank, Keystone Bank and UBA had 81, 41, 8 and 2 overseas branches, respectively. They accounted for 33.47%, 16.94%, 3.31% and 0.83% of the total branches of Nigerian banks overseas, respectively. In addition, Union Bank had only one branch outside Nigeria.

Statistics of DMBs' overseas branches/subsidiaries in 2018 are presented in Table 15.2.

TABLE 15.2 DMBs' OVERSEAS BRANCHES/SUBSIDIARIES AS AT 31ST DECEMBER, 2018

S/N	Bank	No. of Branches Overseas	Percentage Share (%)
1	GTBank	109	45.04
2	Access Bank	81	33.47
3	Zenith Bank	41	16.94
4	Keystone Bank	8	3.31
5	UBA	2	0.83
6	Union Bank	1	0.41
	TOTAL	242	100.00

Source: NDIC

15.1.3 DMBs' Head Office Addresses, Number of Branches and Board of Directors

In 2018, First Bank of Nigeria Plc had the highest number of branches/offices with 758 branches or 14.76% of the total bank branches, while United Bank for Africa Plc had 618 branches or 12.03%. Ecobank Plc was third with 420 or 8.18%, followed by Zenith Bank Plc with 374 or 7.28%. The top four (4) DMBs accounted for a total of 2,170 or 42.25% of the total number of branches/offices in the system. A total of 292 Directors were serving on the Boards of the 27 DMBs, out of which 29 were reported as Independent Directors (see Appendix 5).

15.1.4 External Auditors of DMBs

Most of the DMBs complied with the statutory reporting requirements for External Auditors, as stipulated under Section 54 of the NDIC Act No. 16 of 2006. As at 31st December, 2018, there were 8 Chartered Accounting Firms serving as approved auditors of the 27 DMBs in operation as shown in Table 15.3. They include PricewaterhouseCoopers (PwC), KPMG Professional Services, Deloitte & Touche, Ernst & Young, Akintola Williams, Aminu Ibrahim & Co., Horwath Dafinone and Ahmed Zakari.

As shown in Appendix 5, Pricewaterhouse Coopers (PwC) were auditor to 11 DMBs, KPMG Professional Services were auditor to 6 DMBs, while Deloitte & Touche were auditors to three (3) DMBs. Ahmed Zakari and Ernst & Young were auditors of two (2) DMBs each. Other External Auditors include Akintola Williams, Aminu Ibrahim & Co., and Horwath Dafinone, who were auditors to one (1) DMB each.

15.2 Primary Mortgage Banks offices and Branches

There were 38 PMBs in operation as at 31st December, 2018 while 35 of them submitted their returns to NDIC. The distribution of PMBs branches nationwide for the 38 PMBs is presented in Table 15.3.

TABLE 15.3 DISTRIBUTION OF PMBs BRANCHES AS AT 31ST DECEMBER, 2018

S/N	States (including FCT)	Number of Branches/Offices	Percentage Share (%)
1	Abia	6	3.24
2	FCT/ Abuja	44	23.78
3	Adamawa	2	1.08
4	Akwa-Ibom	7	3.78
5	Anambra	7	3.78
6	Bauchi	0	0.00
7	Bayelsa	2	1.08
8	Benue	0	0.00
9	Borno	0	0.00
10	Cross Rivers	0	0.00
11	Delta	4	2.16
12	Edo	2	1.08

S/N	States (including FCT)	Number of Branches/Offices	Percentage Share (%)
13	Ebonyi	2	1.08
14	Enugu	5	2.70
15	Ekiti	0	0.00
16	Gombe	0	0.00
17	Imo	2	1.08
18	Jigawa	7	3.78
19	Kaduna	2	1.08
20	Kano	2	1.08
21	Katsina	0	0.00
22	Kebbi	5	2.70
23	Kogi	7	3.78
24	Kwara	1	0.54
25	Nassarawa	2	1.08
26	Niger	0	0.00
27	Lagos	52	28.11
28	Ogun	6	3.24
29	Ondo	3	1.62
30	Osun	3	1.62
31	Oyo	3	1.62
32	Plateau	0	0.00
33	Rivers	7	3.78
34	Sokoto	0	0.00
35	Taraba	2	1.08
36	Yobe	0	0.00
37	Zamfara	0	0.00
	Total	185	100.00

Source: NDIC

As shown in the Table, the PMBs had 185 branches nationwide and were mainly concentrated in Lagos and FCT/Abuja with 52 and 44 branches, respectively. The other States with high number of branches were Jigawa, Akwa Ibom, Anambra, Ogun, and Rivers states with each having 7 branches. Ogun and Abia state had a total of 6 each or 3.24% of the branch network share.

15.2.1 Head Office Addresses, Branches, Board of Directors and Approved Auditors of PMBs

The number of branches, Board of Directors and approved Auditors of the 38 PMBs as at 31st December, 2018 are presented in Appendix 6. As shown in appendix, 4 PMBs, namely: Mayfresh Mortgage, Platinum Mortgage and Aso Savings & Loans had the highest number of branches with 22, 15, and 13 branches, respectively, as at 31st December, 2018. The 4 PMBs collectively held 73 or 39.46% of total PMB branches. Also, the table indicates that a total of 253 Directors served on the Boards of the 38 PMBs as at 31st December, 2018. In all, 37 PMBs had single External Auditors, while Aso Savings had two (2) External Auditors.



PART THREE

CONSUMER EDUCATION



SECTION 16

FACTS ABOUT THE DIS IN NIGERIA

16.0 Introduction

This section presents a set of Frequently Asked Questions (FAQs) and Answers that would give more insights on the concept and practice of DIS in Nigeria as well as new developments in the financial services industry.

Question 1: What is Deposit Insurance?

Answer: Deposit Insurance is a system established by government to protect depositors against the loss of their insured deposits placed with member institutions in the event that a member institution is unable to meet its obligations to depositors. It engenders public confidence in, and promotes the stability of, the banking system by assuring savers, especially small depositors of the safety of their funds, thereby preventing bankrupts.

Question 2: Who administers Deposit Insurance System in Nigeria?

Answer: The NDIC is the agency empowered to administer the DIS in Nigeria, thereby protecting depositors of deposit-taking financial institutions.

Question 3: Is Deposit Insurance the Same as Conventional Insurance?

Answer: No. Deposit insurance is different from conventional insurance in several respects. Some of the differences include the following:

- a. Deposit insurance is a regulatory tool aimed at ensuring the safety, soundness and stability of the financial system, thereby protecting the macro-economy at large, whereas conventional insurance policy is designed only to protect the micro-interest of the policyholder.
- b. Deposit insurance is usually a tripartite arrangement involving the deposit insurer, the participating institutions and the depositors, whereas conventional insurance is a bilateral agreement between the insurance company and the insured (policyholder).
- c. Under deposit insurance, the participating institution pays the premium while the direct beneficiary of the protection offered is the depositor who does not pay any premium. In the case of conventional insurance, the beneficiary, who is the insured, pays the premium.

- d. Best practice dictates that participation in deposit insurance should be compulsory, participation in conventional insurance contract is generally voluntary.
- e. Under deposit insurance, best practice prescribes that the amount of coverage should be limited, whereas in the case of conventional insurance, coverage may be full.

Question 4: Who are the Insured Institutions under the Deposit Insurance System in Nigeria?

Answer: Insured institutions are all deposit-taking financial institutions licensed by the Central Bank of Nigeria (CBN) such as:-

- a) Deposit Money Banks (DMBs);
- b) Microfinance Banks (MFBs);
- c) Primary Mortgage Banks (PMBs); and
- d) Non-Interest Banks.

Membership is compulsory as provided under the NDIC Act No 16 of 2006.

The financial institutions not covered by the NDIC include:

- a) Development Finance Institutions
- b) Discount Houses
- c) Finance Companies
- d) Investment Firms
- e) Unit Trusts/Mutual Funds
- f) Insurance Companies
- g) Pension Fund Administrators (PFAs)
- h) Stockbroking Firms

Question 5: What type of Deposits are Insured by the NDIC?

Answer: Not all deposits in insured institutions are covered by the NDIC. All deposits of a licenced bank or any other insured =deposit taking institutions shall be insured with the corporation with the exception of the following:

- i. Inter-bank takings
- ii. Insider deposits (i.e. deposits of staff, including directors of the insured institutions).
- iii. Deposits held as collateral for loans

- iv. Investment in: stocks, bonds, mutual funds, annuities, commercial papers and debentures
- v. Federal Government Treasury Bills, Bonds and Notes

Insurance covers the balance of each eligible account, Naira-for-Naira, up to the insurance limit, including principal and any accrued interest up to the date of the insured institution's closure.

Question 6: What is Pass-Through Deposit Insurance (PTDI)?

Answer: The NDIC provides deposit insurance coverage to subscribers of Mobile Money Operators (MMOs) using the Pass-Through-Deposit-Insurance Concept. It is an arrangement where the deposit insurer extends deposit insurance coverage to Pool Accounts or Trust Accounts domiciled in deposit-taking financial institutions and operated by MMOs. Pool Accounts and Trust accounts have many contributors to the funds. The balances of each contributor in that Pool Account is insured.

Question 7: What are the Eligibility Criteria for Pass-Through-Deposit Insurance Cover?

Answer: The conditions for eligibility as contained in the framework are as follows:

- i. The relationship between the MMOs and their subscribers shall be based on Bare Trust arrangement.
- ii. MMOs must take Fidelity Bond Insurance.
- iii. The records of the Trust (pool) account must clearly indicate that the funds belong to individual subscribers and not the agent or custodian.
- iv. The identities of the subscribers must fulfil all KYC requirements specified by the CBN.
- v. The interests of the subscribers must be disclosed properly in records maintained by the insured institutions, MMOs and Agents.

Question 8: What is the Maximum Cover for Subscribers under the Pass-Through- Deposit Insurance Scheme?

Answer: The subscribers of MMOs will be insured up to the maximum coverage level of ₦500,000 (Five Hundred Thousand Naira) per subscriber per DMB or the applicable coverage level for depositors in line with the NDIC Act.

Question 9: Who is an Agent and Custodian?

Answer: An agent is an individual or organisation authorised by a MMO to transact business on its behalf in certain locations, while a custodian is an entity with the responsibility for safeguarding, holding and managing subscribers' funds on behalf of MMOs. It is usually a bank licensed by the CBN.

Question 10: What is a Pool (Trust) Account?

Answer: An account opened and operated by a MMO in an insured institution on behalf of its subscribers.

Question 11: What is a Bare Trust?

Answer: This is a situation where each beneficiary of an account holds a separate share and is entitled to protection within the parameters of the scheme.

Question 12: How can the Public find out if a Financial Institution is insured by the NDIC?

Answer: To identify insured financial institutions, look out for an NDIC decal (sticker) displayed in the Head Offices and Branches of all insured institutions or call our **HELP DESK LINE – 0800-6342-4357 (0800 – NDIC - HELP)**; and 234-9-4601030 or visit our website: www.ndic.gov.ng

Question 13: Whose Deposits does the NDIC Insure?

Answer: The NDIC insures bank deposits of natural persons as well as legal entities, whether they are from Nigeria or from any other country but resident in Nigeria.

Question 14: How does the NDIC Assess Premium and Who Pays for the Insurance Premium?

Answer: Participating institutions are required to pay annual premium to the deposit insurance system administered by the NDIC. The premium is assessed based on participating institutions' total assessable deposit liabilities as at 31st December of the preceding year. The assessable deposit liabilities are total deposits with the exception of some deposits listed in Section 16 of the NDIC Act 2006. The NDIC has adopted Differential Premium Assessment System (DPAS).

Question 15: How does the NDIC Protect the Insurance Fund?

Answer: The NDIC protects the Insurance Fund by keeping it with the CBN and investing the Fund in safe but liquid financial instruments such as

Treasury Bills, Federal Government Bonds and instruments of similar nature.

Question 16: Does the NDIC finance its Operations from the Insurance Fund?

Answer: No. NDIC finances all its overhead and administrative expenses from its investment income. The main source of income for the NDIC is the proceeds from investment of the insurance fund in securities issued by the Federal Government. The insurance fund is used only for paying insured deposits when an insured institution fails as well as for granting financial assistance to deserving participating institutions. The NDIC does not enjoy subvention from the government.

Question 17: What is Sustainable Banking?

Answer: Sustainable banking is a value system, which ensures that a bank's commercial activities do not only benefit its staff and shareholders, but also its customers and the wider economy, while at the same time prevent or at least minimize any undue effects on society and natural environment.

In Nigeria, the Bankers' committee, which the Central Bank of Nigeria (CBN), NDIC and all the banks in the country are members, pledged to embrace the concept of sustainable banking and went ahead to develop a set of principles called Nigeria Sustainable Banking Principles (NSBP), which all members are required to implement.

Question 18: How does NDIC promote Sustainable Banking?

Answer: As a member of the Bankers' Committee, the NDIC implements the NSBP with the following initiatives:

- i. Set-up sustainability desk in the Managing Director's office.
- ii. Set-up a committee on sustainability to facilitate the implementation of NSBP in the NDIC.
- iii. NDIC commenced the implementation of energy efficiency initiatives in all its locations nationwide.
- iv. The NDIC has invested hugely in ICT to drive most of its work processes e.g. Human Manager, Dispatch Management System, Document Management System, E-learning etc.
- v. An Inter Departmental Committee was constituted to drive the implementation of a paperless environment in the NDIC.
- vi. Through promotion of Financial Inclusion and Financial Literacy, Collaboration with other stakeholders to promote and expand

the Sustainable Banking space, implementation of sustainability principles in its On-site examination processes, training and capacity building for staff on environmental and social risks etc.

Question 19: What is Financial Technology (FinTech)?

Answer: FinTech represents the intersection of financial services and technology. It is technology-enabled innovation in financial services. FinTech can refer to technology companies, start-ups or traditional financial services providers. The use of smartphones for mobile banking and investing services are examples of technologies deployed to make financial services more accessible to the general public.

Question 20: What is Open Banking?

Answer: Open banking refers to an emerging idea in the financial services and fintech which stipulates that banks should allow third party companies to build applications and services using the bank's data. Its benefits include new revenue streams, improved customer experience and can enable financial inclusion.

Question 21: What is Cryptocurrency?

Answer: It is an unregulated form of monetary value that is used as medium of exchange and for payments. It has no physical form, is not issued by a central bank and is not recognized as legal tender, therefore it is not insured by deposit insurers like the NDIC. Cryptocurrency is sometimes referred to as virtual or digital currency. The first cryptocurrency is the Bitcoin created in 2009. Others are LiteCoin, Ethereum, etc.

Question 22: What is Blockchain?

Answer: Blockchain is a form of Distributed Ledger Technology (DLT). This means that, it maintains records of all cryptocurrency transactions on a distributed network of computers, but has no central ledger. It is the technology that has made the first digital currency, the Bitcoin possible.

Question 23: What is Single Customer View?

Answer: A Single Customer View is an aggregated, consistent and holistic representation of the data known by an organisation about its customer. In terms of deposit insurance, it is the collation of all the information on a depositor (all his bank information in every bank across the country) and considered as a single identity. In Nigeria, the

Bank verification Number (BVN) system has now created a database where all bank customers are captured and their accounts are linked. The initiative will aid the speed of making pay-out of insured sums to depositors after an insured institution is liquidated.

Question 24: How does NDIC Protect Bank Depositors against Loss? Answer:

The NDIC protects bank depositors against loss through:

a) Deposit Guarantee

This is the most significant and distinct role of the NDIC. As a deposit insurer, the NDIC guarantees payment of deposits up to the maximum insured sum of ₦500,000 to a depositor in DMBs and PMBs and ₦200,000 to a depositor in MFBs in the event of failure of a participating financial institution. Balances in all deposit accounts held in the same right and capacity by a depositor in all branches of the closed insured institution, net of outstanding debts, are aggregated to determine the maximum insured amount.

The coverage is limited to minimize the risk of moral hazard through excessive risk taking by bank management.

b) Bank Supervision

The NDIC supervises banks to protect depositors, ensure monetary stability and effective/efficient payment system as well as to promote competition and innovation in the banking system. Banking supervision seeks to reduce the potential risk of failure and ensures that unsafe and unsound banking practices do not go unchecked. It also provides the oversight functions required to preserve the integrity of and promote public confidence in the banking system.

c) Failure Resolution

The NDIC is empowered to provide financial and technical assistance to failing or distressed banks in the interest of depositors. The financial assistance can take the form of loans, guarantee for loan taken by the bank or acceptance of accommodation bills. On the other hand, the technical assistance may take the following forms: take-over of management and control of the bank; change in management; and/or assisted merger with another viable institution.

Question 25: How does NDIC Establish Ownership of a Bank Deposit?

Answer: The NDIC relies on deposit account records kept by a failed bank as well as on the proofs presented by depositors.

Question 26: As a Depositor, must I apply for a Deposit Insurance Cover? Answer:

No. A depositor does not need to. Under the deposit insurance system, eligible deposit accounts in insured institutions are automatically insured at no charge to any depositor.

Question 27: When is Insured Deposit Payable?

Answer: Insured deposit is payable only when an insured institution's license has been revoked by the Central Bank of Nigeria or when there is suspension of payment by a bank.

Question 28: What Methods of Payment does the NDIC use in meeting its Obligations to Depositors of a Failed Institution?

Answer: The NDIC could pay depositors of a failed insured institution either by transfer to a financial institution with instructions to effect payments to depositors on its behalf, or directly by means of issuing cheques up to the insured limit which will be collected at the NDIC's designated centres, usually the closed bank's offices or by directly crediting the depositor's account using e-payment platform.

Payments could also be made through Purchase and Assumption, whereby a healthy bank assumes part or all of the deposit liabilities of a failed insured bank and depositors could either withdraw the money at the acquiring bank or continue to maintain its account with the bank.

Question 29: What does a Deposit Transfer Involve?

Answer: The NDIC transfers an amount equivalent to the total insured deposits of a failed insured institution to another financial institution under

an agreement which will enable depositors of the failed insured institution to collect their entitlements from the financial institution.

Question 30: How are the Insured Sums Collected?

Answer: Insured sums are collected by depositors on filing their claims through the completion of relevant forms provided by the NDIC. In addition, they have to furnish the NDIC with account documents such as unused cheque books, old cheque stubs, passbooks, fixed deposit certificates, etc. Each depositor would also be required to identify him/herself with a valid identification document such as National Identity Card, Driver's Licence or International Passport. After verification of ownership of the account as well as the account balance, the depositor would be duly paid the insured sum by cheque or deposit transfer through an Agent Bank or Acquiring Bank.

Question 31: What should a Depositor of a Failed Bank do if he or she loses Passbook or Savings Documents?

Answer: The depositor would be required to present a Police report along with a sworn affidavit duly certified by a Court. The depositor would also be required to identify himself/herself with a valid identification document like National Identity Card, National Voters Card, Driver's Licence or International Passport.

Question 32: Can a Depositor Leave His/Her Deposits with the Transferee Institution?

Answer: Yes. A depositor, if he/she wishes, can open an account with the transferee institution for the full amount or part of his/her deposits.

Question 33: Does the NDIC Protect the Interests of Creditors or Shareholders of a Bank?

Answer: The primary mandate of the NDIC is to protect depositors. However, through supervision, the interests of creditors and shareholders are also protected. In the event of bank failure, creditors and shareholders could be paid liquidation dividends after depositors had been fully reimbursed.

Question 34: What is Liquidation Dividend?

Answer: This is a payment made to a depositor of a failed insured institution in excess of the insured sum. While the insured sums are paid from the DIF, SIIF or NIDIF as the case may be, liquidation dividends are paid from funds realized from the sale of the assets and recoveries of debts owed to the failed insured institution.

Question 35: If a Depositor has an Account in the Main Office of a Bank and also at a Branch Office, are these Accounts Separately Insured?

Answer: No. The main office and all branches are considered to be one institution. Therefore, the accounts would be added together and covered up to the maximum insured sum.

Question 36: If a Depositor has Deposit Accounts in Different Insured Banks, will the Deposits be added together for the Purpose of Determining Insurance Coverage?

Answer: No. The maximum insurance limit is applicable to deposits in each of the participating banks. In the case of a bank having one or more branches, the main office and all branch offices are considered as one bank. In summary, if a person has many accounts in one bank, all the deposits are taken together as one account even if the deposits are in various branches of the same bank. On the contrary, if a depositor has accounts in more than one bank, they are insured independently up to the maximum insured sum per bank.

Question 37: Is the Insurance Protection increased by Placing Funds in two or more Types of Deposit Accounts in the same Participating Institution?

Answer: No. Deposit insurance is not increased merely by dividing funds held in the same right and capacity among the different types of deposits available. For example, demand, time and savings accounts held by the same depositor in the same right and capacity are added together and insured up to the maximum insured sum.

Question 38: Is there any Arrangement in Place by the NDIC to Waive or Reduce Premium Payable over time for Insured Institutions?

Answer: Section 12 of the NDIC Act 16 of 2006 provides that subject to stated conditions, part of the NDIC's surplus can be applied to reduce premium payable by insured institutions. Furthermore, the NDIC would consider adopting differential premium assessment for the MFBs and PMBs such that premium payable by such Institutions would be based on their risk profile.

Question 39: Would Funds Released by Federal Mortgage Bank for NHF Loans and other Poverty Alleviation Funds, Donor Funds, Deposit for Shares with PMBs/MFBs be included as Deposits when Computing the Deposit Insurance Premium?

Answer: No. Special funds such as Donor funds or other funds that are for onward disbursement to beneficiaries are excluded from assessable deposits. The onus is on the insured institutions to ensure proper classification of such funds in their books.

Question 40: If a Husband and Wife or any two or more Persons, have, in addition to their Individual Accounts, a Joint Account in the same Insured Bank, is each Account Separately Insured?

Answer: Yes. If each of the co-owners has personally signed a valid mandate card and has a right of withdrawal on the same basis as the other co-owners, the joint account and each of the individually-owned accounts are separately insured up to the insured maximum sum.

Question 41: If a Person has an Interest in more than One Joint Account, What is the Extent of His or Her Insurance Coverage?

Answer: As long as the combination of the joint accounts is not the same, the account will be insured separately up to the maximum insured limit. Where the joint accounts are owned by the same combination of individuals then the accounts will be added and the total insured up to the maximum insured sum.

Question 42: What is the Status of Depositors in a Case Where an Insured Microfinance Bank or Primary Mortgage Bank is acquired by another Insured MFB or PMB?

Answer: The depositors of the acquired insured MFB or PMB will continue to be insured up to the maximum of ₦200,000 for MFBs and ₦500,000 for PMBs in the aggregate with respect to deposits he or she holds in the same right and capacity.

Question 43: Can Insured-Status of a Licensed MFB or PMB be terminated?

Answer: Yes. But notice is always given to depositors before termination of insurance. Depositors should take precaution to verify that the MFB or PMB they are dealing with is insured and pay deposit insurance premium annually.

Question 44: Are Accounts Held by a Person as Executor, Administrator, Guardian, Custodian, or in Some Other Similar Fiduciary Capacity Insured Separately from His or Her Individual Account?

Answer: Yes. If the records of the bank indicate that the person is depositing the funds in a fiduciary capacity such funds are insured separately from the fiduciary's individually-owned account. Funds in an account held by an Executor or Administrator are insured as funds of the deceased's estate. Funds in accounts held by guardians, conservators or custodians (whether court-appointed or not) are insured as funds owned by the ward and are added to any individual accounts of the ward in determining the maximum coverage. Account in which the funds are intended to pass on the death of

the owner to a named beneficiary, are considered testamentary accounts and are insured as a form of individual account. If the beneficiary is a spouse, child or grand-child of the owner, the funds are insured for each owner up to a total of the maximum insured sum separately from any other individual accounts of the owner. In the case of a Revocable Trust Account, the person who holds the power of revocation is considered the owner of the funds in the account.

Question 45: Is an Account Held by either a Company or Partnership, Insured Separately from the Individual Accounts of Shareholders or Partners?

Answer: Yes. If the Company or Partnership is engaged in an independent activity, its account is separately insured up to the maximum insured sum. The term 'Independent activity' means any activity other than one directed solely at increasing insurance coverage.

Question 46: If a Depositor has more than the Maximum Insured Amount as Deposit in a Closed Bank, Is He Entitled to any further Claim for the amount of His Deposits in Excess of the Maximum Insured Amount paid by the NDIC?

Answer: Yes. In a situation where the amount of depositors' fund in a closed bank exceeds the maximum insured amount, the owners of such accounts will share, on a pro-rata basis, in any proceeds from the liquidation of the bank's assets with other general creditors, including the NDIC.

Question 47: Does the Borrower's Obligations to the Institution Continue after the Institution is closed?

Answer: Yes. When acting as Liquidator of a closed institution, the NDIC is acting on behalf of all creditors of that institution and its obligation is to collect all loans promptly and efficiently along with other assets of the institution.

Question 48: What does Purchase and Assumption (P&A) Mean?

Answer: Purchase and Assumption (P&A) is a failure resolution mechanism which involves purchasing the assets of a failed bank and assuming its liabilities by another healthy insured bank(s).

Question 49: What does Open Bank Assistance (OBA) Mean?

Answer: Open Bank Assistance (OBA) is a situation where a failing insured institution is assisted to continue to operate in the same name on a going concern basis. It may involve change in ownership and management of the bank; injection of fresh funds in the form of

equity and/or loan capital; and re-organisation and overhauling of the bank including rationalization of staff and branches.

Question 50: Can Someone Retrieve the Insured Funds of a Deceased Relative from a Failed Bank in-Liquidation?

Answer: Yes. To process such claims, a Letter of Administration and a Probate from a Court of Law would be required to be presented to NDIC in addition to all other documents which are to serve as proof of ownership of such account.

Question 51: What is a Bridge Bank?

Answer: A bridge bank is a temporary bank established and operated usually by a deposit insurer to acquire the assets and assume the liabilities of a failed bank until a final resolution is accomplished. The bridge bank would permit continuity of banking services to all customers and fully protect all the depositors and creditors of the failed bank pending final resolution. A bridge bank is usually set up for a specified period of time within which the Deposit Insurer would find an interested investor.

Question 52: How do Clients of defunct Banks (Such as AllStates Trust Bank) claim their Deposits from the Acquiring Banks (Such as Ecobank Plc)?

Answer: The client of the defunct bank should contact the acquiring bank. In case of unresolved claims, contact NDIC through any of the channels provided in the answer to Question 60.

Question 53: How are Depositors of failed Insured Institutions informed about the Commencement of Payment of Insured Deposits by the NDIC?

Answer: Announcements would be made through the media (television, radio, newspapers) and NDIC posters at the Head Office's and branches of the closed banks as to when the payment of deposits would commence.

Question 54: How can a Depositor, whose name was omitted from the Deposit Register of a Failed Institution make a Claim?

Answer: The depositor should contact NDIC through any of the channels provided in the answer to Question 60.

Question 55: What is the Rationale for Licensing National Microfinance Bank by CBN?

Answer: In response to the need to fund the MSME sector and promote financial inclusion in the country, the CBN plan to license a National Micro Finance Bank in conjunction with the Bankers' Committee

and the National Postal Service. The main objective of the bank will be to channel credit to rural communities to expand the operations of farmers and MSMEs.

Question 56: How does NDIC promote Financial Inclusion?

Answer: The NDIC supports financial inclusion through guaranteeing deposits, especially of small savers. Deposit insurance is vital to financial inclusion because the poor need assurance that the services of the depository institutions are safe and available at all times they desire.

The NDIC as a bank supervisor enhances financial inclusion by providing consumer protection and ensuring that bank's affairs are conducted in a safe and sound manner and prosecuting erring Directors and Management of banks.

Question 57: What is a Payment Service Bank?

Answer: Payment Service Banks are deposit-taking financial institutions licensed by the CBN to carry out payments and remittance services through various channels including banking agents and mobile and electronic channels. They are to operate in rural and unbanked locations and are not permitted to grant any forms of loans/ advances or trade in the foreign exchange market.

Question 58: What is NDIC doing in Relation to Consumer Protection?

Answer: The NDIC undertakes supervision of insured institutions with the objective of protecting consumers. It established consumer protection desks in order to promptly respond to series of complaints it receives against banks and other financial institutions on a daily basis. This is achieved sometimes through the conduct of investigations by the NDIC Examiners.

Question 59: What is NDIC doing in Promoting Financial Literacy?

Answer: The NDIC publishes and distributes books on deposit insurance and banking to enlighten the public. Recently, a book on basic knowledge on banking and deposit insurance was distributed to all secondary schools nation-wide with the aim of catching them young. The NDIC also undertook a study on financial literacy, the report of which was published in book form in order to facilitate readership within the banking public and to assist stakeholders address the challenges of financial literacy.

Question 60: How can the Public contact NDIC about Questions and Suggestions Regarding Deposit Insurance?

Answer: NDIC has set up the following contact channels to provide customer service to the public:

- a) To obtain quick answers to your questions, call our Help Desk Line: 0800-6342-4357; and 09-460-1030.
- b) You can also send comments to NDIC by mail to: The Managing Director/Chief Executive Officer, Nigeria Deposit Insurance Corporation, Plot 447/448 Constitution Avenue, Central Business District, Airport Road, P.M.B. 284, Garki, Abuja.

E-mail – ibrahimu@ndic.gov.ng

- c) Information on NDIC and the deposit insurance system can be accessed from our website at: **www.ndic.gov.ng**. You can also submit comments or questions through the website. In addition you can reach us through our toll-free line: 080063424357 (0800NDICHELP).

You can also lodge complaints at the NDIC Lagos and Zonal offices nationwide.

SECTION 17

IADI GLOSSARY OF TERMS AND DEFINITIONS

S/N	Terms	Other Terms Used	Definitions
1	Acquiring Bank		A Bank that purchases some or all of the assets and/or assumes some or all of the liabilities of a failed bank in a Purchase and Assumption transaction.
2	Adverse Selection		The tendency for higher-risk Banks to opt for Deposit Insurance and lower-risk ones to opt-out when membership in a Deposit Insurance System is voluntary.
3	Aggregation		The act of consolidating information from depositors' different individual accounts into one (usually for the purpose of reimbursement).
4	Amalgamation		A combination under a single entity of all or part of the assets and liabilities of two or more business units.
5	Assessment Base	Tariff Base	The monetary basis (i.e. insured deposits, total liabilities, assets) on which the Deposit Insurer charges Premiums to a Member Bank or calculates the levy needed to compensate the Insured Depositors.
6	Bail-in within Resolution		Restructuring mechanisms to recapitalise a Bank in Resolution or effectively capitalise a Bridge Bank, under specified conditions, through the write-down, conversion or exchange of debt instruments and other senior or subordinated unsecured liabilities of the Bank in Resolution into, or for, equity or other instruments in that bank, the parent company of that Bank or a newly formed Bridge Bank, as appropriate to legal frameworks and market capacity.
7	Bailout	Extra-ordinary Public Financial Support	Any transfer of funds from public sources to a failing or failed bank or a commitment by a public authority to provide funds with a view to sustaining the institution (e.g., by way of guarantees) that results in benefit to the shareholders or uninsured creditors of that Bank, or the assumption of risks by the public authority that would otherwise be borne by the Bank and its shareholders, where the funds transferred are not recouped from the institution, its unsecured creditors or, if necessary, the financial system more widely, or the national authority is not reimbursed for the risks assumed.
8	Bank Run		A rapid and significant withdrawal of Deposits by depositors following a loss of confidence, precipitated by fear that a Bank may fail and depositors may suffer losses.
9	Bank	Deposit-taking Institution	Any entity which accepts Deposits or repayable funds from the public and is classified under the jurisdiction's legal framework as a deposit-taking institution.

S/N	Terms	Other Terms Used	Definitions
10	Blanket Guarantee	Blanket Coverage/ Full deposit coverage	A declaration by authorities that in addition to the protection provided by limited coverage deposit insurance or other arrangements, certain Deposits and perhaps other financial instruments will be protected.
11	Bridge Bank	Bridge Institution	An entity that is established to temporarily take over and maintain certain assets, liabilities and operations of a failed bank as part of the resolution process.
12	CAMELS Rating		A rating system where supervisors rate Banks according to six factors represented by the acronym "CAMELS" (Capital adequacy, Asset quality, Management capability, Earnings, Liquidity and Sensitivity to market risk).
13	Capital Adequacy Ratios		A measurement of the amount of a bank's capital typically expressed as a percentage of its risk weighted assets.
14	Claim		An assertion of the indebtedness of a failed bank, or the entitlement of a depositor to general creditor, subordinated debt holder, or shareholder.
15	Co-insurance		A "loss sharing" arrangement whereby depositors are covered for a pre-specified portion of Deposits that is less than 100 percent of their Insured Deposits.
16	Collateralisation		The act wherein a creditor takes claim on any assets of a debtor (mortgage, pledge, charge or other form of security) as recourse in the event the debtor defaults on the original loan/obligation.
17	Compulsory Membership	Mandatory Membership	A system wherein all designated Banks must be members of a Deposit Insurance System, according to law or agreement.
18	Conservator	Administrator	A person or entity, appointed by a regulatory authority to operate a troubled bank in an effort to conserve, manage, and protect the institution's assets until the institution has been restored to viability or has been closed by the chartering authority.
19	Conservator-ship		The legal procedure provided by law or agreement for the interim management of troubled banks.
20	Contagion		The spread of financial problems of a Bank to other Banks or Financial Institutions usually within the same jurisdiction or the spread of economic and financial disturbances within a jurisdiction or across jurisdictions.
21	Corporate Governance		The systems (strategies, policies, processes and controls) by which an organisation is directed, administered or controlled, and includes the relationships among stakeholders and the goals for which the organisation is governed.

S/N	Terms	Other Terms Used	Definitions
22	Coverage Limit/	Coverage Level/ Maximum Coverage/ Compensation Limit	The maximum amount a depositor can claim from or be reimbursed by a Deposit Insurer in the event of a bank failure.
23	Coverage Ratio (by account and/or depositor)		The ratio of the number of fully covered accounts or depositors divided by the total number of eligible accounts or depositors.
24	Coverage Ratio (by value)		The ratio of the value of Insured Deposits divided by the total value of Eligible Deposits.
25	Cross-border Cooperation Arrangements	Cross-border Resolution Arrangements	Specific cooperation agreements, sanctioned by national law, that enable Resolution Authorities to share information and to act collectively to resolve banks located in multiple jurisdictions in a more orderly and less costly manner.
26	De Minimis Clause in Reimbursement		A deposit level threshold below which a Deposit Insurer is not obligated to pay (i.e. low value deposits that would not be reimbursed because the administrative costs would exceed the amount of reimbursement).
27	Deposit		Any credit balance deriving from normal banking transactions and which a Bank must repay at par under the legal and contractual conditions applicable, any debt evidenced by a certificate issued by a Bank, and any other funds or obligations defined or recognised as deposits by the law establishing the Deposit Insurance System.
28	Deposit Insurance System	Deposit Guarantee Scheme/ Deposit Protection Scheme	Refers to the Deposit Insurer and its relationships with the Financial Safety-Net participants that support Deposit Insurance functions and resolution processes.
29	Deposit Insurance	Deposit Guarantee/ Deposit Protection	A system established to protect depositors against the loss of their Insured Deposits in the event that a Bank is unable to meet its obligations to the Depositors.
30	Deposit Insurer	Deposit Insurance Agency	A specific legal entity responsible for providing Deposit Insurance, deposit guarantees or similar deposit protection arrangements.
31	Deposit Reimbursement	Deposit Payout	A resolution method that involves the reimbursement of Deposits to Insured Depositors.

S/N	Terms	Other Terms Used	Definitions
32	Depositor Preference	Depositor Priority	<p>Granting deposit liabilities a higher claim class than other general creditors against the proceeds of liquidation of an insolvent bank's assets. Depositors must be paid in full before remaining creditors can collect on their claims. Depositor preference can take a number of different forms. For example:</p> <ul style="list-style-type: none"> • national (or domestic) depositor preference gives priority to deposit liabilities booked and payable within the domestic jurisdiction and does not extend to deposits in foreign branches abroad; • eligible depositor preference gives preference to all deposits meeting the eligibility requirements for deposit insurance coverage; • insured depositor preference gives preference to insured depositors (and the deposit insurer under subrogation); • a two-tiered depositor preference concept, in which eligible, but uninsured deposits have a higher ranking than claims of ordinary unsecured, non-preferred creditors, and insured depositors have a higher ranking than eligible depositors; and • general depositor preference, in which all deposits have a higher ranking than claims of ordinary unsecured, non-preferred creditors, regardless of their status (insured/uninsured or eligible/not eligible).
33	Differential Premium System	Risk-based Premium System/ Risk-adjusted Premium System	A premium assessment system which seeks to differentiate premiums on the basis of criteria such as individual bank risk profiles.
34	Due Diligence		An On-site Inspection of the books and records of a failing bank by a potential purchaser, a supervisor, a Resolution Authority or their agents for a valuation/estimation of assets and liabilities.
35	E- money	Electronic Money	An electronic store of monetary value on a technical device that may be widely used for making payments to entities other than the e-money issuer. The device acts as a pre-paid bearer instrument which does not necessarily involve bank accounts in transactions.
36	Early Intervention		Any actions, including formal corrective action, taken by supervisory or Resolution Authorities in response to weaknesses in a Bank prior to entry into Resolution.
37	Early Warning System	Early Detection System	A model that attempts to predict the likelihood of failure or financial distress of Banks over a fixed time horizon, based on the banks' current risk profile.

S/N	Terms	Other Terms Used	Definitions
38	Eligible Deposits	Insurable Deposits	Deposits that fall within the scope of coverage of a Deposit Insurance System (i.e. they meet the requirements for coverage under a Deposit Insurance System, and are based typically on the type(s) of depositor and/or Deposit).
39	Enterprise Risk Management (ERM)		The processes and activities used to identify, assess, measure, monitor, control and mitigate risks in respect of the Deposit Insurer's enterprise as a whole.
40	Entry into Resolution	Resolution Trigger	The formal determination by the relevant authority or authorities that a Bank meets the conditions for Resolution and that it will be subject to resolution measures.
41	Ex-ante Funding		The regular collection of premiums, with the aim of accumulating a fund to meet future obligations (e.g. reimbursing depositors) and cover the operational and related costs of the Deposit Insurer.
42	Expected Losses (EL)		The average losses that a Deposit Insurance Fund may incur under normal circumstances of a deposit insurer's business. Mathematically defined as the mean of the Deposit Insurance fund's loss distribution.
43	Explicit Protection		A system, expressly laid down by statutes or other legal instruments that stipulates the amount of reimbursement depositors can expect in the event of a bank failure, with rules concerning coverage limits, the types of instruments covered, the methods for calculating depositor claims, funding arrangements and other related matters.
44	Ex-post Funding		A system where funds to cover deposits insurance obligations are only collected from surviving banks after a bank failure.
45	Extraordinary Contribution	Additional Contribution	Additional Premiums/levies which can be collected Ex-post from members of a Deposit Insurance System if the Ex-ante funding of the system may be insufficient to meet its obligations.
46	Financial Assistance		An assistance provided to a Troubled Bank by third parties, such as government agencies, Resolution Authorities or Deposit Insurers. This may, among others, take the form of loans, guarantees, subsidies, tax allowance, contribution, purchase of assets, subscription of debts, capital injections, or cost-sharing arrangements.
47	Financial Inclusion		The extent to which individuals and entities have access to and utilise formal financial services.
48	Financial Institution	Financial Firm/ Financial Entity Institution	Any entity wherein the principal business involves the provision of financial services or the conduct of financial activities, including deposit-taking, credit intermediation, insurance, investment or securities business or operating Financial Market Infrastructure.

S/N	Terms	Other Terms Used	Definitions
49	Financial Market Infrastructure		A multilateral system among participating Financial Institutions, including the operator of the system, used for the purposes of, clearing, settling or recording payments, securities, derivatives or other financial transactions. It includes payment systems, central securities depositories, securities settlement systems, central counterparties, and trade repositories.
50	Financial Safety-Net		A framework that includes the functions of prudential regulation, supervision, Resolution, lender of last resort and Deposit Insurance. In many jurisdictions, a department of government (generally a Ministry of Finance or Treasury responsible for financial sector policy) is included also in the financial safety-net.
51	Fit and Proper		Fitness tests that usually seek to assess the competence of managers and directors and their capacity to fulfil the responsibilities of their positions while propriety tests seek to assess their integrity and suitability. Formal qualifications, previous experience and track record are some of the elements focused on by authorities when determining competence. To assess integrity and suitability, elements considered include: criminal records, financial position, civil actions against individuals to pursue personal debts, refusal of admission to, or expulsion from, professional bodies, sanctions applied by regulators of other similar industries, and previous questionable business practices.
52	Flat-rate Premium	Flat-rate Levy	A Premium payable to a Deposit Insurer assessed at a uniform rate across all Member Banks.
53	Forbearance		The granting of exemptions or delaying intervention action in relation to Banks from compliance with minimum regulatory requirements or intervention criteria.
54	Foreign Bank Branch	Overseas Bank Branch	An establishment of a foreign bank that is not a separate legal entity in a Host Jurisdiction.
55	Foreign Bank Subsidiary	Overseas Bank Subsidiary	A separate legal entity of a bank incorporated outside the Home Jurisdiction.
56	Funding		Financing mechanisms necessary to cover the operating expenses and obligations of a Deposit Insurer.
57	Global Systemically Important Bank (G-SIB)		A Bank designated by the Financial Stability Board as globally systemically important.
58	Governing Body		A group of people or an entity, such as a board of directors that directs the business and affairs of an organisation.
59	Home Jurisdiction		The jurisdiction where the operations of a financial group are supervised on a consolidated basis.
60	Host Jurisdiction		Any jurisdiction other than the Home Jurisdiction in which a Bank conducts business activities.

S/N	Terms	Other Terms Used	Definitions
61	Implicit Protection	Implicit Guarantee	An expectation that some form of Government protection would be provided in the event of a financial institution failure. Implicit protection is, by definition, never formally specified. There are no statutory rules regarding the eligibility of financial institution liabilities, the level of protection provided or the form which reimbursement will take.
62	Indemnification		A collateral contract or assurance under which one entity agrees to secure another entity against either anticipated financial losses or potential adverse legal consequences (e.g. damages and costs).
63	Indexed Coverage		The limited coverage level which is determined by the inflation rate or the change in other relevant price index of a jurisdiction.
64	Insolvency		A situation where a Bank can no longer meet its financial obligations when due and/or the value of its assets is less than the total of its liabilities.
65	Insured Depositors	Guaranteed Depositors/ Protected Depositors/ Covered Depositors	Holders of Eligible Deposits that do not exceed the maximum level of coverage provided by a Deposit Insurance System.
66	Insured Deposits	Guaranteed Deposits/ Protected Deposits/ Covered Deposits	Eligible Deposits that do not exceed the maximum level of coverage provided by a Deposit Insurance System.
67	Integrated Protection Scheme (IPS)		A system where a single agency, usually a pre-existing Deposit Insurer, provides guarantee or protection to investors in securities firms, and/or policy holders of insurance companies, in addition to depositors in Banks, for the loss of insured funds or unsatisfied claims in the event of a Member Institution's failure.
68	Interim Payment	Advance Payment/ Provisional Payment/ Emergency Partial Payment	A partial payment made to depositors by a Deposit Insurer before the start of actual reimbursement. This could be particularly useful in situations when there may be extended delays in reimbursement or when the Deposit Insurer is of the opinion that Insured Depositors urgently require access to their funds.
69	Intervention		Any actions, including formal corrective action, taken by supervisory, Resolution Authorities or Deposit Insurers to address concerns that may arise with a Bank.
70	Joint Account		An account opened in the names of two or more individuals who have rights of access to the account.

S/N	Terms	Other Terms Used	Definitions
71	Least-cost Resolution	Least-cost Rule	A procedure that requires the Resolution Authority to implement the resolution option, including Liquidation of the failed bank, that is least costly to the Resolution, the financial system or the Deposit Insurance System.
72	Legal Framework		The comprehensive legal system for a jurisdiction established by any combination of the following: a constitution; primary legislation enacted by a legislative body that has authority in respect of that jurisdiction; subsidiary legislation (including legally binding regulations or rules) adopted under the primary legislation of that jurisdiction; or legal precedent and legal procedures of that jurisdiction.
73	Legal Protection	Legal Immunity	The set of legal mechanisms by means of which persons participating in the Resolution of a failed bank, including current and former employees, directors, officers and lawfully delegated agents of an organisation, are covered from the effects of claims and procedures initiated against them for alleged acts and omissions executed in good faith, that occur within the scope of such persons' mandate.
74	Limited-Coverage Deposit Insurance System		A system that guarantees that the principal and/or the interest accrued on Insured Deposit accounts will be paid, up to a specified limit, in the event of bank insolvency.
75	Liquidation	Receivership	The winding down (or winding up, as used in some jurisdictions) of the business affairs and operations of a failed bank through the orderly disposition of its assets after its licence has been revoked and it has been placed in receivership.
76	Liquidator	Receiver	The legal entity that undertakes the winding down of the failed bank and the disposition of its assets.
77	Liquidity Funding	Emergency Funding Back-up Funding	Additional funding arrangements to supplement the deposit insurance funds in situations where the cumulated funds are insufficient to meet the needs of intervention and failure resolution, including depositor reimbursement.
78	Loss Minimiser		A Mandate where the Deposit Insurer actively engages in a selection from a range of least-cost resolution strategies.
79	Loss-given Default (LGD)		The non-recoverable share of resource exposure (non-returnable to deposit insurance fund) from the bankruptcy estate of a liquidated Member Institution. Typically expressed as a percentage of the total exposure.

S/N	Terms	Other Terms Used	Definitions
80	Loss-sharing Agreement	Loss-sharing Arrangement	An agreement in a financial transaction in which the Resolution Authority or the Liquidator agrees to share with the acquirer losses on certain types of loans. Loss sharing may be offered in connection with the sale of classified or non-performing loans that otherwise might not be sold to an acquirer at the time of Resolution.
81	Mandate		A set of official instructions describing the Deposit Insurer's roles and responsibilities. There is no single mandate or set of mandates suitable for all Deposit Insurers. When assigning a mandate to a deposit insurer jurisdiction-specific circumstances must be taken into account. Mandates can range from narrow "pay box" systems to those with extensive responsibilities, such as preventive action and loss or risk - minimisation/management, with a variety of combinations in between. These can be broadly classified into four categories namely a Paybox, a Paybox plus, a Loss Minimiser and a Risk Minimiser.
82	Market Discipline		A situation where depositors or creditors assess the risk characteristics of a Bank and can influence Bank risk-taking behaviour by threatening to withdraw funds from the institution.
83	Member Bank	Insured Institution/ Participant Firm/ Member Institution	A Bank that is a member of a Deposit Insurance System.
84	Moral Hazard		Arises when parties have incentives to accept more risk because the costs that arise from the risk, are borne, in whole or in part, by others.
85	Non-viability		Refers to a situation before institutional insolvency, and may also include circumstances where: (i) regulatory capital or required liquidity falls below specified minimum levels; (ii) there is a serious impairment of the Bank's access to funding sources; (iii) the Bank depends on official sector financial assistance to sustain operations or would be dependent in the absence of resolution; (iv) there is a significant deterioration in the value of the Bank's assets; (v) the Bank is expected in the near future to be unable to pay liabilities as they fall due; (vi) the Bank's business plan is non-viable; and/or (vii) the Bank is expected in the near future to be balance-sheet insolvent.
86	On-site Inspection	On-site Appraisal/ Examination	An appraisal by the banking supervisor or the Deposit Insurer on the premises of the Bank which includes an examination of the books, records and internal controls of a Bank.

S/N	Terms	Other Terms Used	Definitions
87	Open-bank Assistance		A resolution method taken by the Resolution Authority in which a Bank in danger of failing receives assistance in the form of a direct loan, an assisted merger, a purchase of assets, or other means.
88	Operational Independence		The ability of an organisation to fulfil its Mandate using the legislated powers and means assigned to it without undue influence from external parties.
89	Paybox Plus		A Mandate where the Deposit Insurer has additional responsibilities such as a certain Resolution functions (e.g. financial support).
90	Paybox		A Mandate where the Deposit Insurer is only responsible for the reimbursement of Insured Deposits.
91	Payment Agent	Paying Agent	Entities (e.g. Banks, postal banks, government support payments) authorised by a Deposit Insurer to reimburse Insured Depositors on its behalf. Deposit Insurers would need to identify and select its payment agents and to address issues such as cost arrangements, depositor information transfer protocols, and procedures, as well as the timelines for making payments before a reimbursement takes place.
92	Premium	Contribution Levy	The amount that a member institution pays for Deposit Insurance for a given time period.
93	Probability of Default		The probability that a Bank will not be able to meet its obligations over a particular time horizon.
94	Prompt Corrective Action (PCA)		A set of progressive corrective actions taken by the supervisory authorities against Financial Institutions exhibiting progressively deteriorating financial performance or behaviours. The goals of many PCA schemes are to identify and address financial or operational weaknesses that threaten the viability of a financial institution when the problems are still small enough to manage.
95	Public Awareness Program	Consumer Awareness	A comprehensive program designed to disseminate information to the public regarding the benefits and limitations of a Deposit Insurance System, including how and when depositors can gain access to their funds in case of a bank failure.
96	Public-policy Objectives		Refers to the goals which the Deposit Insurance System is expected to achieve.
97	Purchase-and-Assumption Transaction (P&A)	Full or Partial Transfer of Business	A resolution method in which a healthy bank or a group of investors assume some or all of the obligations, and purchase some or all of the assets of the failed bank.
98	Rebate		The return of part of a deposit insurance premium payment, representing some deduction from the full amount previously paid.
99	Recovery		The amount of collections on the assets of a failed bank.

S/N	Terms	Other Terms Used	Definitions
100	Recovery Plan		A plan to guide the recovery of a distressed Bank. In the recovery phase, the Bank has not entered into a Resolution and therefore remains under the control of its management, although the supervisory authorities may be able to order or enforce the implementation of recovery measures through ordinary supervisory powers. The Recovery Plan is produced by the Bank and includes measures to decrease the risk profile of a bank and conserve capital, as well as strategic options such as the divestiture of business lines and restructuring of liabilities.
101	Recovery Rate		The ratio of collections to the book-value of a failed bank's assets.
102	Resolution Authority		A public authority that, either alone or together with other authorities, is responsible for the resolution of financial institutions established in its jurisdiction (including resolution planning functions).
103	Resolution Costs		For a given resolution method, the sum of the expenditures and obligations incurred by the Resolution Authority, including any immediate or long- term obligations and any direct or contingent liabilities for future payment, less the recoveries on assets of a failed Bank.
104	Resolution Plan	Living Will	A plan intended to facilitate the effective use of the Resolution Authority's resolution powers with the aim to make feasible the resolution of any financial institution without severe systemic disruption and exposure of taxpayers to loss while protecting systemically important functions. It serves as a guide to the authorities for achieving an orderly Resolution, in the event that recovery measures are not feasible or have proven ineffective.
105	Resolution Powers	Resolution Tools	Powers available to the Resolution Authorities under the Resolution Regime or broader legal framework for the purposes of Resolution.
106	Resolution Regime		The elements of the legal framework and the policies governing resolution planning and preparing for, carrying out and coordinating Resolution, including the application of Resolution Powers.
107	Resolution		A disposition plan and process for a non-viable bank. Resolution may include: liquidation and depositor reimbursement, transfer and/or sale of assets and liabilities, the establishment of a temporary bridge institution and the write-down or conversion of debt to equity. Resolution may also include the application of procedures under insolvency law to parts of an entity in resolution, in conjunction with the exercise of Resolution Powers.

S/N	Terms	Other Terms Used	Definitions
108	Risk Minimiser		A Mandate where a Deposit Insurer has comprehensive risk minimisation functions that include risk assessment/management, a full suite of Early Intervention and Resolution Powers, and in some cases, prudential oversight responsibilities.
109	Scope of Coverage		Types of Deposits and depositors eligible for deposit insurance coverage.
110	Set-off Arrangement	Netting Arrangement	An arrangement where the claim of a creditor against an insolvent bank is to be deducted from a claim of that bank against the same creditor.
111	Situational Analysis		An examination that Deposit Insurers undertake to assess macroeconomic factors such as: the state of the economy, current monetary and fiscal policies, the state and structure of the banking system, public attitudes and expectations, the legal, prudential regulatory and supervisory framework and accounting and disclosure regimes.
112	Start-up Funding	Seed Funding	The funding received by a newly established Deposit Insurance System as initial contributions typically from Financial Institutions, government, and/or the central bank.
113	Statute of Limitation		The law that sets a concrete date after which no claims can be submitted by the claimant against the debtor.
114	Stress Testing		A range of simulation techniques used to assess the vulnerability of a Bank's financial position under different scenarios, such as major changes to the macroeconomic environment or to exceptional but plausible events.
115	Subordinated Debt		A debt instrument that ranks lower than other ordinary claims or instruments in the priority of its claim on the issuer's assets.
116	Subrogation	Legal Assignment or Transfer	The substitution of one party (e.g. the Deposit Insurer) for another (e.g. the Insured Depositor) with reference to a lawful claim, demand, or right, so that the party which substitutes succeeds to the rights of the other in relation to the debt or claim, and its rights and remedies.
117	Systemic Risk		A risk of disruption to financial services that is caused by an impairment of all or parts of the financial system and has the potential to have serious negative consequences for the real economy.
118	Systemically Important Financial Institution (SIFIs)		A financial institution or a group that, because of its size, complexity and systemic interconnectedness would, in the view of the relevant authorities, cause significant disruption to the domestic or broader financial system and economic activity, if it were to fail in a disorderly manner.

S/N	Terms	Other Terms Used	Definitions
119	Target Fund Size	Target Reserve Ratio	The size of the Ex-ante deposit insurance fund, typically measured as a proportion of the assessment base (e.g. total or insured deposits), sufficient to meet the expected future obligations and cover the operational and related costs of the Deposit Insurer.
120	Termination of Deposit Insurance Membership		The power of a Deposit Insurer to terminate the membership of a Member Institution if it does not meet some specific qualifications set by the Deposit Insurer. Existing insured deposits remain covered.
121	Too Big-to-Fail		The belief that an institution is so systemically important that it cannot be allowed to fail as its failure would cause instability across the financial system as a whole and to the economy at large.
122	Troubled Bank	Weak Bank/ Problem Bank/ Distressed Bank	A Bank that has, or will have, impaired liquidity or solvency unless there is a major improvement in its financial resources, risk profile, strategic business direction, risk management capabilities and /or quality of management.
123	Unexpected Losses		Extraordinary (unexpected) losses of the Deposit Insurance fund that can occur under unlikely, yet possible circumstances with unfavourable outcomes. Mathematically defined as the deviations from the average-Expected Losses – with a certain level of probability, i.e. within a certain level of confidence.
124	Uninsured Deposits		The types or amount of Deposits that are not covered by a Deposit Insurance System.
125	Winding Up	Winding Down	The final phase in the dissolution of a failed bank, in which accounts are settled and assets are liquidated so that the proceeds may be distributed.
126	Withheld Deposits		Deposits that are temporarily suspended from payment by the Deposit Insurer due, in part, to insufficient information during reimbursement.



APPENDICES

APPENDIX 1 DEPOSIT PAYOUT FOR CLOSED DMBs AS AT 31ST DECEMBER, 2018

S/N	Bank Name	Total Deposits At Closure (₦)	Total Number of Depositors At Closure	Total Insured Deposits At Closure (₦)	Total Excess Deposits(₦)	Total Insured Paid (₦)	No. of Insured Depositors Paid	Outstanding Insured Deposit (₦)
1	Abacus Merchant Bank	272,563,085.55	401	12,778,621.12	259,784,464.43	7,352,700.35	153	5,425,920.77
2	ABC Merchant Bank	224,181,711.19	752	14,135,967.84	210,045,743.35	8,588,274.43	223	5,547,693.41
3	Allied Bank of Nigeria	2,777,807,120.81	365,883	1,205,361,272.98	1,572,445,847.83	852,728,853.30	66,010	352,632,419.68
4	Alpha Merchant Bank	1,218,390,022.97	776	18,518,730.88	1,199,871,292.09	18,468,730.88	775	50,000.00
5	Amicable Bank of Nigeria	41,035,298.83	24,038	26,225,242.42	14,810,056.41	7,960,744.94	982	18,264,497.48
6	Century Merchant Bank	573,287,230.39	357	11,023,134.41	562,264,095.98	5,360,765.08	122	5,662,369.33
7	Commerce Bank Plc	1,156,785,605.57	37,462	199,462,352.53	957,323,253.04	110,280,755.48	5,450	89,181,597.05
8	Commercial Trust Bank	215,769,562.45	13,891	29,122,279.26	186,647,283.19	6,562,008.41	514	22,560,270.85
9	Continental Merchant Bank	1,390,269,507.54	1,060	31,450,301.84	1,358,819,205.70	19,641,124.47	422	11,809,177.37
10	Cooperative & Commerce Bank	1,915,586,954.26	364,239	1,366,665,529.05	548,921,425.21	886,430,911.75	71,508	480,234,617.30
11	Credite Bank Nigeria	155,222,766.79	5,997	24,665,697.10	130,557,069.69	10,392,363.04	475	14,273,334.06
12	Crown Merchant Bank	111,603,217.73	437	9,426,028.21	102,177,189.52	3,076,399.26	75	6,349,628.95
13	Financial Merchant Bank	154,913,133.91	233	4,873,613.66	150,039,520.25	3,722,792.57	111	1,150,821.09
14	Great Merchant Bank	132,574,216.89	174	5,194,215.05	127,380,001.84	2,282,499.70	55	2,911,715.35
15	Group Merchant Bank	296,274,534.26	212	4,196,997.53	292,077,536.73	1,335,331.47	32	2,861,666.06
16	Highland Bank of Nigeria	91,274,672.15	28,186	39,490,401.08	51,784,271.07	18,764,763.02	3,394	20,725,638.06
17	ICON Merchant Bank	1,421,194,045.31	1,033	33,843,762.30	1,387,350,283.01	31,684,378.62	483	2,159,383.68
18	Ivory Merchant Bank	46,083,993.81	188	3,191,147.28	42,892,846.53	100,000.00	7	3,091,147.28
19	Kapital Merchant Bank	314,600,554.24	240	5,874,453.51	308,726,100.73	4,332,367.33	111	1,542,086.18

S/N	Bank Name	Total Deposits At Closure (₦)	Total Number of Depositors At Closure	Total Insured Deposits At Closure (₦)	Total Excess Deposits(₦)	Total Insured Paid (₦)	No. of Insured Depositors Paid	Outstanding Insured Deposit (₦)
20	Lobi Bank of Nigeria	233,611,823.96	112,819	146,604,258.85	87,007,565.11	91,093,615.05	10,683	55,510,643.80
21	Mercantile Bank of Nigeria	807,287,793.64	276,272	581,772,861.19	225,514,932.45	371,875,535.45	39,052	209,897,325.74
22	Merchant Bank of Africa	712,397,988.29	729	20,909,216.25	691,488,772.04	12,877,791.60	284	8,031,424.65
23	Nigeria Merchant Bank	153,895,719.94	107	4,847,130.12	149,048,589.82	3,625,972.37	77	1,221,157.75
24	North South Bank Ltd.	354,747,138.47	68,246	155,074,440.84	199,672,697.63	80,652,551.01	7,590	74,421,889.83
25	Pan African Bank Ltd.	648,630,106.36	132,540	360,745,495.86	287,884,610.50	232,003,942.66	22,250	128,741,553.20
26	Peak Merchant Bank	3,424,404,152.16	1,044	20,467,998.54	3,403,936,153.62	2,490,068.09	74	17,977,930.45
27	Pinacle Commercial Bank	508,727,770.83	18,332	63,376,997.10	445,350,773.73	27,081,712.27	1,568	36,295,284.83
28	Premier Commercial Bank	31,050,831.71	30,439	24,407,130.83	6,643,700.88	962,811.99	48	23,444,318.84
29	Prime Merchant Bank	204,724,737.94	248	4,760,302.08	199,964,435.86	2,767,150.42	63	1,993,151.66
30	Progress Bank of Nigeria	1,096,281,151.70	255,211	738,086,248.63	358,194,903.07	440,587,674.47	35,296	297,498,574.16
31	Republic Bank Ltd	79,182,234.16	7,416	19,922,727.91	59,259,506.25	13,068,367.52	1,278	6,854,360.39
32	Rims Merchant Bank	263,373,528.19	299	6,956,832.42	256,416,695.77	1,263,984.72	53	5,692,847.70
33	Royal Merchant Bank	677,855,736.00	531	11,042,104.55	666,813,631.45	5,115,621.95	139	5,926,482.60
34	United Commercial Bank	275,907,082.61	5,162	34,098,734.12	241,808,348.49	26,174,336.18	1,696	7,924,397.94
35	Victory Merchant Bank	114,856,351.58	227	4,454,777.77	110,401,573.81	1,865,681.20	48	2,589,096.57
36	African Express Bank	6,283,713,772.37	16,106	123,327,054.75	6,160,386,717.62	37,373,996.50	1,028	85,953,058.25
37	Allstates Trust Bank	32,936,081,583.01	427,847	3,069,106,101.55	29,865,457,942.59	1,817,887,325.40	80,525	1,251,218,776.15
38	Assurance Bank	7,859,033,181.35	105,330	708,329,249.72	7,150,703,931.63	305,284,973.46	17,719	403,044,276.26
39	City Express Bank	16,420,262,437.43	38,147	306,538,583.64	16,113,723,853.79	145,991,763.83	4,352	160,546,819.81

S/N	Bank Name	Total Deposits At Closure (₦)	Total Number of Depositors At Closure	Total Insured Deposits At Closure (₦)	Total Excess Deposits(₦)	Total Insured Paid (₦)	No. of Insured Depositors Paid	Outstanding Insured Deposit (₦)
40	Eagle Bank	1,033,777,480.46	3,280	16,973,794.93	1,016,803,685.53	16,973,794.93	3,280	-
41	Gulf Bank	13,685,372,285.18	36,800	334,288,557.94	13,351,083,727.24	154,833,243.43	4,029	179,455,314.51
42	Hallmark Bank	65,615,609,337.30	121,552	940,276,603.77	64,675,332,733.53	453,751,231.59	17,482	486,525,372.18
43	Lead Bank	10,149,641,894.23	3,925	62,982,640.70	10,086,659,253.53	49,418,061.47	3,514	13,564,579.23
44	Liberty Bank	2,153,333,156.91	19,800	142,875,503.89	2,010,457,653.02	48,222,192.38	1,342	94,653,311.51
45	Metropolitan Bank	5,087,572,976.21	34,434	161,389,281.17	4,926,183,695.04	27,489,884.25	1,652	133,899,396.92
46	Trade Bank	10,504,293,662.05	155,178	742,179,273.89	9,762,114,388.16	430,663,182.22	21,131	311,516,091.67
47	Fortune Bank	9,244,297,624.41	33,557	302,885,618.55	8,941,412,005.86	31,022,987.61	780	271,862,630.94
48	Triumph Bank	3,239,054,791.90	3,799	45,361,908.17	3,193,692,883.73	1,879,700.86	40	43,482,207.31
49	African International Bank	9,044,160,451.58	15,024	1,419,047,353.47	7,625,113,098.11	1,419,047,353.47	15,024	-
TOTAL		215,352,556,016.58	2,769,960	13,618,588,531.25	201,732,449,946.46	8,252,412,272.45	442,999	5,366,176,258.8

Source: NDIC

APPENDIX 2 PAYMENT OF INSURED DEPOSITS OF THE CLOSED MFBs AS AT 31ST DECEMBER, 2018

S/N	NAME OF MFB	Total No Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Sum At Closure (₦)	Total No. Of Depositors Verified	Total Insured Sum Paid (₦)
1	ACME	21	392,000.00	392,000.00	20	333,400.00
2	ADIF	4,195	76,954,059.49	60,762,475.13	745	35,037,306.47
3	AFAM	1,581	5,530,445.91	5,057,816.26	75	2,228,725.06
4	AGBELO	681	1,173,379.99	1,173,379.99	56	683,516.40
5	AJASSE-IPO	6,714	124,163,503.36	48,337,002.73	712	25,198,915.07
6	AKPOR COE	4,470	43,570,156.22	26,906,401.18	240	12,727,990.87
7	ALLIANCE	4,756	33,093,386.58	27,000,318.76	700	10,079,224.74
8	ALLOVER	2,906	106,620,590.63	18,528,741.86	10	410,208.76
9	ALLSTAR	587	25,151,377.15	13,017,023.71	74	5,523,845.45
10	AMAZING GRACE	6,503	41,848,067.22	23,986,705.97	402	10,967,220.27
11	APEX GOLDEN	1,850	38,221,206.75	17,427,862.62	172	7,756,232.14
12	ASABARI	3,468	35,585,936.89	24,228,787.51	522	17,699,820.64
13	ASAGA - UKWU	3,709	96,988,545.81	48,513,457.97	543	13,941,834.74
14	ASCENT	1,790	13,033,167.09	10,932,666.43	484	7,771,506.76
15	ATTA NWAMBIRI	1,746	27,636,461.09	23,514,827.11	638	21,178,463.47
16	BEULAH	1,602	36,807,892.72	5,081,921.77	110	3,236,261.40
17	BIRAIDU	1,790	3,718,888.38	3,423,754.35	220	2,101,506.49

S/N	NAME OF MFB	Total No Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Sum At Closure (₦)	Total No. Of Depositors Verified	Total Insured Sum Paid (₦)
18	BIRNIN KUDU	1,261	15,359,096.76	6,291,228.37	208	5,875,394.10
19	BONNY	2,174	27,582,625.54	23,056,016.54	548	17,578,341.50
20	BRISTOL	387	5,354,654.53	3,682,654.53	6	469,396.88
21	BROADBASED	2,896	27,058,006.76	21,276,954.38	296	13,290,239.39
22	CAPITAL	1,930	34,890,305.28	15,240,153.47	122	6,897,256.91
23	CASHJET	3,782	53,677,932.01	23,688,311.94	542	17,142,940.35
24	CENTURY	2,777	45,342,759.02	18,489,609.88	232	9,968,581.64
25	CHAT	2,225	13,756,878.10	11,126,331.74	555	5,744,730.84
26	CIRCULAR	5,732	104,357,105.95	36,440,920.20	212	12,325,433.98
27	CLASSIC	17,261	93,635,446.38	65,966,973.73	1,423	38,609,087.71
28	COMMON BENEFIT	655	7,465,174.10	7,096,590.10	271	4,818,837.00
29	CUTTING EDGE	4,639	31,749,293.14	19,422,452.33	201	7,567,741.21
30	DANMUSA	575	989,024.96	770,491.69	62	427,169.43
31	DIVINE	1,309	20,755,047.59	12,474,360.73	63	4,212,294.44
32	DOGON DAJI	950	7,348,256.35	5,216,125.96	96	3,107,471.66
33	DYNAMIC	3,407	34,847,423.58	21,678,034.34	75	2,129,220.97
34	EBEM OHA	2,157	18,801,695.14	15,132,835.96	504	12,392,133.10
35	EBENATOR	2,319	74,215,206.48	52,209,988.15	778	44,451,918.78
36	EKWEMA	1,348	20,151,611.44	11,870,897.41	51	3,172,262.75
37	EMEVOR	956	5,496,608.74	5,098,811.74	163	3,542,919.10
38	ETITI	1,800	58,095,301.15	31,103,366.36	498	16,871,797.82
39	EVO	1,409	21,207,956.90	13,756,628.77	242	7,505,421.81
40	EZIMUZO	1,997	21,961,194.81	17,239,884.81	634	7,214,731.61
41	FESTAC 77	521	15,666,921.73	7,393,903.38	98	4,272,830.00
42	FREEDOM	2,893	29,336,046.21	12,259,469.35	220	6,472,707.97
43	FUND EXPRESS	807	21,464,760.98	14,630,869.67	62	2,932,554.99
44	GAMJI	1,688	51,209,524.39	16,209,710.73	79	7,007,902.85
45	GITICOM	8,061	88,793,095.46	67,541,414.85	615	20,234,829.73
46	HARBOUR	887	5,429,378.35	4,528,824.36	176	2,540,322.88
47	HAZONWAO	9,218	41,729,543.46	22,482,906.13	303	4,585,918.71
48	HILLTOP	5,374	56,201,034.47	46,538,304.20	624	14,680,162.75
49	I.C.MFB	8,975	52,637,923.65	21,384,201.73	215	5,605,017.31
50	IDEAL TRUST	884	4,856,238.24	4,145,088.24	89	2,613,763.34
51	IFONYIN	4,872	43,630,736.45	21,421,483.67	369	13,591,327.35
52	IHITE	3,252	84,307,716.28	49,726,983.38	1,106	46,997,698.08
53	IKWUANO	759	5,251,806.20	4,929,191.20	135	3,841,404.69
54	IMPACT	10,222	246,465,671.22	147,045,035.57	1,837	52,752,499.71
55	IMPERIAL	4,284	61,811,529.36	28,364,941.19	206	6,706,316.77
56	INTEGRATED	473,945	6,198,068,940.32	3,383,328,099.04	42,546	1,423,382,615.11
57	INVESTMENT	2,234	19,026,571.73	15,407,019.34	304	9,596,621.57
58	IPE	3,784	36,984,350.93	28,347,688.46	677	23,297,591.48
59	ITELE	504	11,858,238.89	9,339,085.98	177	7,548,206.30
60	JEGA	250	3,438,804.73	2,478,318.67	54	1,981,268.87
61	KBS	1,105	5,744,154.57	4,871,635.38	80	2,452,463.54

S/N	NAME OF MFB	Total No Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Sum At Closure (₦)	Total No. Of Depositors Verified	Total Insured Sum Paid (₦)
62	KERANA	1,810	8,830,118.57	6,399,417.19	138	1,774,521.91
63	KFC	1,567	26,676,987.33	10,231,891.10	78	3,661,187.70
64	LALUPON	7,455	69,090,311.92	36,266,469.46	549	18,522,624.32
65	MARMARA	3,123	12,065,250.05	6,990,809.73	196	4,716,720.41
66	MCB	903	33,054,818.69	11,090,221.61	11	551,728.69
67	MIC	23,190	56,092,796.23	43,482,145.40	22	988,994.85
68	MILESTONE	7,397	127,247,996.08	47,371,341.75	237	15,919,572.78
69	MOORGATE	9,997	135,745,114.15	67,771,548.26	272	13,301,327.28
70	MUNICIPAL	4,991	17,410,423.83	13,655,258.53	113	4,712,841.92
71	NEXUS	4,387	26,366,099.57	9,351,675.60	188	4,521,251.49
72	NGAS	3,013	30,320,463.52	26,830,863.43	797	18,894,549.45
73	OBIOMA	2,221	149,677,074.51	56,322,509.09	907	51,594,220.48
74	OLOMI	17,452	156,270,606.50	127,553,341.36	2,398	95,742,794.97
75	OLOMOYOYO	7,385	33,557,047.51	32,787,059.29	466	11,069,523.51
76	OMNI	2,089	104,354,762.08	22,708,084.29	110	9,684,165.69
77	OPENGATE	2,709	12,624,472.51	10,031,685.18	338	6,074,591.00
78	OWENA	2,911	22,932,736.42	13,570,694.88	282	9,089,536.23
79	OWHOWHA	957	4,232,283.46	3,251,058.46	528	1,336,570.25
80	PET	4,046	64,797,309.94	42,490,232.17	451	22,741,208.20
81	PRIME	2,754	72,257,286.12	27,341,031.88	140	8,411,336.51
82	SAMINAKA	3,637	7,528,113.05	6,340,548.55	237	2,188,726.45
83	SHIMAZ	922	9,910,169.70	7,152,659.75	312	4,575,327.43
84	STANDEX	3,487	101,640,335.22	38,586,341.38	485	24,125,470.05
85	TOUCHSTONE	4,729	166,702,510.26	49,706,847.70	357	28,333,050.69
86	TRINITY	1,812	21,259,402.67	15,222,326.16	148	7,862,798.51
87	TRI-STAR	3,522	58,622,154.26	43,125,438.42	739	37,894,617.47
88	UDEZUKA	693	10,624,269.76	2,332,985.22	21	77,054.18
89	UFUMA	3,121	63,195,019.50	36,073,748.57	-	-
90	UMUNZE	3,888	53,428,950.48	44,116,865.77	805	27,552,844.27
91	UNIQUE	2,520	78,045,624.82	16,085,653.63	77	2,877,091.45
92	URUALLA	1,059	11,118,018.39	10,457,256.49	149	6,393,488.03
93	UTUGWANG	3,223	16,164,306.30	11,409,774.12	460	8,762,427.52
94	VENTURE SUPPORT	1,427	9,633,302.70	8,828,977.03	219	5,447,081.36
95	WIZETRADE	348	12,698,105.65	3,902,942.89	45	2,421,960.09
96	ABIRIBA MFB	3,133	70,191,345.98	46,434,662.89	444	23,232,727.80
97	AKESAN MFB	12,688	24,090,636.95	20,748,024.79	137	6,844,567.62
98	AKIN MFB	1,658	10,820,903.31	9,628,837.31	59	2,235,222.13
99	ARGUNGU MFB	1,450	8,229,195.15	4,289,149.39	33	2,002,925.50
100	BEKWARRA MFB	2,049	10,701,025.84	8,580,561.62	137	3,317,452.13
101	CITIGATE MFB	7,495	18,430,695.62	17,202,719.71	64	3,086,184.88
102	CROWN MFB	684	13,946,552.89	8,347,116.24	67	4,264,995.91
103	DAILY CAPITAL MFB	4,727	81,983,196.71	28,693,134.49	77	5,631,310.10
104	DIKENAFI MFB	945	3,714,735.36	3,670,735.36	27	763,225.51
105	ECB MFB	793	11,362,112.82	9,970,777.08	-	-
106	EDEN MFB	3,082	29,302,890.69	11,425,037.93	51	2,931,437.27
107	EDET MFB	871	10,422,355.82	6,602,326.01	33	1,466,524.11
108	EGOSAL MFB	2,383	5,800,973.67	5,602,465.67	21	325,596.03
109	ESSENCE MFB	3,220	11,366,551.54	10,260,527.63	279	3,635,694.63

S/N	NAME OF MFB	Total No Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Sum At Closure (₦)	Total No. Of Depositors Verified	Total Insured Sum Paid (₦)
110	FIRST CHOICE MFB	1,196	7,800,299.32	3,834,407.79	1	2,119.54
111	FIRST GLOBAL MFB	11,581	288,613,627.23	138,430,966.53	461	43,664,179.46
112	FIRST HERITAL MFB	588	73,885,111.41	32,377,562.34	161	13,050,320.60
113	FIRST OMASI MFB	1,956	37,052,537.60	24,220,242.60	276	16,618,730.27
114	GFB MFB	2,357	10,275,673.13	9,273,392.80	119	3,812,856.48
115	GUSAU MFB	1,841	10,724,154.10	10,596,049.10	110	2,452,532.96
116	HAVILAH MFB	86	11,295,321.90	2,727,441.90	26	2,087,500.00
117	HEBRON MFB	32	7,970,577.00	3,104,903.00	21	2,301,037.00
118	IDAH MFB	2,669	21,514,215.08	16,477,381.39	76	2,252,683.85
119	IRELE MFB	1,178	20,496,088.69	14,614,218.27	117	6,478,494.28
120	LANDROCK MFB	4,688	19,170,639.45	18,261,179.12	91	8,691,280.48
121	NEIGHBOURHOOD MFB	5,755	23,487,234.04	19,127,809.35	99	6,544,062.27
122	NEW HEIGHT MFB	11,100	120,747,476.10	73,920,665.59	11	1,655,765.56
123	NEW IMAGE MFB	8,862	60,376,563.06	43,383,008.38	285	17,211,099.79
124	NGEGWE MFB	1,420	21,277,882.60	12,675,789.57	80	7,040,409.78
125	NKPOR MFB	1,865	54,882,181.35	28,493,442.15	299	17,716,325.03
126	OKWUTA MFB	303	5,479,972.18	3,405,711.89	-	-
127	OTUN-EKITI MFB	2,409	32,706,869.68	18,379,373.15	124	7,723,120.27
128	PEOPLESERVE MFB	-	-	-	18	163,556.20
129	PLANNET MFB	429	1,831,470.00	1,831,470.00	168	1,208,300.00
130	REUNION MFB	4,019	24,593,586.18	12,906,244.16	55	2,406,787.69
131	ROYAL TRUST MFB	10,214	159,624,342.58	80,487,841.97	562	39,253,411.94
132	SAMA MFB	349	7,720,796.64	1,735,535.64	-	-
133	SATELLITE MFB	11,173	110,312,125.58	83,992,502.26	87	7,744,148.20
134	TARGET MFB	2,249	9,996,741.95	6,374,504.40	15	750,289.35
135	THINK MFB	3,067	47,421,486.41	19,600,726.66	122	10,469,347.15
136	UGHIEVWEN MFB	7,567	42,595,517.67	37,143,833.39	149	5,747,135.67
137	UJOELEN MFB	3,235	38,865,185.99	21,696,333.76	171	11,169,778.51
138	UMUHU OKABIA MFB	5,125	78,942,542.30	54,676,056.22	611	34,432,296.10
139	UNIQUE TRUST MFB	4,726	42,985,870.27	24,746,913.18	164	8,112,441.89
140	CRYSTAL EDGE MFB	38	449,878.10	449,878.10	1	150,000.00
141	ADAIGBO MFB				13	2,073,493.76
142	ALACHE MFB				26	2,595,667.47
143	ALOAYE MFB				2	210,012.89
144	AMURO MFB				21	1,738,516.90
145	ARONDIUOGU MFB				30	404,656.00
146	BUNZA MFB				2	45,407.50
147	CHIMHAM MFB				12	18,738.15
148	GAINS MFB				19	980,749.18
149	GARU MFB				855	44,860,540.49
150	GUDDIRI MFB				37	1,284,019.88
151	HARVEST MFB				53	617,967.95
152	IJOMU-ORO MFB				23	1,014,638.80
153	INRI MFB				8	632,851.10
154	KPACHARKA MFB				15	1,416,732.29
155	LAPAI MFB				89	4,214,668.71
156	MASOYI MFB				12	455,004.73
157	MBA MFB				172	4,653,902.32

S/N	NAME OF MFB	Total No Of Depositors At Closure	Total Deposit At Closure (₦)	Total Insured Sum At Closure (₦)	Total No. Of Depositors Verified	Total Insured Sum Paid (₦)
158	MISAU MFB				7	1,278,000.00
159	OGIDI MFB				113	4,418,041.53
160	ORAEZUE MFB				137	6,240,908.60
161	SADAU MFB				7	181,672.71
162	SAVIOUR MFB				30	2,149,593.65
163	SHINKAFI MFB				19	1,490,327.02
164	TRANSWEALTH MFB				10	238,817.27
165	UGBOJU MFB				42	2,884,745.54
	TOTAL	958,834	12,026,134,039.30	6,628,230,106.12	83,415	2,973,854,079.23

Source: NDIC

APPENDIX 3 SUMMARY OF RECOVERIES FOR MFBs (IN-LIQUIDATION) AS AT 31ST DECEMBER, 2018

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS AT CLOSURE (N' MILLION)	CUMULATIVE RECOVERIES AS AT DEC. 2018 (N' MILLION)
1	ACME MFB	0.18	0
2	ADIF MFB	41.67	0
3	AFAM MFB	8.56	0
4	AGBELO MFB	31.90	0.20
5	AJASSE MFB		0.02
6	ALLIANCE MFB	81.26	0
7	ALLOVER MFB	124.73	4.20
8	ALLSTAR MFB	37.55	0.13
9	APEX GOLDEN GATE MFB	11.86	0
10	ASABARI MFB	7.75	0.46
11	ASAGA-UKWU MFB	71.18	0.05
12	ASCENT MFB	14.19	0
13	ATTA NWAMBIRI MFB	8.87	0.23
14	BEULAH MFB	16.91	1.91
15	BIRAIIDU MFB	33.94	0
16	BIRNIN KUDU MFB	74.79	0
17	BONNY MFB	25.92	0
18	BRISTOL MFB	13.18	0
19	CAPITAL MFB	63.73	0.34
20	CASHJET MFB	49.08	0
21	CENTURY MFB	2.54	0
22	CHAT MFB	6.56	0
23	CIRCULAR MFB	215.03	0.84
24	CLASSIC MFB	102.87	2.45
25	COMMON BENEFIT MFB	9.19	0
26	CUTTING EDGE MFB	81.69	0.07
27	DANMUSA MFB	11.90	0.13
28	DIVINE MFB	39.35	0

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS AT CLOSURE (N' MILLION)	CUMULATIVE RECOVERIES AS AT DEC. 2018 (N' MILLION)
29	DOGONDAJI MFB	-	0.04
30	DYNAMIC MFB	5.20	0
31	EBEM-OHA MFB	4.96	0.01
32	EBENATOR MFB	-	17.92
33	ETITI MFB	0.16	0
34	EVO MFB	22.18	4.79
35	EZIMUZO MFB	17.13	0.05
36	FESTAC MFB	8.78	0
37	FREEDOM MFB	21.54	0.85
38	FUND EXPRES MFB	26.37	0
39	GITICOM MFB	103.66	1.63
40	HARBOUR MFB	3.51	0
41	HAZONWAO MFB	31.28	0
42	HILLTOP MFB	17.00	0.28
43	IC MFB	44.13	0.09
44	IDEA TRUST MFB	-	0.01
45	IFONYIN MFB	45.59	0.39
46	IHITE MFB	42.85	0
47	IKWUANO MFB	2.73	0
48	IMPACT MFB	-	0.06
49	INTEGRATED MFB	1,509.81	3.15
50	INVESTMENT MFB	4.22	0
51	IPE MFB	15.92	0
52	ITELE MFB	6.82	0.17
53	JEGA MAGAJI MFB	47.79	2.28
54	KBS MFB	2.48	0
55	KERANA MFB	2.69	0
56	KFC MFB	1.48	0
57	LALUPON MFB	11.34	0.20
58	MARMARA MFB	94.62	0
59	MUNICIPAL MFB	72.60	0
60	NGAS MFB	23.69	0.03
61	MCB MFB	30.10	0.06
62	MILESTONE MFB	246.32	0.24
63	MOORGATE MFB	83.16	0
64	NEW GATE MFB	15.07	0
65	OBIOMA MFB	120.04	0
66	OLOMI MFB	132.56	1.33
67	OLOMOYOYO MFB	2.57	0
68	OMNI MFB	175.07	0
69	OPENGATE MFB	3.79	3.08
70	OWENA MFB	69.49	0.08

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS AT CLOSURE (N' MILLION)	CUMULATIVE RECOVERIES AS AT DEC. 2018 (N' MILLION)
71	PET MFB	36.89	0.63
72	STANDEX MFB	-	0.04
73	TRINITY MFB	1.98	0
74	TRISTAR MFB	20.03	0.10
75	UDEZUKA MFB	316.33	75.00
76	UFUMA MFB	21.77	0
77	UMUNZE MFB	5.62	0.02
78	UNIQUE MFB	9.29	0
79	UTUGWANG MFB	21.18	1.10
80	VENTURE SUPPORT MFB	2.76	0
81	BASIC MFB	-	0.02
82	ISERI MFB	-	0.02
83	MC MFB	-	0.02
84	CEDEP MFB	-	0.02
85	CRYSTAL EDGE	-	0.05
86	NGEGWE MFB	-	0.40
87	IRELE MFB	-	0.09
88	ABOKI MFB	-	0.15
89	UNRECONCILED MFBs	0.42	0.42
	GRAND TOTAL	4,691.35	125.84

Source: NDIC

APPENDIX 4 SUMMARY OF PROCEEDS FROM THE SALE OF PHYSICAL ASSETS OF MFBs IN-LIQUIDATION AS AT 31ST DECEMBER, 2018

S/N	MFB-In-Liquidation	Landed Property/Rent (N' Million)	Vehicles/ Gen. Set (N' Million)	Chattels (N' Million)	Total (N' Million)
1	ABIRIBA MFB	-	-	0.55	0.55
2	ACDEC MFB	-	-	0.11	0.11
3	ACME MFB	-	-	0.15	0.15
4	ADIF MFB	-	-	0.40	0.40
5	AFAM MFB	-	-	0.23	0.23
6	AGBELO MFB	-	-	-	-
7	AJASSE MFB	-	0.30	0.79	1.09
8	AKESAN MFB	-	-	1.10	1.10
9	AKPOR-COE MFB	-	-	1.74	1.74
10	ALLIANCE MFB	-	-	2.86	2.86
11	ALLOVER MFB	-	0.33	2.00	2.33
12	ALLSTAR MFB	-	-	0.13	0.13
13	AMAZING GRACE MFB	-	0.40	0.38	0.78
14	APEX GOLDEN GATE MFB	-	-	0.33	0.33
15	ARUGUNGU MFB	0.40	-	0.17	0.57
16	ASABARI MFB	-	-	0.36	0.36
17	ASAGA-UKWU MFB	-	-	-	-

S/N	MFB-In-Liquidation	Landed Property/Rent (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
18	ASCENT MFB		-	0.22	0.22
19	ATTA NWAMBIRI MFB	3.15	-	0.70	3.85
20	BEKWARA MFB	4.50	-	0.47	4.97
21	BEULAH MFB	-	-	1.88	1.88
22	BIRaidu MFB	-	-	0.69	0.69
23	BIRNIN KUDU MFB	-	-	1.24	1.24
24	BONNY MFB	-	-	0.16	0.16
25	BRISTOL MFB	-	-	0.09	0.09
26	BROAD BASE MFB	-	-	-	-
27	CAPITAL MFB	-	-	1.76	1.76
28	CASHJET MFB	-	1.40	2.87	4.27
29	CEDEP MFB	-	-	0.38	0.38
30	CENTURY MFB	-	0.15	0.30	0.45
31	CHAT MFB	-	-	-	-
32	CIRCULAR MFB	-	-	1.02	1.02
33	CITIGATE MFB	-	-	1.29	1.29
34	CLASSIC MFB	31.07	-	3.13	34.20
35	CREDENCE MFB	-	-	0.12	0.12
36	CROWN MFB	-	-	0.26	0.26
37	COMMON BENEFIT MFB	-	-	0.69	0.69
38	CUBIC MFB	-	-	-	-
39	CUTTING EDGE MFB	-	-	0.20	0.20
40	DANMUSA MFB	-	-	-	-
41	DAILY CAPITAL MFB	-	-	0.99	0.99
42	DIVINE MFB	-	-	1.19	1.19
43	DIKENAFAI MFB	-	-	0.06	0.06
44	DOGONDAJI MFB	-	-	0.21	0.21
45	DUNAMIS MFB	-	-	0.49	0.49
46	DYNAMIC MFB	-	-	0.41	0.41
47	EBEM-OHA MFB	-	-	0.01	0.01
48	EBENATOR MFB	-	-	0.40	0.40
49	ECB MFB	0.25	-	2.27	2.52
50	EDEN MFB	-	-	0.26	0.26
51	EDET MFB	6.89	-	7.78	14.67
52	EGOSAL MFB	-	-	0.17	0.17
53	EMBRACE MFB	-	-	-	-
54	EMEVOR MFB	-	-	0.05	0.05
55	ESSENCE MFB	-	-	0.12	0.12
56	ETITI MFB	-	-	0.30	0.30
57	EVO MFB	0.20	-	0.92	1.12
58	EZIMUZO MFB	-	-	0.25	0.25
59	FESTAC MFB	-	-	0.07	0.07
60	FIELDREAMS MFB	-	-	0.06	0.06
61	FIRST CHOICE MFB	-	-	0.99	0.99
62	FIRST GLOBAL MFB	-	-	2.83	2.83
63	FIRST HERITAGE MFB	-	-	0.21	0.21

S/N	MFB-In-Liquidation	Landed Property/Rent (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
64	FIRST OMASI MFB	-	-	0.36	0.36
65	FREEDOM MFB	1.50	-	2.40	3.90
66	FUND EXPRES MFB	-	-	0.78	0.78
67	G S MFB	-	-	0.39	0.39
68	GALAXY MFB	-	-	-	-
69	GAMJI MFB	25.10	-	0.31	25.41
70	GITICOM MFB	-	0.10	0.87	0.97
71	GRAND FORTRESS MFB	-	-	0.15	0.15
72	GREENFIELD MFB	-	-	0.11	0.11
73	GUSAU MFB	-	-	0.19	0.19
74	HARBOUR MFB	-	-	0.14	0.14
75	HAZONWAO MFB	-	-	0.27	0.27
76	HAVILAH MFB	-	-	0.16	0.16
77	HEBRON MFB	-	-	1.00	1.00
78	HILLTOP MFB	0.85	-	8.95	9.80
79	HOMELAND MFB	-	-	0.53	0.53
80	IC MFB	-	0.76	0.33	1.09
81	IDAH MFB	-	-	0.25	0.25
82	IDEA TRUST MFB	-	-	0.60	0.60
83	IFONYIN MFB	-	0.07	0.21	0.28
84	IHITE MFB	-	-	2.46	2.46
85	IRELE MFB	-	-	0.86	0.86
86	IKWUANO MFB	-	-	0.92	0.92
87	IMPACT MFB	-	-	4.61	4.61
88	IMPERIAL MFB	-	0.40	0.86	1.26
89	INTEGRATED MFB	84.22	2.88	56.79	143.89
90	INVESTMENT MFB	-	-	0.59	0.59
91	IPE MFB	-	-	0.62	0.62
92	ITELE MFB	-	-	0.13	0.13
93	JEGA MAGAJI MFB	-	-	-	-
94	KBS MFB	-	-	0.27	0.27
95	KERANA MFB	-	-	0.64	0.64
96	KFC MFB	-	-	0.08	0.08
97	LALUPON MFB	-	-	0.01	0.01
98	LANDROCK MFB	-	-	0.16	0.16
99	MARMARA MFB	-	-	1.04	1.04
100	MUNICIPAL MFB	-	-	1.48	1.48
101	MCB MFB	-	-	0.14	0.14
102	MIC MFB	-	-	3.79	3.79
103	MILESTONE MFB	-	-	-	-
104	MOORGATE MFB	6.90	0.95	4.94	12.79
105	MUSTASONS MFB	-	-	-	-
106	NEIGHBOURHOOD MFB	-	-	2.34	2.34
107	NEW GATE MFB	-	-	0.18	0.18
108	NEW HEIGHT MFB	1.50	-	-	1.50
109	NEW IMAGE MFB	-	-	0.77	0.77

S/N	MFB-In-Liquidation	Landed Property/Rent (₦ Million)	Vehicles/ Gen. Set (₦ Million)	Chattels (₦ Million)	Total (₦ Million)
110	NEXUS	-	-	2.93	2.93
111	NGAS MFB	-	-	0.58	0.58
112	NGEGWE MFB	-	-	0.42	0.42
113	NKPOR MFB	-	-	0.38	0.38
114	OBIOMA MFB	-	-	1.84	1.84
115	OLOMI MFB	13.50	0.60	0.48	14.58
116	OLOMOYOYO MFB	6.00	-	0.21	6.21
117	OMNI MFB	-	-	4.03	4.03
118	OPENGATE MFB	-	-	1.73	1.73
119	OTUN-EKITI MFB	-	-	0.07	0.07
120	OWENA MFB	-	-	0.31	0.31
121	OWHOWHA MFB	-	-	0.05	0.05
122	OWKUTA MFB	-	-	0.52	0.52
123	PET MFB	-	-	3.61	3.61
124	PEOPLE SERVE MFB	-	-	1.34	1.34
125	PLANET MFB	-	-	0.13	0.13
126	PRIMATE MFB	-	-	-	-
127	PRIME MFB	0.20	-	3.06	3.26
128	REUNION MFB	-	-	0.27	0.27
129	ROYAL TRUST MFB	-	-	0.83	0.83
130	SATELLITE MFB	5.00	0.355	4.63	9.99
131	SHIMAZ MFB	-	-	0.15	0.15
132	SILVER MFB	-	-	0.26	0.26
133	SOUTH WEST IKOYI MFB	-	-	-	-
134	STANDEX MFB	-	-	0.01	0.01
135	TARGET MFB	-	-	0.66	0.66
136	THINK MFB	-	-	1.44	1.44
137	TOUCH STONE MFB	-	-	0.68	0.68
138	TRINITY MFB	-	-	0.52	0.52
139	TRISTAR MFB	-	-	2.57	2.57
140	UDEZUKA MFB	-	-	0.48	0.48
141	UFUMA MFB	-	-	-	-
142	UGHIEVWEN MFB	-	-	0.38	0.38
143	UJOELEN MFB	-	-	0.44	0.44
144	UMUHU MFB	-	-	0.53	0.53
145	UMUNZE MFB	0.50	0.01	1.07	1.58
146	UNITED PEOPLE MFB	-	-	0.07	0.07
147	UNIQUE MFB	-	0.50	1.70	2.20
148	URUALLA MFB	-	-	0.21	0.21
149	UTUGWANG MFB	-	-	0.03	0.03
150	VENTURE SUPPORT MFB	-	-	0.23	0.23
151	WIZETRADE MFB	-	-	-	-
152	SAMINAKA MFB	0.63	-	-	0.63
153	NDIC-103-MFB A/C IN CBN	-	-	0.38	0.38
	TOTAL MFBs	192.36	9.21	189.68	391.25

Source: NDIC

APPENDIX 5 DMBs' HEAD OFFICE ADDRESSES, NUMBER OF BRANCHES, DIRECTORS AND APPROVED EXTERNAL AUDITORS AS AT 31ST DECEMBER, 2018.

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
1.	Access Bank Plc Plot 999c, Danmole Street, P.M.B. 80150, Victoria Island, Lagos. www.accessbankplc.com info@accessbankplc.com	347	Mrs. Mosunmola T. Belo-Olusoga Mr. Herbert Onyewumbu Wigwe Mr. Roosevelt Michael Ogbonna Mrs. Titilayo Grace Osuntoki Mr. Victor O. Etuokwu Dr. Gregory Ovie Jobome Mrs. Hadiza Ambursa Mr. Adeolu Bajomo Mrs. Anthonia O. Ogunmefun Mr. Paul Usoro Mr. Abba Mamman Tor Habib Dr. Ernest Chukwuka Ndukwe Mrs. Ajoritsedere J. Awosika Mr. Iboroma T. Akpana Mr. Adeniyi A. Adekoya (15)	Chairman GMD/CEO GDM ED ED ED ED NED NED NED IND IND IND IND	Pricewaterhouse Coopers (PwC)
2.	Citibank Nigeria Limited Charles S. Sankey Building, 27, Kofo Abayomi Street, P.O. Box 6391, Victoria Island, Lagos. www.citigroup.com publicaffairs.nigeria@citi.com	8	Mr. Olayemi Cardoso Mr. Akinsowon Dawodu Mrs. Funmi Ogunlesi Mr. Fatai Karim Mrs. Nneka Enwereji Mr. Oluwale Awotundun Dr. Hilary Onyike Mrs. Ireti Samuel-Ogbu Mr. Peter Mccarthy Mr. Oyesoji Oyeleke Mr. Daphne Dafinone Dr. Shamsuddeen Usman (12)	Chairman MD/CEO ED ED ED ED NED NED NED IND IND	Pricewaterhouse Coopers (PwC)
3	Coronation Merchant Bank Coronation house, 10, Amodu Ojikutu Street, Victoria Island, Lagos www.coronationmb.com cmb@coronationmb.com	3	Mr. Babatunde Folawiyo Mr. Abubakar Jimoh Mrs. Onome Komolafe Mr. Adebajo Adegbohunbe Mr. Larry Ettah Mr. Babatunde Dabiri Mrs. Suzanne Ironche Ms. Evelyn Oputu Mr. Adamu Atta Mr. Idaere Gogo Ogan Mr. Olubunmi Fayokun (11)	Chairman MD/CEO ED ED NED NED NED NED NED NED NED	Pricewaterhouse Coopers (PwC)
4.	Diamond Bank Plc PGD's Place, Plot 4, Block V, B.I.S Way, Oniru Estate, Lekki, Victoria Island, Lagos. www.diamondbank.com enquiries@diamondbank.com	270	Mr. Dele Babade Olusesan Mr. Uzoma D. Chukwumaeze Mrs. Caroline C. Anyanwu Mrs Chizoma Okoli Mr. Chiugo B. Ndubuisi Mr. Kabir Mohammad Mr. Idris M. Maji Dadi Mr. Christopher C. Ubosi (8)	Chairman GMD DMD ED ED NED NED NED	KPMG Professional Services

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
5.	Ecobank Nig. Plc Plot 21, Ahmadu Bello Way, P.O. Box 72688, Victoria Island, Lagos www.ecobank.com ecobank@ecobank.com	420	Mr. John O. Aboh Mr. Patrick Akinwutan Mrs. Carol Oyedeji Mr. Akin Dada Mrs. Adebisi Olugbami Malam Garba Imam Prof. Frank Ovadje Mrs Funmi Oyetunji Mr. Ayeyemi Ade Mr. Olufemi Ayeni Mr. Eric Jones Odhiambo Mr. Emeka Onwuka (12)	Chairman MD/CEO ED ED ED NED NED NED NED NED NED NED	Akintola Williams Deloitte
6.	FBN Merchant Bank Limited, No 10, Keffi Street, Off Awolowo Road, Ikoyi, Lagos. www.fbnquest.com	3	Mallam Bello Maccido Mr. Kayode Akinkugbe Mr. Taiwo Okeowo Mr. Urums K. Eke, MFR. Mrs. Omobola Johnson Mr. Akin Osinbajo, SAN Mr. Babatunde Odunayo Mr. Oluyele Delano, SAN (8)	Chairman MD/CEO DMD NED NED NED NED IND	Pricewaterhouse Coopers (PwC)
7.	Fidelity Bank Plc., Fidelity Place, 2 Kofo Abayomi Street, P.O.BOX. 72439, Victoria Island, Lagos. www.fidelitybank.ng info@fidelitybank.ng	235	Mr. Ebi Ernest Chukwudi Mr. Nnamdi J. Okonkwa Mr. Mohammed L. Balarabe Mr. Chijioko Ugochukwu Mr. Aku Odinkemelu Mrs. Nneka Onyeali-Ikpe Mr. Robert Nnana-Kalu Mr. Alex Chinele Ojukwu Mr. Ezechukwu M. Okeke Mr. Seni Adetu Mr. Umolu Charles Chiedebe Mr. Akuma Kings (12)	Chairman MD/CEO DMD ED ED ED ED NED NED NED NED NED	Ernst & Young
8.	First Bank of Nigeria Limited, Samuel Asabia House, 35, Marina, Lagos www.firstbanknigeria.com firstcontact@ firstbanknigeria.com	758	Mrs. Ibukun A. Awosika Dr. Adesola K. Adeduntan Mr. Gbenga Francis Shobo Mr. Ibrahim A. Muhammadu Mr. Oni Oyindasola Oluremi Mr. Lawal Kankia Ibrahim Mr. Urums Kalu Eke Mr. B. O. Hassan-Odukale Mr. Obafemi A. Otudeko Mr. Ibrahim D. Waziri Dr. (Mrs.) Ijeoma E. Jidenma Mrs. Olushola Oworu Adetoun Mr. Lateef Bakare Akande (13)	Chairman MD/CEO DMD ED ED NED NED NED NED NED NED IND IND IND	Pricewaterhouse Coopers (PwC)

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
9.	First City Monument Bank Plc No. 17A, Tinubu Street, Marina, P. O. Box 9117, Lagos. www.fcmb.com customerservice@fcmb.com	207	Mr. Otunba O. Senbore Mr. Adam Nuru Mrs. Yemisi Edun Mrs. Bukola Smith Mr. Akanmu Olumide A. Mr. Bismarck Rewane Dr. John Udofa Mrs. Tokunboh Ishmael Mrs. Mfon Usoro Mr. Olusegun Odubogun Mr. Olutola Mobolurin (11)	Chairman GMD ED ED ED NED NED NED NED NED NED	Messrs KPMG
10.	FSDH Merchant Bank Ltd 1/5 Odunlami Street (5 th -8 th Floors, UAC House), P.M.B 12913, Marina, Lagos. www.fsdhgroup.com	3	Mr. Femi Agbaje Mr. Hamda Ambah Mr. Olufunsho Olusanya Mr. Taiwo Otiti Mrs. Muhibat Abbas Mr. Daniel Agbor Mr. Sobandele Sobanjo Mr. Bello Garba Mr. Vincent Omoike Mr. Tosa Ogbomo Mrs. Patrice Backer Mr. Papa Ndiaye Mr. Godwin Ize- Iyamu (13)	Chairman MD/CEO ED ED NED NED NED NED NED NED NED NED NED	Pricewaterhouse Coopers (PwC)
11.	GT Bank Plc Plot 635, Akin Adesola Street, P.O.Box 75455, Victoria Island, Lagos. www.gtbank.com	223	Mrs. Osaretin Demuren Mr. Olusegun Agbaje Mr. Ademola Odeyemi Mrs. Miriam Olusanya Mr. Haruna Musa Mr. Mobolaji Lawal Engineer Adebayo Adeola Mr. Olabode Augusto Mr. Ibrahim Hassan Mr. Hezekiah Oyinlola Ms. Imoni Akpofure Mr. Babatunde Soyoye Mrs. Victoria Osundu Adefala (13)	Chairman MD/CEO ED ED ED ED NED NED NED NED IND IND IND	Pricewaterhouse Coopers (PwC)
12.	Heritage Bank Ltd Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos. www.hbng.com info@hbng.com	127	Mr. Ibrahim Jani Abdulganiyu Mr. Sekibo Ifie Melvin Precious Mr. Monye Jude Chucks Mrs. Udensi A. Nwagboliwe Mr. Ogunsanya Adewunmi A. Mr. Alaibe Ndutimi Adedeji Mr. Disu Oluwayemisi (7)	Chairman MD/CEO ED ED NED NED NED	HorwathDafinone

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
13	Jaiz Bank Plc Kano House, No 73 Ralph Shodeinde Street, Central Business District, P.M.B 31, Garki, Abuja www.jaizbankplc.com	34	Alh. (Dr) Umar Abdul-Mutallab Mr. Hassan Usman Mr. Abubakar Mahmud Mahe Mal. Abdulfattah O. Amoo Alh. (Dr.) Aminu A. Dantata Alh. Musbahu Mohammed Bashir Alh. Mukthar Sani Hanga Mal. Falalu Bello Mr. Muhammad Ali Chatti Alh. (Dr) Muhammad Indimi Mal. Nafiu Baba Ahmed Prof. Tajudeen A. Adebisi (12)	Chairman MD/ CEO DMD ED NED NED NED NED NED NED IND	Ahmed Zakari & Co.
14.	Keystone Bank Nig. Ltd. No. 1, Keystone Bank Crescent Off Adeyemo Alakija Street, P.M.B. 80054. Victoria Island, Lagos. www.keystonebankng.com contactcentre@keystonebanking.com	152	Mr. Umaru Hamidu Modibbo Mr. Ohiwerei Obeahon Asekhame Mr. Abubakar Danlami Sule Mr. Oiwoh Premier Akhator Mr. Odusanya A. Oluwasesan Mrs. Adebisi Titilayo Tairat Mr. Dan-Habu Bulus Bunken (7)	Chairman MD/CEO DMD ED ED NED NED	KPMG Professional Services
15.	Nova Merchant Bank Ltd 23 Kofo Abayomi Street, Victoria Island, Lagos. info@novambl.com	1	Mr. Phillips Oduoza Mr. Anya Duroha Mr. Ayodeji Adigun Chief Malachy Nwaiwu Mr. Emmanuel Ijewere Mrs Habiba Wakil Mr. Shams Butt Ms. Bolanle Onagoruwa (8)	Chairman MD/ CEO ED NED NED NED NED NED	Pricewaterhouse Coopers (PwC)
16.	Polaris Bank Ltd No. 3 Akin Adesola Street, Victoria Island, Lagos. www.polarisbanklimited.com	277	Mr. Muhammad K. Ahmad Mr. Adetokunbo Mukhail Abiru Mr. Innocent C. Ike Mr. Abdullahi S. Mohammed Mr. Olu Odugbemi Mr. Austin Jo- Madugu Alh. Abdullahi Umar Mr. Bata Garba Wakawa (8)	Chairman GMD/ CEO ED ED NED NED NED NED	Pricewaterhouse Cooper (PwC)
17.	Providus Bank Plot 54, Adetokunbo Ademola Street, Victoria Island, Lagos. www.providusbank.com	8	Mr. Adamu Dikko Mr. Walter Akpani Mr. Kingsley Aigbokhaevbo Mr. Chuka Eseka Mrs. Obafunmilayo Augusto Mrs. Bernadine Okeke Mr. Maurice Onokwai (7)	Chairman MD/ CEO ED NED NED NED NED	Delloitte & Touche

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
18.	Rand Merchant Bank Nigeria Limited. 3 rd Floor, Wings East tower, 17A Ozumba Mbadiwe Street, Victoria Island. Lagos www.rmb.com.ng	1	Mr. Formby James Mr. Larbie Micheal Mr. Jordaan Louis Mr. Peter Blenkinsop Mr. Gert Kruger Mr. Spangenberg Philip Mr. Theo Thomas Mr. Motala Ebrahim Mr. Vosloo Carel Mr. Okonedo Enase F. Mr. Savage Babatunde Mr. Remilekun Odunlami Mrs Kemi Segun Mr. Samuel Ogbu (14)	Chairman MD/CEO NED NED NED NED NED IND IND IND IND IND IND	Pricewaterhouse Coopers (PwC)
19.	Stanbic-IBTC Bank Plc. IBTC Place, Walter Carrington Crescent, P.O. Box 71707, Victoria Island, Lagos. www.stanbicibtcbank.com investorrelationsnigeria@stanbicibtcbank.com	177	Mr. Sim Tshabalala Dr. Demola Sogunle Mr. Andrew Mashanda Mr. Wole Adeniyi Mr. Arnold Gain Mr. Zweli Manyathi Mr. Yinka Sanna Mr. Miannaya Essien (SAN) (8)	Chairman MD/CEO ED ED NED NED NED IND	Messrs KPMG Professional Services
20.	Standard Chartered Bank Nigeria Ltd. No. 142, Ahmadu Bello Way, Victoria Island, Lagos www.sc.com/ng callcentre.nigeria@sc.com	22	Mr. Adesola Adepetun Mrs. Bola Adesola Mr. Oludayo Omolokun Mrs Mobola Faloye Mr. Leke Ogunlewe Mr. Richard Etemesi Mr. Louise Vogler Mr. Emmanuel Degroote Opunimi Akinkugbe Mr. Kyari Abba Bukar (10)	Chairman MD/CEO ED ED NED NED NED NED IND IND	Deloitte & Touche
21.	Sterling Bank Plc Sterling Towers, No. 20, Marina, P.M.B. 12735, Lagos. www.sterlingbankng.com	179	Mr. Asue Ighodalo Mr. Abubakar Suleiman Mr. Yemi Odubiyi Mr. Emmanuel Emefienim Mr. Grama Narasimhan Mr. Olaitan Kajero Mrs. Tairat Tijani Mr. Micheal Jituboh Mr. Sujit Varma Mrs Folasade Kilaso Dr. (Mrs) Omolara Akanji Mr. Micheal Ajukwu (12)	Chairman MD/CEO ED ED ED NED NED NED NED NED IND IND	Ernst & Young

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
22.	Suntrust Bank Nigeria Limited No. 1, Oladele Olashore Street, Off Sanusi Fafunwa Street, Victoria Island, Lagos. www.suntrustng.com	6	Mr. Jibril Aku Mr. Ayodeji Babatunde Mr. Umar Dan- Umma Mr. Yewande Amusan Mr. Muhammad Jibrin Engr. Nasiru Dantata Mr. A. Sadiq Mohammed Mr. Richard Howarth Mr. Augustine Alegeh Mrs Amal pepple Inyingiala (10)	Chairman MD ED NED NED NED IND IND IND	Aminu Ibrahim & Co., Chartered Accountants
23.	Union Bank of Nigeria Plc Stallion Plaza, 36 Marina, Lagos. P.M.B. 2027, www.unionbankng.com	319	Mr. Odu Cyril Akporuere Mr. Emuwa Emeka Albert Mr. Kasongo Kandolo Mr. Okonkwo C. Godson Mr. Sonola Adekunle B. Mr. Ude Nathan Madu Mr. Alade-Adeyefa Obafunke M. Mrs. Jumare Furera Isma Mrs. Basse B. Hamza Mr. Botts John Chester Mr. Burrett Richard Mr. Clyne Ian Barton Mr. Kramer Richard Lee Mr. Labib Taimoor (14)	Chairman MD/CEO ED ED ED ED NED NED NED NED NED NED NED	Messrs KPMG
24.	United Bank for Africa Plc UBA House, 57, Marina, P. O. Box 2406, Lagos. www.ubagroup.com info@ubagroup.com	618	Mr. Tony Elumelu Mr. Kennedy Uzoka Mr. Victor Osadolor Mr. Dan I. Okeke Mr. Chukwuma E. Nweke Mr. Uche R. Ike Mr. Emeka E. Iweriebor Mr. Samuel A. Oni Mr. Ayoku A. Liadi Mr. Oliver Alawuba Mr. Joe C. Keshi Mrs Angela Adebayo Mr. Abdulqadir Bello Chief. Kolawole B. Jamodu Mrs. Onawari B. Duke (15)	Chairman MD/CEO ED ED ED ED ED ED ED ED ED ED ED NED NED NED NED	Pricewaterhouse Coopers (PwC)
25.	Unity Bank Plc, Plot 42, Ahmed Onibudo Street, Off Adeola Hopewell Street, Victoria Island, Lagos. www.unitybanking.com we_care@unitybankng.com	218	Mr. Aminu Babangida Mr. Tomi Somefun Mrs. Temisan Tuedor Mr. Abdulkadir Usman Mr. Ebenezer Kolawole Dr. Oluwafunsho Obasanjo Mr. Yabawa Lawan Wabi Mr. Hafiz Muhammed Bashir Mr. Sam N. Okagbue (9)	Chairman MD/CEO ED ED EDF NED NED NED IND	Ahmed Zakari & Co.

S/N	Names & Addresses	No. of Branches	Directors' Name	Status	Approved Auditors
26.	Wema Bank Plc Wema Tower, 54, P.M.B. 12860, Marina, Lagos. www.wemebank.com	146	Mr. Babatunde Kasali Mr. Ademola Adebise Mr. Moruf Oseni Mr. Wole Akinleye Mrs. Folake Sanu Mr. Adebode Adefioye Mr. Abubakar Lawal Mr. Samuel Durojaye Mrs. Abolanle Matel Okoh Mrs. Omobosola Ojo Mrs. Tina Vukor-Quarshie (11)	Chairman MD/CEO DMD ED ED NED NED NED NED IND IND	Deloitte & Touche (Chartered Accountants)
27.	Zenith Bank Plc, Plot 87, Ajose Adeogun Street, P. O. Box 75315, Victoria Island, Lagos. www.zenithbank.com	374	Mr. Jim Ovia (CON) Mr. Peter Amangbo Mr. Ebenezer Onyeagwu Mrs. Adaora Umeoji Dr. Temitope Fasoranti Mr. Umar S. Ahmed Mr. Dennis Olisa Prof. Chukuka Enwemeka Mr. Jeffrey Efeyini Mr. Gabriel I. Okpoh Prof. Oyewusi Ibidapo-Ope Engr. Mustafa Bello (12)	Chairman GMD/CEO DMD DMD ED ED ED NED NED IND IND IND	Messrs KPMG Professional Services

Source: NDIC

APPENDIX 6 PMBs' HEAD OFFICE ADDRESSES, NUMBER OF BRANCHES, DIRECTORS AND APPROVED AUDITORS AS AT 31ST DECEMBER, 2018

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
1	Abbey Mortgage Bank 23 Karimu Kotun Street, Victoria Island Lagos www.abbeymortgagebank.com	10	Chief Ifeanyi B. Ochonogor Mrs. Rose A. Okwechime Mr. Madu Hamman Mazi Emmanuel K. O. Ivi AVM. Olufemi Soewu Mr. Bernard Okumagba High Chief Samuel Oni Mr. Uzochukwu Odunukwe (8)	Chairman MD/CEO ED ED ED ED IND/ NED IND/ NED	Ernst & Young
2	Adamawa Homes & Savings Ltd. No 1 Bishop Street, Jimeta- Yola, Adamawa State. admawahomes@yahoo.co.uk	1	Mr. A. B.Barkindo (1)	MD/CEO	Solanke and Sulaiman & Co.

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
3	AG Mortgage Bank PLC 96 Opebi Road, Ikeja Lagos State www.agmortgagebankplc.com	5	Rev. Chidi Okoroafor Mr. Ngozi Anyogu Rev. Vincent Alaje Barr. Patrick Abuka Mr Emmanuel Ocholi Mr Ugo Chime Mr. Sally Biose Rev. Ejikeme Ejim Barr. Theresa Ntong (9)	Chairman MD/CEO ED ED ED ED ED ED ED	Baker Lilly (Chartered Accountants)
4	Akwa Savings and Loan Ltd Plot 1, Block 1, Federal Housing Estate, Abak Road by Esuene Street, Uyo Akwa Ibom State www.akwasavings.com	5	Mr. Uduak Ewitat Mr. Ebong O. Bassey Mr. Patrick N. Ifon Mr. Peter E. Udo Barr. Akan Mary E. Udo Engr. Asuquo E. Odiong Hon. Nsikan L. Nkan (7)	Chairman MD/CEO ED ED ED ED ED	J. Walter Udoeyop & Co
5	ASO Savings and Loans Plc Plot 266 FMBN Building, Cadastral Zone AO, Central Business District Abuja www.asopl.com	13	Alh. Ali Magashi Mr. Adekunle Adedigba Mrs. Risikatu Ahmed Mr. Olutoyin Okeowo (4)	Chairman MD/ CEO ED NED	Ernst & Young and Aminu Ibrahim & Co
6	Brent Mortgage Bank Ltd 192A Jide Oki Street, Off Ligali Ayorinde Street, Victoria Island. Lagos www.brentng.com	3	Alh. Muri Salami Mr. Kola Abdul Alh. Umar Abdu Alh. S. A. Awosanya Mr. Gabriel Kembu Mr. Lanre Obisesan Mr. Bola Oyebamiji (7)	Chairman MD/ CEO NED NED NED NED NED	Messrs M. A. Alawode & Co
7	Centage Savings and Loans Limited. 7B Benghazi Street, Opposite Old Sahad Stores, Wuse Zone 4, Abuja. Email: centagemortgagebank@ gmail.com	1	Mr. Gabriel Johnson Mr. Gabriel Egwu Mr. Victor Oyedu Mr. John Nwosu Mr. Ayotunde Ayotunde Mr. Philip Onyiruka Mr. U. D. Onuoha (7)	Ag. Chairman Ag. MD/ CEO NED NED NED NED NED	Abdulmalik Ahmed & Co.
8	City Code Mortgage Bank Ltd. 21/25 Broad Street, Investment House, 1 st floor, Marina, Lagos. www.citycodemortgagebank. com	1	Mrs O. Mudasiru Mr. E. Mac-Yoroki Mrs C. O. Egharevba Mr. Oyatoye M. Abiodun Mr. Adekunle Osibodu Mr. Ebibimo Timitimi Barr. Adebisi Adeniji Mrs Magdalene Akikibofori (8)	Chairman MD/ CEO ED NED NED NED NED NED	Abayomi Dosunmu & Co.

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
9	Cooperative Savings and Loans Ltd. 11, University Crescent, Beside Access Bank, Along UI Secretariat road, Bodija, Ibadan, Oyo state. info@cmbankng.com	7	Mr. Nasir A. Abdullahi Mr. Kabir Ayinde-Tukur Chief Oluwole Okunnuga Mrs. Kudi Badmus AVM. W. Ogujiofor (RTD) Mr. Ayo Abina Barr. Ahmed Akanbi Mr. Samuel Akinsele Mrs. Fatima Ibrahim Mr. Adeleke Adeleye (10)	Chairman MD/CEO NED NED NED NED NED NED NED NED	BDO Nigeria
10	Delta Trust Mortgage Finance Ltd. 126 Nnebisi Road, Asaba, Delta State. www.deltatrustmortgagefinance.net	2	Dr. Francis F. Abudu Mrs. Ruby I. Okoro Barr. Joshua O. Muwhen Engr. John Agori Mr. Edward Mekwuye Mrs. Maria Adaigbe Prince George Ugen Dr Henry Nzekwue Mr. Meggison Omatseyin Mr. Gibson Pinnick Arch. Emmanuel Isichei (11)	Chairman MD/ CEO ED NED NED NED NED NED NED NED NED	Mathew Iyeke & Co.
11	FBN Mortgages Ltd. No. 124, Awolowo Road, Ikoyi Lagos www.fbnmortgages.com	1	Mr. Omooba A.A. Buraimoh Mrs. Korede Adedayo Mrs. Ngozi Ogunwa (3)	Chairman MD/CEO ED	Price Waterhouse Coopers
12	FHA Homes Ltd. Asande House, No. 39, Durban Street, Off Ademola Adetokunbo Crescent, Wuse II, Abuja www.fhamortgage.gov.ng	5	Prof. Mohammed Al- Amin Mr. Hayatuddeen A. Awwal Mr. Roland Egbnoba Barr. Aniedi Akpabio Col. Rufus A. Adejoro (Rtd) Mr. Effiong Akwa Barr. Umar S. Gonto Mr. Jonah S. Saidu (8)	Chairman MD/CEO ED ED ED ED ED ED	Iyornumbe Ime & Co
13	First Generation Mortgage Bank Ltd. No. 86 Aminu Kano Crescent, Wuse 11, Abuja www.fgmb-ng.com	7	Chief Fabian Nwaora Sir Young-Toby Ekechi Chief Jude Ameh Chief Benard Nwaora Mr. Chijioke Ekechukwu Mr. Kelechi Nzewuihe Chief Gabriel Ugwuozor Mr. Patrick Eneape (8)	Chairman MD/CEO ED ED ED ED ED ED	Abdullahi Bin Suleiman & Co

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
14	Gateway Savings and Loans Ltd. Plot 10 & 11 Aderupoko Drive, Ibara Housing Estate, Oke- Ilewo Abeokuta, Ogun State. gatewaysavings@yahoo.com	3	Mrs. Modupe Mujota Mr. Olawale Osisanya Mr. Adewale Oshinowo Ms. Adenrele Adesina Barr. Babajide Odusolu Mrs. Olujumoke Akinwunmi Mrs. Olufunmilayo Dada Mr. Hassan Adekunle Mrs. Elizabeth Adegite (9)	Chairman MD/CEO ED NED ED ED ED ED IND	S. I. A. O. Partners
15	Global Trust Savings & Loans Plot 740, Adeola Hopewell Street, Victoria Island Lagos www.globaltrustsavings.com	1	Mr. Rotimi Fashola Mr. Oluyemi Fatokun Mr. Obalade Yinka Mr. Bashorun O. Adegbite Mr. Doyin Adebambo Mr. Abayomi Lawal (6)	Chairman MD/CEO NED NED NED NED	Olayemi Teibo & Co
16	Haggai Mortgage Bank Ltd 119 Bode Thomas Street, Surulere, Lagos. www.haggaiibank.com	2	Elder S. M. Olakunri Mr. Richard Olubameru Mr. Obafunmilayo Augusto Mr. Bababode Osunkoya Chief. S. Ayo Oso Mrs. Abiodun Oyepero (6)	Chairman MD/CEO NED NED NED NED IND	Baker Tilly (Chartered Accountants)
17	Homebase Mortgage Bank Ltd 639 Adeyemo Alakija Street, Victoria Island Lagos www.homebasebank.com	1	Mr. Fela Durotoye Mr. Femi Johnson Mr. Ronald Igbinoba Mr. Friday Nwajei Capt. Femi Olaiya Mr. Temitope Adegbonmire Mrs. Adetola Owolabi (7)	Chairman MD/CEO ED ED ED ED ED	Olusegun Akinosi & Co
18	Imperial Homes Mortgage Bank Ltd. 28 Saka Tinubu Street, Victoria Island, Lagos. www.imperialmortgagebank.com	2	Mr. Mutiu Simonu Mrs. Ben Akaneme Mrs. Salamatu Aderinokun Oba Adeyeye Ogunwusi Mr. Emeka Ndu Mr. Dolapo Ajayi Mr. Ikenna Nwizu Mr. Ralph Gilchrist Mr. Cyrille Nkontchau (9)	Chairman MD NED NED NED NED NED Awt. Appvl Awt. Appvl	KPMG Professional Services
19	Infinity Trust Savings and Loans www.itmbplc.com 11 Kaura Namoda Street, off Faskari Street. Area 3, Garki Abuja www.itmbplc.com	4	Engr. Adeyinka Bibilari Mr. Obaleye Olabanjo Mr. Dada Ademokoya Engr. Tunde Olaleke Mr. Akin Arikawe Gen. Danladi Pennap (Rtd) Alh. Muhammed Abubakar Mrs. Ene Okwa Iyana (8)	Chairman MD/CEO NED NED NED NED IND IND	Messrs Aminu Ibrahim & Co

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
20	Jigawa Savings and Loans Ltd. 1 st floor, Binta Sanusi House, Kiyawa road, Dutse, Jigawa state. www.jigawasavingsandloans.com.ng	7	Mr. Suleiman S. Baffa Alh. Babangida Umar Arc. Adamu M. Tahir Engr. Habu A. Gumel Alh. Haliru Said Haj. Habiba I. Dutse Hon. Aminu S. Gumel (7)	Chairman MD/CEO ED ED ED ED ED	Ahmed Tanko & Co.
21	Jubilee-Life Mortgage Bank Plot 730, Adeola Hopewell, Victoria Island, Lagos. www.jubileelifeng.com	10	Elder F.O.A. Ohiwerei Mr. John Obi Mr. Iyiola Adegboye Dr. Fidelis Ayebae Mr. Obafunso Ayinoluwa Pastor. Bitrus Yayala Mr. Olukayode Awolu Mr. Andrew Aluya (8)	Chairman MD/CEO NED NED NED NED NED NED	Deloitte & Touche
22	Kebbi Homes Savings and Loans Ltd. No. 66 Ahmadu Belloway, GRA, Birnin Kebbi. Kshsl-bk@hotmail.com	5	Chairman Sakaba L.G.A. (1)	MD/CEO	Ubada Abah & Co.
23	Lagos Building Investment Company PLC. Plot 1, ASSBIFI road, Central Business District, Alausa, Ikeja, Lagos. www.lbic.com	2	Arch Adeshina Soyabo Mrs. Folashade Folivi Mr. Olusina Dipe Mr. Biodun Dosunmu Mr. Abiodun Afinowi (5)	Chairman MD/ CEO ED ED NED	Akapo and Partners
24	Mayfresh Mortgage Bank Ltd. 83 Aba/Owerri roadUmungasi, Aba, Abia state. www.mayfreshmortgageLtd.com	22	Dr. Okwudili Micheal Lady Maria-Goretti Omego Mr. Andrew Offor O. Mr. Egbegolu Mark Mr. Aaron Amaechi Ude Mr. Peter Nwosu C. Rev.Fr. Prof. E.M.P. Edeh Mr. Iwuchukwu Vernatius Mrs. Dominica Monday (9)	Chairman CEO ED ED ED NED NED NED NED	Theophilus Ohazulike & Co.
25	Mutual Alliance Mortgage Bank Ltd 209 Oron Road, Uyo Akwa Ibom State www.mutualalliance.com	1	Mr. Elisha Yahaya Mr. Okon Amasi Mr Kodi Ohakah Mr. Aneiefiok Iwok Mr. Khalifa Abdulrahaman Mr. Sammy Adiqun Mr. Blankson Assi (7)	Chairman MD/CEO ED ED ED ED ED	Olutoyin Lasisi & Co
26	New Prudential Mortgage Bank Ltd 55 Bishop Oluwole Street, Victoria Island, Lagos www.newprudential.com	1	Mr. Akin Akintoye Mr. Eyo Asuquo Mr. Gboyega Fatimilehin Mr. Adebisi Adebutu Mr. Babatunde Edun (5)	Chairman MD/CEO NED NED NED	Pedabo Audit Services

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
27	Nigeria Police Mortgage Bank Ltd Plot 11, Port Said Street, Wuse Zone 4, Abuja. info@nigeriapolicemortgagebank.com	1	DIG. Uba B. Ringin (Rtd) Mr. Abubakar Suleiman Mr. Abdulrahman Ibrahim CP. Olushola David CP. Egbunike O. Joseph ACP. Iloka N. Innocent CP. Samson Wudah (Rtd) CSP. Jubril G. Gani Prince Goodluck Odimegwu (9)	Chairman MD/ CEO ED NED NED NED NED NED IND.	Stanley & Burn (Chartered Accountants)
28	Omoluabi Mortgage Bank Plc. Old Governor's Office, Gbongan Ibadan Road, Ogo Oluwa Area, Osogbo, Osun state. www.ombplc.com	3	Mr. Adebayo Jimoh Mr. Ayodele Olowookere Mr. Bola Oyebamiji Dr. Dauda O. Yinusa Prince Tilewa Sijuwade Mr. Akintayo A. Kolawole Prince Adewunmi Adesola Mr. Omolaja Micheal Prince Gbadebo Adekunle (9)	Chairman MD/CEO NED NED NED NED NED NED NED	PKF Professional Services.
29	Platinum Mortgage Bank Ltd. Plot 161 Yakubu Gowon Crescent, Asokoro Abuja. www.pmb-ng.com / info@pmb-ng.com	15	Mr. Taiwo Bankoko Dr. Emmanuel N. Mbaka Mrs. Ucheoma Iroha H.R.H. Victor Egbe Sir David Nwosu Mrs. Lydia Shaibu Barr. Apugo U. K. Apugo (7)	Chairman MD/CEO ED ED ED ED Comp. Sec.	Messrs Kuseme Ibok & Co.
30	Refuge Mortgage Bank Ltd 66 Opebi Road, Ikeja Lagos www.refugebank.com.ng	1	Pastor. Matthew Okojie Mrs. Florence Adeola- Dada Pastor. Yemisi Kudehinbu Evan. Dr. Eddy Owase Pastor Tom Obiasi Pastor Ose Oyakihlome (6)	Chairman Acting MD ED ED ED ED	David Odiwo & Co
31	Resort Savings & Loans Plc. 25 Olowu Street, off Awolowo way, Ikeja, Lagos. www.resortng.com	6	Sen. S. O. Fajinmi Mr. Olayemi Rabiu Mr. Kolawole Adesina Mr. Aliu Oshoke Mr. Umar Karaje Barr. J. O.J. Chukwuocha (6)	Chairman MD/CEO ED ED NED NED	BBC Professionals
32	Safetrust Mortgage Bank Limited 18 Keffi Street, Ikoyi, Lagos state_ www.safetrustmortgagebank.com	2	Mr. Ayodele O. Arogbo Mr. Akintayo Oloko Mrs. O. Olawoje Mr. Akin Opeodu Mr. Femi Adeyanju Mr. Ayokunle Okusanya Mrs Bolanle Oduyale (7)	Chairman MD ED NED NED NED NED	Messrs KPMG Professional Services

S/N	Names & Addresses	No. of Branches	Directors' Names	Status	Approved Auditors
33	STB Building Society No. 1 First Avenue, Bourdillon Court, Chevron Drive, Lekki, Lagos. www.stbsociety.com	1	Mr. Yemi Idowu Mr. Olaitan Kajero Mr. Sunday Olabode Mr. Olusoji Oladokun Mr. Adeolu Idowu Mr. Abisoye Sonoiki (6)	Chairman MD ED NED NED NED	Uche Okoye & Co.
34	Taraba Savings and Loans No. 134, Hammaruwa Way, Jalingo, Taraba state. PMB 1145. tarabasavings@gmail.com	1	Mr. Ibrahim D. Sampati Mal. Aminu Mamman Lau Mal. Gambo Ahmadu Belti (3)	Chairman MD/CEO ED	Jubril & Co. Auditing Firm
35	Trustbond Mortgage Bank Plc. Block 94, Plot 3, Providence Street, Lekki Scheme 1, Lekki, Lagos. www.trustbondmortgagebankplc.com	2	Mr. Etigwe Uwa, SAN Mr. Adeniyi A. Akinlusi Mr. Uduma O. Kalu Mr. Tamuno Atekebo Engr. Emmanuel A. Alabi Mrs. Ola Ifezulike Mrs D. Nicol-Omeruah Mrs. Amira Obi-Okoye (8)	Chairman MD ED ED ED ED ED IND	KPMG Professional Services.
36	Kogi Savings and Loans Ltd. 44, Murtala Mohammed Way, Paparanda Square, Lokoja, Kogi State. info@kogisavings.com		Kogi State Government		
37	MGSL Mortgage Bank Ltd. 23, Aminu Kano Crescent, Wuse II, Abuja. www.mgslmortgagebank.com	1	Dr. Ambroise B. C. Orjiako Mr. Emmanuel Ossai Dr. Virginia Anohu HRH Dr. Christine Nwuche Engr. Victor Anohu (5)	Chairman MD/CEO ED ED ED	Olawale Shorunke & Co.
38	Union Homes Savings and Loans Plc. 153, Ikorodu road, Onipanu, Lagos www.unionhomes.com.ng		Not Available		
TOTAL		185	253		

SOURCE: NDIC

