



PART ONE

NDIC OPERATIONS AND PERFORMANCE

SECTION 1

OVERVIEW OF MANDATE, CORE VALUES AND STRATEGIC PLAN

1.0 Introduction

The NDIC is a key component of the financial safety-net, established under the NDIC Act No. 22 of 1988 (now repealed and re-enacted as NDIC Act No. 16 of 2006). It is the sole agency of government responsible for administering DIS in Nigeria. It provides financial guarantee to depositors of all licensed deposit-taking financial institutions (DMBs, PMBs, MFBs and Non-Interest Banks) and promoting public confidence, thereby contributing to financial system stability.

1.1 Public Policy Objectives

The NDIC aims to achieve the following Public Policy Objectives (PPOs):

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

1.2 Mandate

The NDIC is mandated with powers that enable it to discharge its responsibilities effectively as the sole insurer and liquidator of licensed deposit-taking financial institutions. It also possesses supervisory powers to monitor the financial condition of deposit-taking financial institutions licensed by the CBN as well as ensure their orderly resolution when they fail.

The core mandate and ensuing responsibilities of the NDIC are as follows:

▪ Deposit Guarantee

The NDIC guarantees depositors' funds in licensed deposit-taking financial institutions in Nigeria. It is responsible for reimbursement of depositors in the event of failure of an insured institution up to the maximum limit in accordance with its statute. The maximum coverage limit during the year under review remained at ₦500,000 per depositor per DMB (including non-interest bank). It is instructive to note that the coverage level for PMBs was reviewed upwards from ₦200,000 to ₦500,000 per depositor per PMB upon approval of the Minister of Finance in 2016. However, that of the MFBs remained at ₦200,000 per depositor per MFB during the year under review. The NDIC also guarantees funds of Subscribers of Mobile Money Operators (MMOs) in Nigeria through Pass-Through Deposit Insurance (PTDI) up to a coverage limit of ₦500,000 per DMB.

■ **Bank Supervision**

The NDIC as a risk minimiser is empowered to monitor the financial condition of insured financial institutions through off-site surveillance and on-site examination in collaboration with the CBN and Other Safety-net participants. That is done to ensure the NDIC's readiness to discharge its mandate as deposit insurer and liquidator efficiently and effectively, reduce the risk of failures and ensure safe and sound banking practices. The NDIC also provides the oversight to preserve the integrity of the banking system and promote public confidence.

■ **Distress Resolution**

The NDIC provides financial and technical assistance to eligible insured financial institutions thereby ensuring that failing and failed insured institutions are resolved in a timely and cost-efficient manner. The responsibility of distress resolution is shared with the CBN. The financial assistance is in the form of loans, guarantees and accommodation bills. The technical assistance, on the other hand, could take the form of Assumption of Control and Management of a failing institution, change of management or assisted merger/acquisition with another viable institution. The NDIC also decides on the least-cost resolution option to adopt in the event that the licence of an insured institution is revoked.

■ **Bank Liquidation**

The NDIC is the sole liquidator of closed insured deposit-taking financial institutions in Nigeria. The discharge of that mandate involves orderly and efficient closure of failed institutions with minimum disruption to the payment system, prompt payment of insured sums, cost-effective realization of assets and settlement of claims of depositors, creditors and shareholders. Depositors, however, have priority of claim on a failed bank's assets over other stakeholders.

1.3 Core Values

To be effective in the discharge of its mandate, NDIC is guided by some Core Values and Beliefs. As contained in the revised Strategic Plan (2016-2020), the six (6) Core Values and Beliefs that guide the NDIC employees are as follows:

■ **Honesty**

The NDIC is committed to doing what is right and just at all times. In that regard, NDIC employees are required to:

- i. Adhere to the highest ethical standards in performing their duties;
- ii. Act and negotiate in good faith and in the best interest of the NDIC; and
- iii. Display the highest level of integrity.

■ **Respect and Fairness**

The Management, in partnership with the employees ensure that:

- i. Employees treat each other with mutual respect;
- ii. Employees are given equal opportunities and treated with fairness;
- iii. Employees' career advancement is based on merit; and
- iv. Work environment is conducive for the employees.

■ **Discipline**

All NDIC employees are required to:

- i. Exhibit a clear understanding of their responsibilities, powers and duties and discharge same in a responsible and professional manner;
- ii. Demonstrate a high degree of tact and discretion and be circumspect in their dealings with the stakeholders of NDIC; and
- iii. Employ utmost decorum, courtesy, politeness and consideration, and yet, maintain firmness in all dealings with colleagues and other NDIC's stakeholders.

■ **Professionalism**

The NDIC employees are required to be good professionals and demonstrate a high level of professionalism in performing their duties. In that regard, they are required to:

- i. Improve their skills and performance;
- ii. Endeavour to attain excellence in all aspects of their work;
- iii. Aspire to exceed set targets;
- iv. Seek innovative and creative solutions to problems;
- v. Abide by all codes of conduct and professional ethics/good corporate governance at all times;
- vi. Be objective and factual in their work presentation and also be constructive in their criticism;
- vii. Promote and reinforce cooperation with other relevant agencies locally and internationally;
- viii. Acknowledge the contributions of others; and
- ix. Provide and solicit support to and from colleagues.

■ **Team Work**

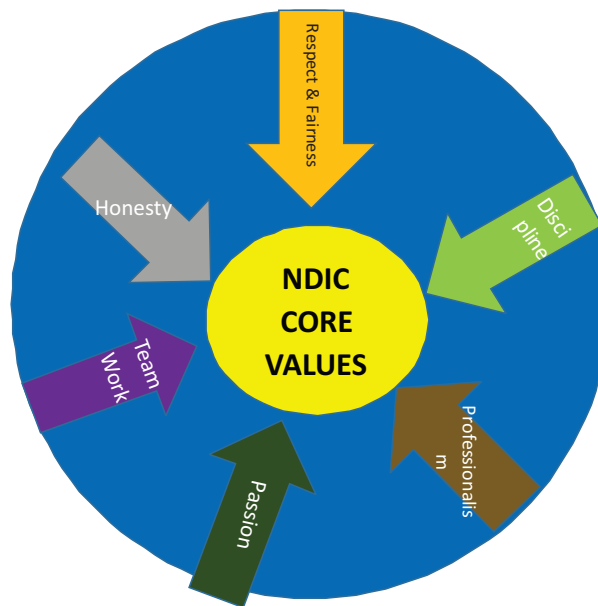
The NDIC employees under the team based culture of service delivery, are required to:

- i. Deploy their skills, competences and knowledge in providing business solutions;
- ii. Endeavor to seek knowledge and improve the requisite skills for their workstations;
- 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/and or their workstation; and
- vi. Be mission-driven and demonstrate clear knowledge of their job roles.

■ Passion

All NDIC employees are required to be passionate in carrying out their duties and are expected to:

- i. Be motivated, driven and enthusiastic in all aspects of their work;
- ii. Be dedicated and proactive;
- iii. Be responsive in facing and tackling challenges; and
- iv. Improve and gain skills in both areas of strength and otherwise.



1.4 PROGRESS MADE IN THE IMPLEMENTATION OF 2016-2020 STRATEGIC PLAN AS AT 31ST DECEMBER, 2016

The NDIC Strategic Plan 2011-2015 that expired was replaced with a new Strategic Plan 2016-2020 during the year under review. The plan reflects the dynamic changes the NDIC faced in its operating environment and the achievements recorded in the implementation of the 2011-2015 Plan.

The 2016-2020 Strategic Plan implementation commenced late in 2016 due to the late passage of the 2016 Appropriation Bill. Furthermore, the Strategic Plan did not differ significantly from the 2011-2015 Plan in terms of the framework, as the four (4) strategic themes remained the same, namely: Operational Readiness; Culture of Continuous Performance Management; Collaboration & Strategic Partnering; and Promoting Public Confidence in Deposit Insurance System. In the 2016-2020 Plan, the number of Corporate Objectives were reduced from eighteen (18) to thirteen (13).

Similarly, the value proposition remained the same just as the Balanced Scorecard will be used in measuring the performance of the strategy. In addition, forty-seven (47)

initiatives/projects were considered in which some were new initiatives/projects and some were carried over from the 2011 - 2015 Strategic Plan.

1.4.1 STATUS OF IMPLEMENTATION OF KEY STRATEGIC INITIATIVES/PROJECTS ON A THEMATIC BASIS AS AT 31ST DECEMBER, 2016

The effective execution of the identified strategic initiatives/projects in the remaining part of 2016 with continuous focus on the strategic themes had yielded the desired result. In the 2016-2020 Strategic Plan, the NDIC identified forty-seven (47) strategic initiatives/projects, and had successfully completed eight (8), representing 17% during the period under review. Furthermore, thirty three (33) initiatives/projects, representing 70%, were on-going, while six (6) initiatives/projects representing 13% were yet to commence as at 31st December, 2016.

The NDIC's Strategic Themes and results are as shown in Table 1.1. The status of implementation of the strategic initiatives as at 31st December, 2016 is presented on a thematic basis in Tables 1.2 and 1.3, as well as Charts 1.1 and 1.2.

Table 1.1
STRATEGIC THEMES AND RESULTS

S/N	STRATEGIC THEMES	STRATEGIC RESULTS
1	Operational Readiness	Readiness to fulfil the mandate in terms of the organisational capacity, processes and financial strength.
2	Performance Driven Culture	Emergence of a performance-driven organisation 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.

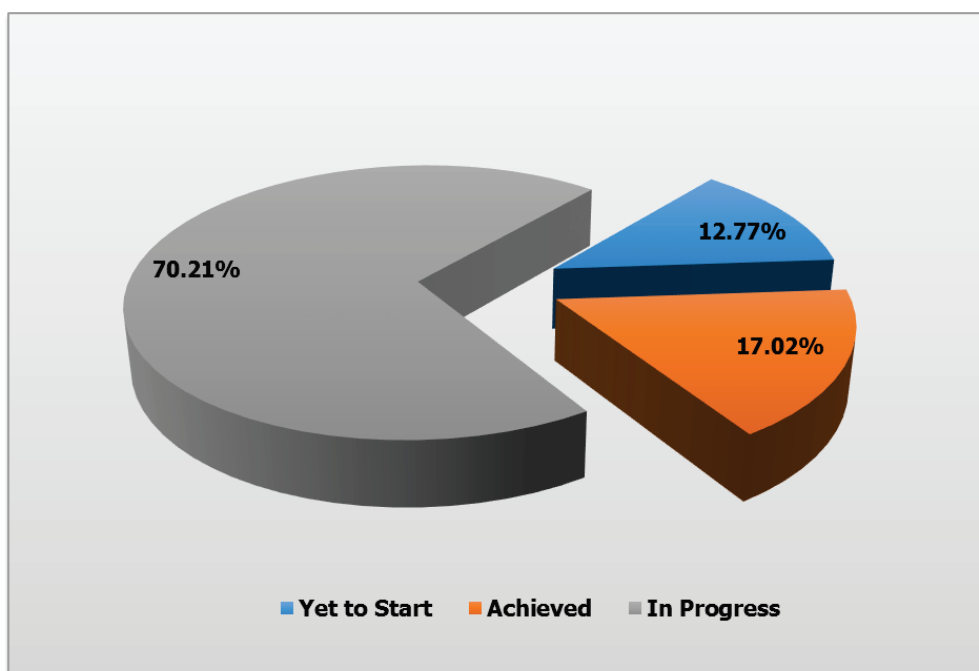
Source: NDIC

Table 1.2
SUMMARY OF IMPLEMENTATION STATUS OF INITIATIVES BY THEMES

S/N	INITIATIVES/ PROJECTS	TOTAL NUMBER OF INITIATIVES/ PROJECTS	ACHIEVED	IN- PROGRESS	YET TO START
1	OPERATIONAL READINESS	20	7	13	0
2	A CULTURE OF CONTINUOUS PERFORMANCE MANAGEMENT	18	1	13	4
3	COLLABORATING AND STRATEGIC PARTNERING	4	0	2	2
4	PROMOTING PUBLIC AWARENESS IN DIS	5	0	5	0
	TOTAL	47	8	33	6

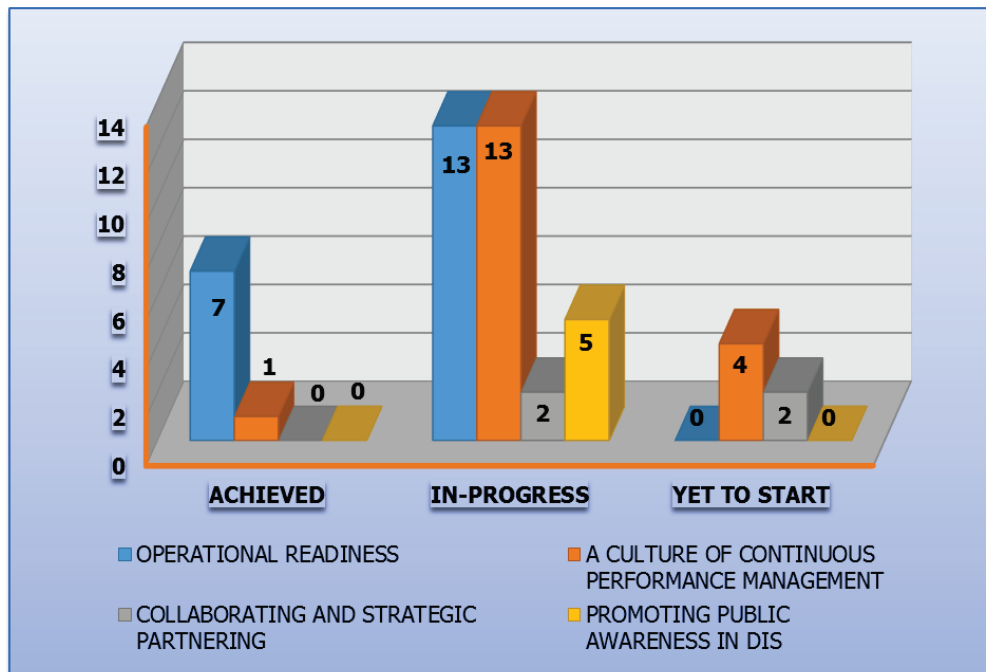
Source: NDIC

Chart 1.1
SUMMARY OF IMPLEMENTATION STATUS OF INITIATIVES



Source: NDIC

Chart 1.2
CHART 1.2. SUMMARY OF IMPLEMENTATION STATUS OF INITIATIVES



Source: NDIC

SECTION 2

DEPOSIT INSURANCE COVERAGE AND FUND MANAGEMENT

2.0 Introduction

Since the 2007 - 2009 global financial crises, countries have come to recognise the importance of deposit insurance in ensuring the stability of financial system. Thus, the DIS is an important component of the financial safety-net arrangement as it serves to complement the measures employed by regulators for effective management and orderly resolution of both failed and failing deposit-taking financial institutions. The DIS promotes the safety and soundness of insured financial institutions and also engenders public confidence in the banking system, thereby making incidence of bank run less likely. Membership of the DIS is mandatory for all deposit-taking financial institutions in Nigeria.

An appropriate funding arrangement is therefore critical to the success of a DIS. In its 27 years of operations, the NDIC has developed an effective system, to ensure that there is adequate fund to promptly respond to the problem of failed or failing insured institutions as well as effectively discharge its operations as a risk minimiser. The NDIC maintains ex ante funds contributed by the insured institutions in form of premium to meet maturing obligations as they arise.

Consequently, the NDIC continually evaluates periodically, the adequacy of deposit insurance coverage level as well as effectively manage the DIF through proactive consideration of the impact of changes in the economy, financial markets, and banking system on the NDIC and its Insurance Fund.

This section discusses developments on the generation and management of the funds. It also highlights the insurance activities of the NDIC with respect to coverage and premium contribution by the participating institutions in 2016.

2.1 Deposit Insurance Premium

A deposit insurer has the option to adopt either a simple approach such as the Flat-rate Premium Assessment or the more sophisticated method, such as the Differential Premium Assessment System (DPAS), where risk is explicitly considered in assessing premium payable by insured institutions. The assessment rate under DPAS is divided into two (2), namely: the base rate and add-on. The base rate is applied uniformly to all insured institutions, while the add-on is based on the risk appetite of each institution.

The IADI Core Principles for Effective DIS recommend the DPAS as the best approach in premium administration. Accordingly, the NDIC, like most other jurisdictions with risk minimising mandate, continued to adopt DPAS in calculating the premium payable by DMBs and NIBs in 2016. However, the flat-rate method was used to assess premiums

payable by MFBs and PMBs.

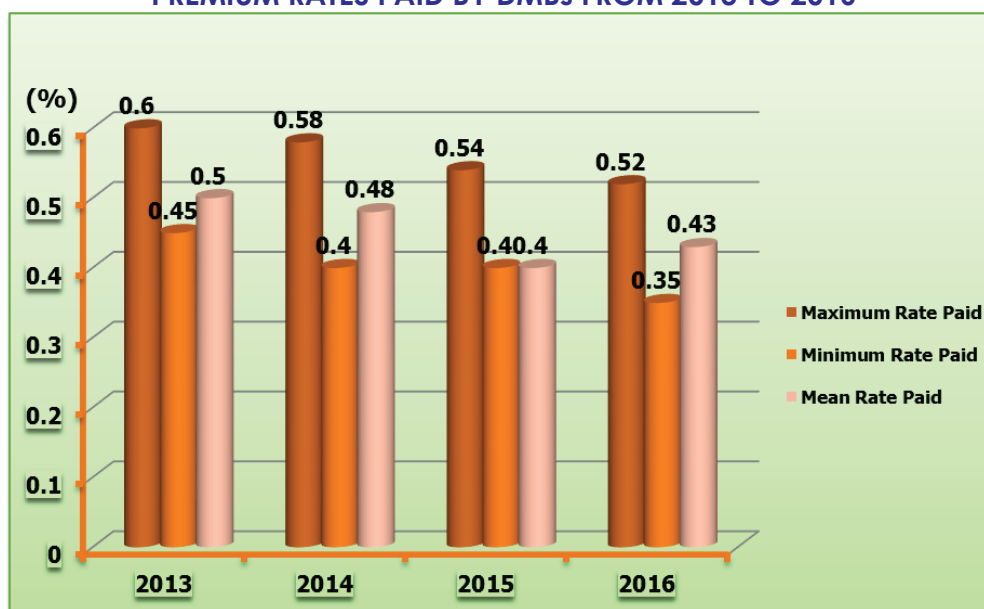
During the year under review, the NDIC used 35 basis points as the base rate plus whatever a bank was charged from the add-ons in calculating the premium for DMBs/NIBs under the DPAS. A flat rate of 50 basis points was used for PMBs and MFBs in computing their premium payable in 2016. Table 2.1 and Chart 2.1 show the premium rates paid by DMBs for 2013 to 2016.

TABLE 2.1
PREMIUM RATES PAID BY DMBs IN NIGERIA FROM 2013 TO 2016

PARTICULARS	2013	2014	2015	2016
Maximum Rate Paid (%)	0.60	0.58	0.54	0.52
Minimum Rate Paid (%)	0.45	0.40	0.40	0.35
Mean Rate Paid (%)	0.50	0.48	0.40	0.43

Source: NDIC.

Chart 2.1
PREMIUM RATES PAID BY DMBs FROM 2013 TO 2016



Source: NDIC.

During the year under review, the maximum rate paid by the DMBs assessed to have the least risk management practices decreased by two basis points from 0.54% in 2015 to 0.52% in 2016. Similarly, the minimum rate paid by the DMBs with acceptable risk management practices was 0.35% in 2016, compared to 0.40% in 2015. On the other hand, the mean rate paid by DMBs increased by three basis points from 0.40% in 2015 to

0.43% in 2016. The range of premium rates for a greater number of DMBs was between 40 and 52 basis points. The premium collected from DMBs reduced by 0.31% from ₦78.28 billion in 2015 to ₦78.04 billion in 2016.

2.2 Deposit Insurance Coverage

The changing dynamics of the financial system coupled with macro-economic challenges, directly affects the deposit base and other statistics of the banking industry. Consequently, the NDIC monitors the coverage levels in compliance with International Best Practices.

Accordingly, Table 2.2 and Chart 2.2 show that the total number of accounts of DMBs significantly increased by 26.43% from 65,664,573 as at 31st December, 2015 to 83,016,654 as at 31st December, 2016, due to increased market drive for low value account customers as well as introduction of electronic cards linked to customer accounts to ease foreign exchange transactions. Similarly, the number of fully covered accounts at ₦500,000 also increased by 27.50% from 64,760,480 in 2015 to 82,571,145 in 2016. Also, the proportion of total accounts that were fully covered at ₦500,000 slightly grew to 99.46% in 2016 compared to 98.62% in 2015. The proportion of partially covered accounts at ₦500,000 was 0.54% in 2016 compared with 1.38% in 2015 as shown in **Table 2.2 and Chart 2.3.**

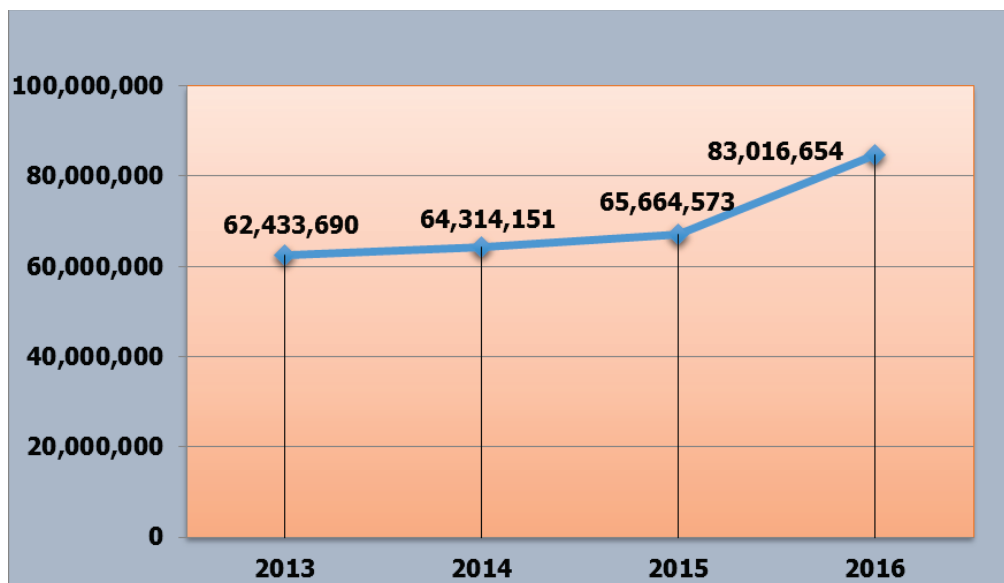
On the other hand, total deposits fully covered at ₦500,000 declined from ₦1,535.08 billion as at 31st December, 2015 to ₦1,407.91 billion as at 31st December, 2016. However, total deposits partially covered at ₦500,000 increased slightly to ₦1,278.61 billion as at 31st December, 2016 from ₦1,127.06 billion as at 31st December, 2015.

Table 2.2:
DEPOSIT INSURANCE COVERAGE OF DMBs AS AT 31ST DECEMBER, 2013 TO 2016

	2013	2014	2015	2016
Total number of Accounts	62,433,690	64,314,151	67,014,595	83,016,654
Total number of Accounts fully covered at ₦500,000	60,601,039	62,447,952	64,760,480	82,571,145
% of fully covered Accounts	97.06	97.10	96.64	99.46
Total number of accounts partially covered at ₦500,000	1,832,651	1,866,199	2,254,115	445,509
% of partially covered accounts	2.94	2.90	3.36	0.54
Total Deposits fully covered at ₦500,000 (₦' Billion)	1,279.56	1,375.79	1,535.08	1,407.91
Total deposits partially covered at ₦500,000 (₦' Billion)	916.33	933.10	1,127.06	1,278.61

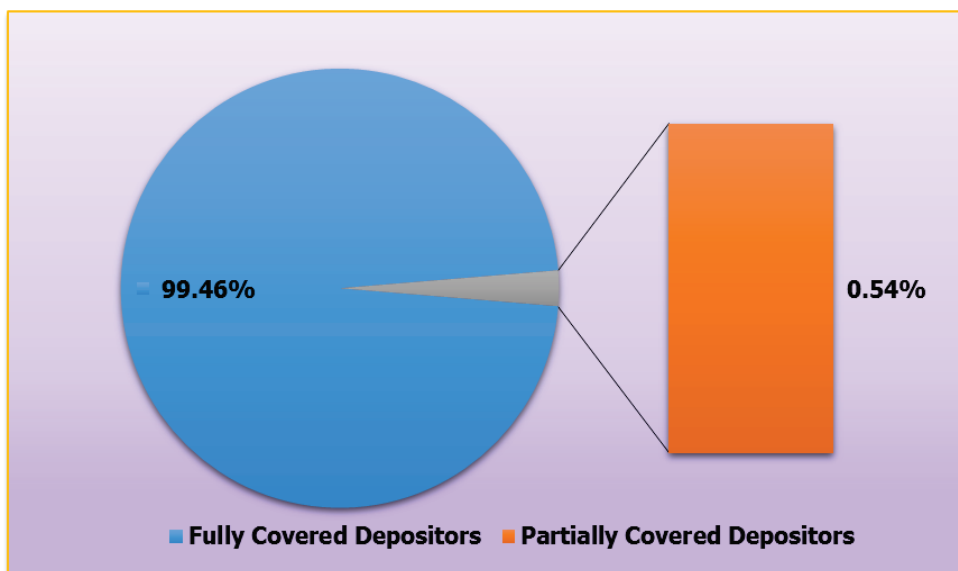
Source: NDIC

Chart 2.2:
GROWTH IN NUMBER OF ACCOUNTS OF DMBs AS AT 31ST DECEMBER, 2013 - 2016



Source: NDIC

CHART 2.3.
**DMBs' FULL AND PARTIAL COVERAGE AT ₦500,000
AS AT 31ST DECEMBER, 2016**



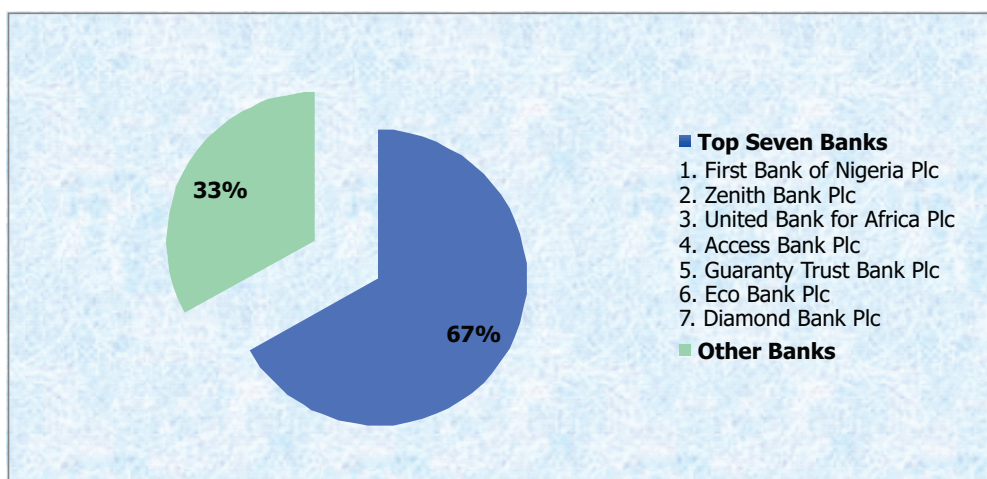
Source: NDIC

2.3 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 maximum claim per depositor per DMB stood at ₦2.62 trillion in 2016, representing 15.19% of industry total deposits of ₦17.51 trillion. The insured deposits of the top seven (7) DMBs accounted for 68%, while the remaining eighteen (18) accounted for 32% as at 31st December, 2016.

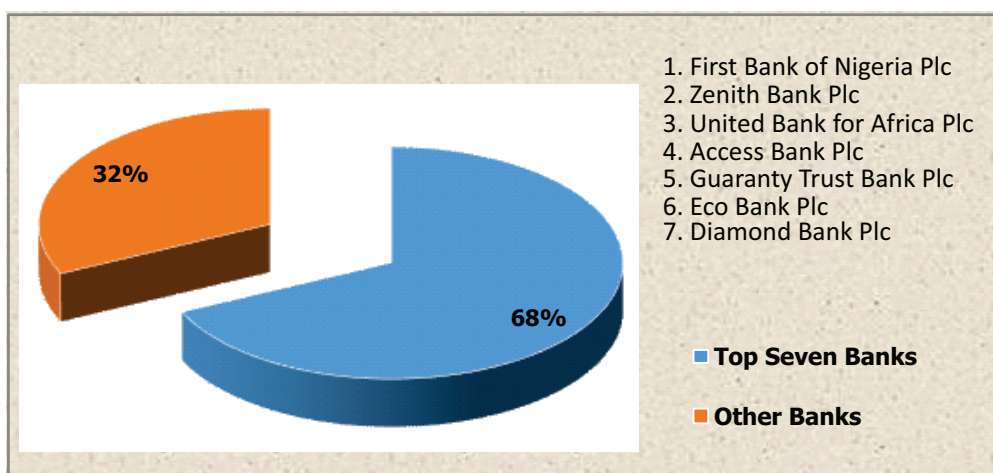
Also, a further review of the banking industry deposit liabilities shows that top seven (7) DMBs accounted for 67% of the total deposits while the remaining eighteen (18) accounted for 33% as at 31st December, 2016. This is depicted in **Charts 2.4** and **2.5**.

CHART 2.4.
SHARE OF TOP 7 DMBs' TOTAL DEPOSITS AS AT 31ST DECEMBER, 2016



Source: NDIC

CHART 2.5.
SHARE OF DMBs' INSURED DEPOSITS AS AT 31ST DECEMBER, 2016



Source: NDIC

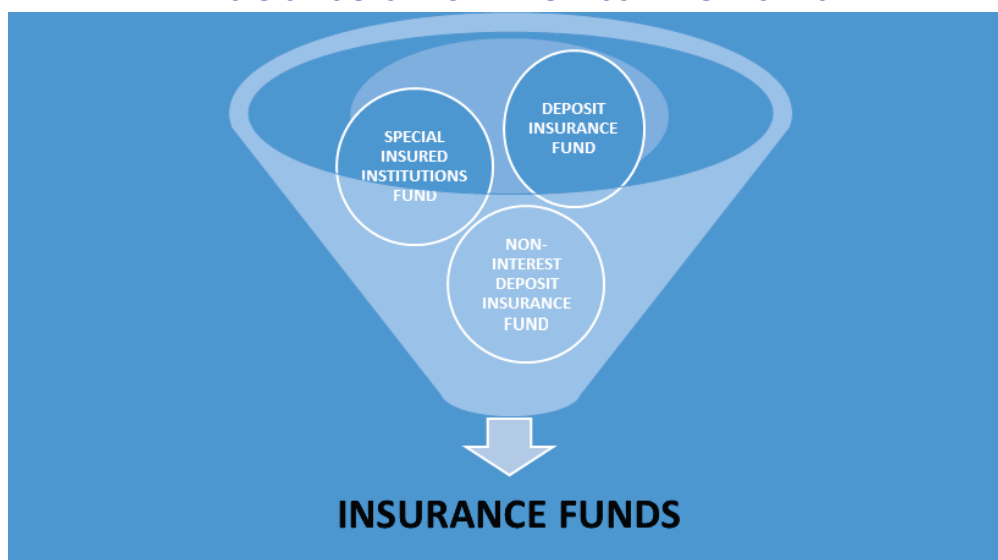
2.4 Insurance Fund and Funds Management

2.4.1 Insurance Fund

The Insurance Fund is used in settling claims of depositors in the event of failure of insured financial institutions as well as resolving failed and failing financial institutions. Consequently, a DIS should have available all funding mechanisms necessary to ensure the prompt reimbursement of depositors' claims.

The NDIC maintained three (3) Funds, namely: Deposit Insurance Fund (DIF); Special Insured Institutions Fund (SIIF); and Non-Interest Deposit Insurance Fund (NIDIF). **Chart 2.6** depicts the basic structure of the NDIC's insurance funds as at 31st December, 2016.

CHART 2.6.
BASIC STRUCTURE OF NDIC INSURANCE FUNDS



Source: NDIC

During the period under review, the sum of ₦78.04 billion was collected as premium from the DMBs. Similarly, the sum of ₦191 million was collected from the Non-Interest Banks and ₦1.07 billion from the MFBs/PMBs. **Table 2.3** shows the trend of NDIC's cumulative Insurance Funds from 2013 to 2016.

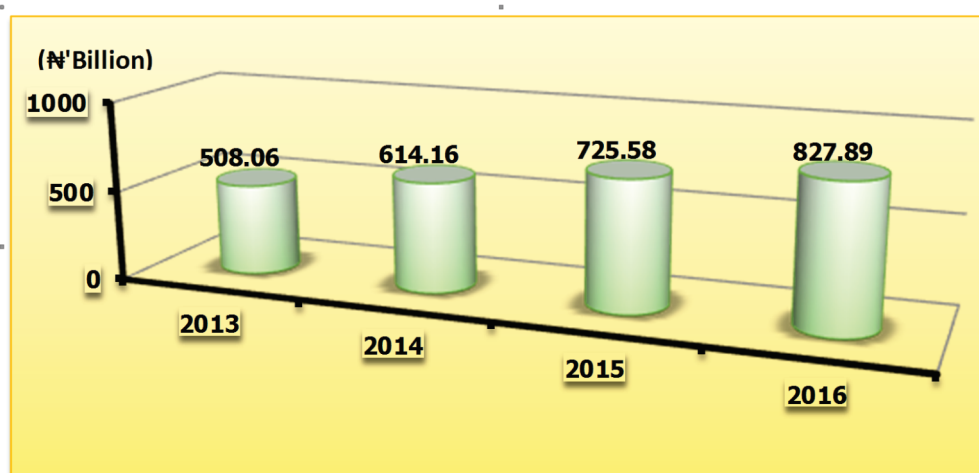
Table 2.3:
CUMULATIVE INSURANCE FUNDS FROM 2013 TO 2016

S/N	FUNDS	DETAILS	2013	2014	2015	2016
1	Deposit Insurance Fund (DIF)	Amount (₦'billion)	508.06	614.16	725.58	827.89
		Growth rate (%)	19.48	20.88	18.14	14.10
2	Special Insured Institutions Fund (SIIF)	Amount (₦'billion)	57.71	71.21	77.49	91.59
		Growth Rate (%)	45.04	23.39	8.82	18.19
3	Non-Interest Deposit Insurance Fund (NIDIF)	Amount (₦'billion)	0.02	0.12	0.24	0.43
		Growth Rate (%)	N/A	500.00	100.00	79.17

Source: NDIC

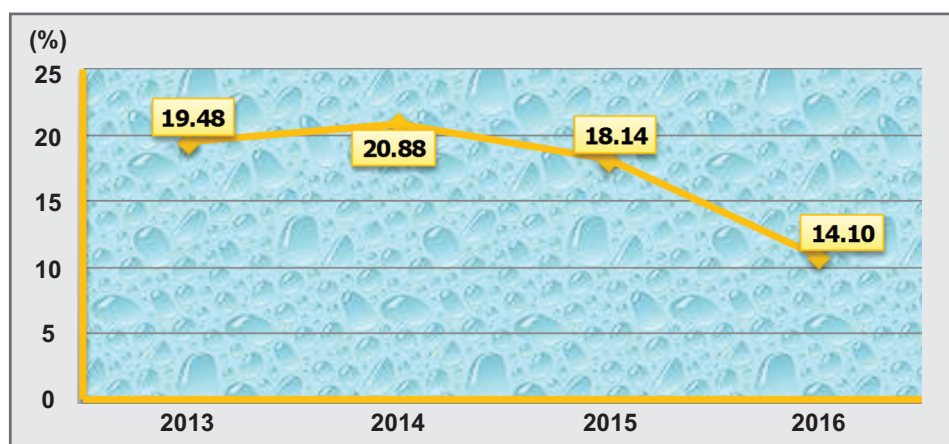
Table 2.3 shows a growth in DIF of 14.10% from ₦725.58 billion as at 31st December, 2015 to ₦827.89 billion as at 31st December, 2016. Also, SIIF increased by 18.19% from ₦77.49 billion as at 31st December, 2015 to ₦91.59 billion as at 31st December, 2016, while NIDIF increased by 79.17% from ₦0.24 billion as at 31st December, 2015 to ₦0.43 billion in 2016. **Charts 2.7** and **2.8** further illustrate the movement and growth of the DIF, **Chart 2.9** shows the movement of SIIF for a period of four (4) years, while **Chart 2.10** shows the trend in NIDIF over the same period.

CHART 2.7.
DIF AS AT 31ST DECEMBER, 2013 TO 2016



Source: NDIC

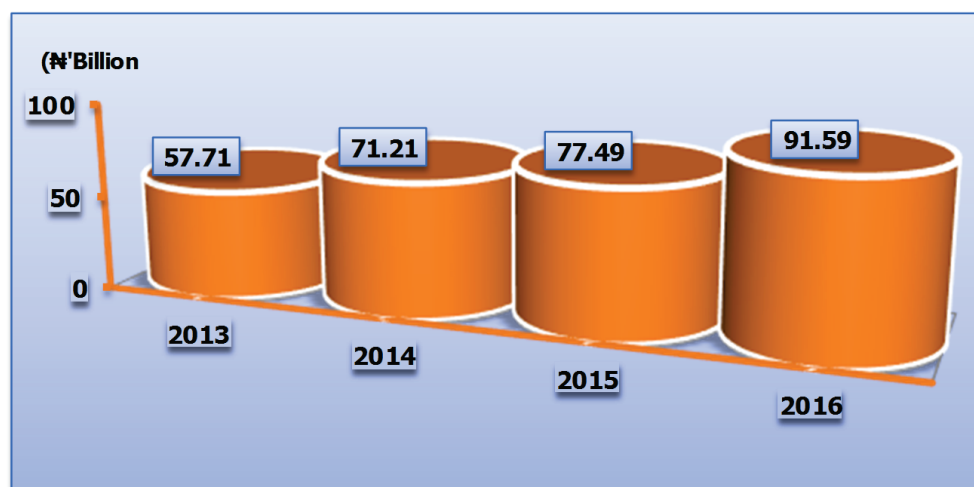
CHART 2.8.
DIF GROWTH RATE (%) FROM 2013 TO 2016



Source: NDIC

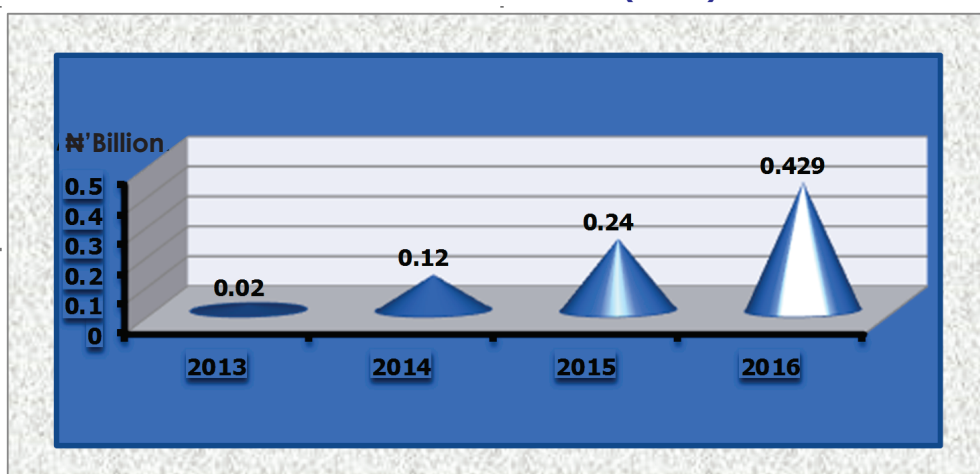
As depicted in **Chart 2.8**, there was a reduction in the growth rate of DIF from 18.14% in 2015 to 14.10% in 2016. That was attributable to the reduction in base rate from 40 basis points to 35 which took effect from January 2015, as well as the economic recession which also affected the DMBs deposit base.

CHART 2.9
SPECIAL INSURED INSTITUTIONS FUND (SIIF) FROM 2013-2016



Source: NDIC

CHART 2.10
NON-INTEREST DEPOSIT INSURANCE FUND (NIDIF) FROM 2013-2016



Source: NDIC

2.4.2 Insurance Fund Management

In order to get positive return on investment without compromising safety and liquidity of the DIF, the NDIC is strictly guided by the provisions of the NDIC 2006 Act, Section (13) (1) which states that "the Corporation shall have powers to invest money not immediately required in Federal Government securities or in such other Securities as the Board may from time to time determine".

Therefore, in managing its Insurance Fund, the NDIC has an investment policy that ensures effective utilization of the Funds that are not immediately required. This is done by investing the funds in risk-free instruments, such as Federal Government Treasury Bills and Bonds.

SECTION 3

SURVEILLANCE OF INSURED FINANCIAL INSTITUTIONS

3.0 INTRODUCTION

Bank supervision is one of the core mandates of NDIC as a risk minimizer. In 2016, the NDIC, working in collaboration with the CBN and Other safety-net participants, continued to monitor the activities of insured institutions towards maintaining the stability and soundness of the Nigerian banking system. The supervision is conducted through on-site examination and off-site surveillance with a view to protecting depositors.

This section discusses the NDIC's supervisory efforts and initiatives, major examination findings and regulatory developments in 2016.

3.1 On-Site Examination of DMBs

The Bank Examination Department (BED) of NDIC conducts on-site examination of insured DMBs, including Non-Interest Banks, in close collaboration with the CBN.

During the year under review, the NDIC and CBN jointly conducted Risk Assets Examination of twenty-three (23) DMBs (including one Non-Interest Bank). The focus of the examination was to assess the quality of the banks' risk assets, as well as the adequacy of their loss provision figures and capital adequacy ratios to facilitate the approval of their 2015 annual accounts.

Similarly, the Risk-Based Examinations of twenty-five (25) DMBs in operation were jointly conducted by the CBN and NDIC during the year under review. That included the maiden examination of a Merchant Bank, which was conducted as at 31st December, 2015. Furthermore, the Risk-Based Examination of one (1) DMB with a Composite Risk Rating (CRR) of **Above Average** was jointly carried out as at 31st January, 2016, while the joint CBN/NDIC Risk-Based Examinations of eleven (11) DMBs with CRR of **High** and **Above Average**, including one (1) Merchant Bank, were carried out, as at 30th June, 2016.

The NDIC also collaborated with CBN and other member-agencies of the FSRCC, namely: NAICOM, PENCOM and SEC, to conduct the Consolidated Risk-Based Examination of FBN, FCMB and Stanbic-IBTC Holdings Plc as at 30th June, 2016. Furthermore, the Risk-Based Examination of ten (10) DMBs rated **Moderate** and **Low** including two (2) Merchant Banks were also conducted during the period. The Risk-Based Examination of Jaiz Bank Plc and Stanbic-IBTC Non-Interest Window were conducted during the year. **Table 3.1** presents a four-year comparison of the on-site examination activities of the NDIC in respect of DMBs from 2013 to 2016.

Table 3.1
**DEPOSIT MONEY BANKS EXAMINED AND PETITIONS INVESTIGATED
FROM 2013 TO 2016**

Year	Joint CBN/NDIC Routine/RBS Examination	Joint CBN/NDIC Maiden Examination	Joint CBN/NDIC FOREX Examination	Joint CBN/NDIC Risk Assessment Exercise	Joint CBN/NDIC Monitoring Exercise	Special Investigation /Verifications	Special Exams. Discount Houses	Joint FSRCC Consolidated RBS Examination of Financial Holding Companies
2016	22	1	-	23	19	38	-	3
2015	24	-	-	24	16	47	-	-
2014	24	3	24	24	15	32	-	-
2013	20	2	20	20	16	11	2	-

Source: NDIC

During the review period, the NDIC, in line with its public policy objective of promoting public confidence in the banking industry through consumer protection, continued to investigate petitions/complaints that were received from bank customers and other stakeholders. A total of 38 petitions/complaints were received and investigated in 2016 and the NDIC ensured that the affected customers were appropriately reprieved, where necessary. The customers' complaints included ATM frauds, conversion of cheques and suppression of deposits.

The joint CBN/NDIC on-site examinations conducted in 2016 revealed the continued existence of the following weaknesses in some of the DMBs:

- Non-Compliance with Codes of Corporate Governance;
- Poor Risk Management Practices;
- Poor Internal Controls;
- Inadequate loss provisioning;
- Non-performing insider-loans;
- Poor loan underwriting and administration procedures;
- Loan and Deposit concentrations;
- Non-implementation of Examiners' recommendations; and
- Contraventions of Banking rules and regulations.

During the year under review, the NDIC was actively involved in the monitoring of the banks' implementation of recommendations contained in the bank examination reports of the nineteen (19) DMBs to ensure their compliance.

3.2 Off-Site Surveillance of DMBs

The NDIC continued to conduct off-site surveillance of twenty-five (25) DMBs (20 Commercial Banks, 1 Non-Interest Bank and 4 Merchant Banks) that were in operation during the year under review. The financial health of the insured institutions were monitored on a continuous basis using the Call Reports rendered by the DMBs through FinA (Financial Analysis) platform, a stop-gap regulatory solution.

3.3 Supervision of Special Insured Financial Institutions

The NDIC discharged its supervisory role over other insured financial institutions sub-sector by conducting on-site examination and off-site surveillance to ensure that they are safe and sound, thereby enhancing public confidence and contributing to financial system stability. In the same vein, the NDIC monitored the Debt Recovery and Enterprise Risk Management practices of the MFBs during the period under review.

3.3.1 On-Site Examination of MFBs and PMBs

a) On-Site Examination of MFBs

During the period under review, the NDIC conducted risk-based examinations of 350 MFBs. The examinations revealed that some of the institutions were incapable of honouring their obligations to their customers as at when due. Thus, 155 MFBs had problems. Out of that number, three (3) voluntarily liquidated and one hundred and twenty five (125) were insolvent, twenty (20) had voluntarily closed shop, while seven (7) were operating skeletal services. The total deposits of the troubled MFBs amounted to N12.04 billion while the insured deposits was N9.03 billion as at December, 2016. The major findings from the examination of the active MFBs were as follows:

- Inappropriate business model in microfinance practice;
- Poor capitalization;
- Weak Board oversight;
- Huge operational expenses;
- Rising volume of Non-Performing Loans and insider abuses; and
- Poor internal controls and record keeping.

In addition, the inappropriate business model which manifested by MFBs operating like DMBs with huge expenditures on fixed assets and unsustainable overhead costs was the most significant factor limiting the success of MFBs' operations in Nigeria. That situation left little room for lending to the economically active poor. Consequently, out of the MSME N220 billion set up by the Federal Government to provide funding to the active poor through MFBs and DMBs (Participating Financial Institutions) only N52,340,000.83 million or 23% was disbursed as at 31st December, 2016. The idle funds showed the MFBs' poor focus on their target market.

b) On-Site Supervision of PMBs

During the year under review, ten (10) PMBs were examined as against six (6) in 2015. The on-site examinations carried out on the PMBs revealed the following weaknesses, amongst others:

- Inability of the Institutions to honour withdrawal request from depositors;
- Dearth of long term funds;
- Weak corporate governance practice;
- Non-performing Director-Related facilities;
- Financial misreporting;
- Huge Non-Performing Loans and Advances;

- Preponderance of fund invested in placements with other banks;
- Inappropriate target market definition;
- Unsustainable interest charges; and
- Non-appraisal of board and management performance.

Table 3.2 shows the breakdown of the examination activities of the NDIC on Special Insured Institutions in the past four (4) years.

Table 3.2
MFBs AND PMBs EXAMINED BY NDIC FROM 2013-2016

Year	Number of MFBs Examined	Number of PMBs Examined	Total
2016	350	10	360
2015	205	6	211
2014	250	3	253
2013	260	40	300

Source: NDIC

3.3.2 Off-Site Surveillance of MFBs & PMBs

During the year under review, the challenges noted in the premium administration and collection from PMBs/MFBs remained as in previous years. The poor rendition/misreporting of returns by some of the institutions remained a constraint in the assessment of premium payable by them. The challenge of under-payment of the assessed premium, returned cheques, and issuance of unreliable Certified Statement of Deposit Liabilities by the External Auditors of these institutions persisted. The number of MFBs that rendered returns stood at 597 out of 978, while 27 out of the 38 PMBs in operation, sent returns to the NDIC.

In response to CBN's policy directive that consolidation of MFBs will drive efficiency in the MFBs sector, the Gombe State Government consolidated its 11 MFBs to form Bubayero MFB. That action was expected to drive efficiency and improve the performance of the affected MFBs.

To further strengthen the PMB subsector, the CBN approved the Merger and Acquisition (M&A) of Aso Savings and Loans Plc and Union Homes Savings and Loans Plc in 2015. However, as at 31st December, 2016, the M&A was still in progress and the two (2) PMBs were still operating separately.

It was observed that the trend by some PMBs in warehousing huge trading funds totalling ₦10.70 billion in Interbank Placements, rather than creating mortgage assets was a matter of serious regulatory concern. Also noted was the lack of succession planning and the fact that the assets and liabilities management of these institutions, was a sub-optimization of the scarce resources as the return on the placements were insufficient to cover the interest expenses and their operating cost. The NDIC had therefore advised the affected institutions to rethink their business models in order to remain sustainable.

3.4 Sustainable Banking

Sequel to the adoption of the Sustainable Banking (SB) Principles by the Bankers Committee in July 2012, an Implementation Committee and a Desk at the MD/CEO's office were set up to drive the process of implementation of the initiative in the NDIC. Subsequently, Champions were appointed for Departments, Units and Zones to deepen the implementation and integration process NDIC wide. That included driving the implementation of the approved framework, ensuring continuous sensitisation and awareness creation, as well as monitoring compliance with waste, water and energy management initiatives.

In 2016, the NDIC continued to carry out its operations in compliance with the Principles of SB. The NDIC developed a reporting template and also imbibed sustainability in its office processes and resources such as: reduction in paper usage, reduction in diesel and power consumption, women empowerment and human rights and the consideration of SP Principles in all the NDIC's activities and operations.

Consequently, the NDIC commenced the implementation of energy efficiency initiatives in all its locations nationwide. As a pilot scheme, the NDIC planned to install renewable energy in four (4) locations during the year under review. Accordingly, it requested and received bids for the supply and installation of renewable energy in Kano, Sokoto, Benin and Enugu offices. The NDIC also plans to expand the installation of renewable energy to other locations in 2017.

The paperless environment not only increases productivity, eliminates storage space, reduces cost and expenses (printing costs, photocopier costs) but also leads to improved ability to work remotely, improves security, improves disaster recovery and reduces impact on the environment. Currently, the NDIC had invested substantially in ICT to drive most of its work processes e.g. Human Manager, Dispatch Management System, Document Management System, E-learning etc.

As in previous years, the NDIC continued to comply with the SP principles through the 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 of staff on environmental and social risk management.

3.5 Recovery/Resolution Planning

In the past, the main objective of bank regulation was to reduce the risk of bank failures and the focus was on recovery planning. Currently, resolution planning has come to the fore with the main objective of reducing the negative impact and consequences of a bank failure. Recovery and Resolution Plans (RRP) are detailed strategies for rapid, orderly and least-cost recovery or resolution of financial institutions in the event of material financial distress without recourse to public funds.

Banks are responsible for the development of their own recovery plans and the submission of relevant information for resolution by the Regulatory/Supervisory authorities. That was in line with the 2011 Financial Stability Board recommendations that all SIBs should have Recovery and Resolution Plans in place as approved by the Regulators.

During the year, a joint committee of CBN/NDIC reviewed the Framework for SIBs and Minimum Requirement for Resolution Planning. Also, the NDIC in 2016 organized a 2-day stakeholder workshop where Recovery and Resolution Planning was discussed in detail with the expectation that the banks, especially the SIBs, will give the required buy-in for the initiative.

3.6 Financial System Strategy (FSS) 2020

The Financial System Strategy (FSS) 2020 is a national reform programme aimed at developing and transforming Nigeria's financial sector into a growth-catalyst to fast-track the achievement of the Vision 20:2020, and engineer Nigeria's evolution into an International Financial Centre.

The NDIC and other financial sector regulators/supervisors, such as CBN, NAICOM, PENCOM, DMO, FMBN, SMEDAN, NSE, FIRS and FRC, are the implementing agencies in the (FSS) 2020. These institutions periodically meet to review and monitor the implementation of the strategy.

The contribution of NDIC as an implementing institution includes but not limited to the following:

1. Risk-Based Supervision (RBS) of insured DMBs, MFBs and PMBs.
2. Capacity building of its staff in IFRS, RBS, BASLE1, II, and III.
3. Public awareness initiatives through the distribution of Handbills & Quarterly/Annual Publications and Books on DIS to stakeholders and the general public; Television and Radio jingles on the activities of the NDIC; Various specialised interventions such as Corporate Social Responsibility (CSR) projects in

- various institutions across the country; Annual Workshop for FICAN members; Seminars for members of the Judiciary and Legislature, etc.
4. Extension of deposit insurance coverage to Mobile Money Operators (MMO) Subscribers to enhance financial inclusion.
 5. Reduction in premium paid by banks by reducing the premium base rate from 50 to 35 basis points between 2011 and 2015. That was to support the Financial Stability Fund and reduce the burden of premium payable by insured institutions.
 6. Development of an Early Warning System (EWS) of banking distress to ensure that problems are identified early for prompt action.
 7. Development of Single Customer View for Faster Pay-out was in progress. That will assist the Corporation to create a data base on depositors of insured institutions for prompt depositors' reimbursement in case of failure of an insured institution.
 8. The process of Repeal and Re-enactment of NDIC Act 2006 to strengthen the Corporation in the discharge of its mandate was on-going.
 9. The NDIC, on quarterly basis, contribute articles for publication on topical issues that are germane to the implementation of FSS2020 programmes and had actively participated in all other activities of the Project Management Office including the quarterly meeting of Implementing Institutions.

3.7 Establishment of Efficiency Unit

In an effort to inculcate a culture of better efficiency and cost management on overhead expenditure to support the Federal Government's accountability and transparency drive, the Federal Ministry of Finance directed all Ministries, Departments and Agencies (MDAs) to key into the Federal Government's initiative by establishing Efficiency Units to drive the programme.

In line with that policy, the NDIC established an 'Efficiency Unit'. The Unit aims at reducing overall costs without corresponding loss of effectiveness. It is expected that the contribution of the NDIC in implementing the initiative will include the following:

1. To review the utilisation of office equipment in the NDIC in order to assist Management in making budgetary decisions, as well as align the stock of the equipment to the areas of need. The review process will include the following:
 - a. Confirming the adequacy, functionality or otherwise of the equipment.
 - b. Determining the optimal level of equipment in the NDIC in order to eliminate wastages and other inefficiencies.
 - c. Determining the distribution pattern of the equipment.
 - d. Determining the link between the surveys carried out earlier and the current position to ascertain the efficiency on utilisation of the equipment.

2. Liaise with ITD to ensure that departmental portals are updated to include - departmental SOP's, organograms, charters, mapped processes (flow Chart of processes).
3. Enforcement of compliance with policies, sensitisation of staff on paperless policies, Audit of paper usage across the NDIC.
4. Review of internal forms online such as loan forms, online vouchers, online newsletters, online reports, and online invoices, etc.
5. Communicating the NDIC's strategy and other initiatives electronically through slogans, desktop pop ups and slide shows. The areas that would require prompt attention would include : NDIC vision, mission, core values, strategic trusts, strategic objectives, strategy maps, Cascading/Alignment, NDIC Contributions to FSS 2020, Balance scorecard, four (4) BSC Perspectives, strategic initiatives, process improvement, process analysis, process mapping, benefits of Service Level Agreements (SLA), customer care policy, etc.
6. Advocacy and sensitisation on the Efficiency initiatives for staff buy-in.

SECTION 4

RESOLUTION AND MANAGEMENT OF FAILED INSURED FINANCIAL INSTITUTIONS

4.0 Introduction

The NDIC, in furtherance of activities aimed at achieving its mandate of failure resolution and liquidation, sustained the adoption of orderly mechanisms in resolving failed insured financial institutions. The activities included the effective and efficient realization of assets of failed banks and the settlement of claims of depositors, creditors and shareholders. It is worthy of note that insured deposits are paid from the NDIC's Deposit Insurance Funds, while liquidation dividends are paid from the funds realized from the assets of banks-in-liquidation.

In this section, the NDIC's activities in 2016 with respect to claims administration, recovery of debts owed failed banks, investment realization as well as sale of physical assets of 46 DMBs, 187 MFBs and 46 PMBs (in- liquidation) are presented.

4.1 Failure Resolution Activities

4.1.1 Liquidation Activities of DMBs

Liquidation activities continued in 2016 for the thirty-five (35) DMBs that were closed prior to the banking sector consolidation in 2005, as well as for the thirteen (13) DMBs that failed to meet the regulatory recapitalization deadline as they could not recapitalize or merge during the exercise. Eleven (11) of the thirteen (13) DMBs were closed using the Purchase and Assumption (P&A) Resolution Option while Fortune International Bank and Triumph Bank Plc remained embroiled in pending litigation, as the court cases instituted by the shareholders, challenging the revocation of their banking licences, were still undecided. However, two separate Management teams from NDIC had since taken over the management and activities of both banks. As at December 31 2016, the Management teams were still overseeing the affairs of the defunct banks. The legal action in respect of the revocation of the licence of Peak Merchant Bank Ltd was also not resolved as at December 31, 2016. The eleven (11) DMBs closed using P&A Resolution Option and the assuming banks with the respective dates of hand-over are shown in **Table 4.1**

Table 4.1:
CLOSED/ASSUMING DMBs AS AT 31ST DECEMBER, 2016

S/N	CLOSED DMBs	ASSUMING DMBs UNDER P&A RESOLUTION OPTION	HANDOVER DATE
1.	Afex Bank Plc	UBA Plc	9 th Oct., 2007
2.	Allstates Trust Bank	Ecobank Plc	16 th May, 2006
3.	Assurance Bank Plc	Afribank Plc	16 th Aug., 2006
4.	City Express Bank Plc	UBA Plc	9 th July, 2007
5.	Eagle Bank Ltd	Zenith Bank Plc	14 th Jan., 2008
6.	Gulf Bank Plc	UBA Plc	14 th Jan., 2008
7.	Hallmark Bank Plc	Ecobank Plc	24 th July, 2007
8.	Lead Bank Plc	Afribank Plc	11 th Aug., 2006
9.	Liberty Bank Plc	UBA Plc	23 rd June, 2008
10.	Metropolitan Bank	UBA Plc	11 th June, 2007
11.	Trade Bank Plc	UBA Plc	15 th Jan., 2007

Source: NDIC

In summary, as at 31st December, 2016, the total number of closed DMBs stood at 52 due to the addition of the three (3) nationalised banks: Afribank, Spring Bank and Bank PHB. It would be recalled that the CBN had in August 2011, revoked the licences of these three (3) banks while simultaneously establishing three bridge banks; Mainstreet, Enterprise and Keystone Banks, respectively to take over the assets and liabilities of the defunct banks. It is worthy of note that Mainstreet Bank was bought over by Skye Bank Plc, while Enterprise Bank was bought by Heritage Bank Plc. Keystone Bank Ltd, however, remained the only bridge bank yet to be sold.

The names of the fifty two (52) closed DMBs, arranged according to the year of closure, are listed in Table 4.2.

Table 4.2:
CLOSED DMBs AS AT 31ST DECEMBER, 2016

S/N	CLOSED BANK	DATE OF CLOSURE	REMARKS
1	Financial Merchant Bank Ltd	21-Jan-1994	In-Liquidation
2	Kapital Merchant Bank Ltd	21-Jan-1994	In-Liquidation
3	Alpha Merchant Bank Plc	8-Sep-1994	In-Liquidation
4	United Commercial Bank Ltd	8-Sep-1994	In-Liquidation
5	Republic Bank Limited	29-Jun-1995	In-Liquidation
6	Abacus Merchant Bank Ltd	16-Jan-1998	In-Liquidation
7	ABC Merchant Bank Ltd	16-Jan-1998	In-Liquidation
8	Allied Bank of Nigeria Plc	16-Jan-1998	In-Liquidation
9	Amicable Bank of Nigeria Plc	16-Jan-1998	In-Liquidation
10	Century Merchant Bank Ltd	16-Jan-1998	In-Liquidation
11	Commerce Bank Plc	16-Jan-1998	In-Liquidation
12	Commercial Trust Bank Ltd	16-Jan-1998	In-Liquidation
13	Continental Merchant Bank Plc	16-Jan-1998	In-Liquidation
14	Cooperative & Commerce Bank Ltd	16-Jan-1998	In-Liquidation
15	Credite Bank of Nigeria Ltd	16-Jan-1998	In-Liquidation
16	Crown Merchant Bank Ltd	16-Jan-1998	In-Liquidation
17	Great Merchant Bank Ltd	16-Jan-1998	In-Liquidation
18	Group Merchant Bank Ltd	16-Jan-1998	In-Liquidation
19	Highland Bank of Nigeria Plc	16-Jan-1998	In-Liquidation
20	Icon Ltd (Merchant Bankers)	16-Jan-1998	In-Liquidation
21	Ivory Merchant Bank Ltd	16-Jan-1998	In-Liquidation

S/N	CLOSED BANK	DATE OF CLOSURE	REMARKS
22	Lobi Bank of Nigeria Ltd	16-Jan-1998	In-Liquidation
23	Mercantile Bank of Nigeria Ltd	16-Jan-1998	In-Liquidation
24	Merchant Bank for Africa Ltd	16-Jan-1998	In-Liquidation
25	Nigeria Merchant Bank Plc	16-Jan-1998	In-Liquidation
26	North-South Bank Limited	16-Jan-1998	In-Liquidation
27	Pan African Bank Limited	16-Jan-1998	In-Liquidation
28	Pinacle Commercial Bank Ltd	16-Jan-1998	In-Liquidation
29	Prime Merchant Bank Ltd	16-Jan-1998	In-Liquidation
30	Progress Bank of Nigeria Ltd	16-Jan-1998	In-Liquidation
31	Royal Merchant Bank Ltd	16-Jan-1998	In-Liquidation
32	Victory Merchant Bank Ltd	16-Jan-1998	In-Liquidation
33	Premier Commercial Bank Ltd	20-Dec-2000	In-Liquidation
34	Rims Merchant Bank Ltd	20-Dec-2000	In-Liquidation
35	Peak Merchant Bank Ltd	28-Feb-2003	Under Litigation
36	Allstates Trust Bank Plc	16-Jan-2006	In-Liquidation
37	Afex Bank Limited	16-Jan-2006	In-Liquidation
38	Assurance Bank Nig. Limited	16-Jan-2006	In-Liquidation
39	City Express Bank Plc	16-Jan-2006	In-Liquidation
40	Eagle Bank Limited	16-Jan-2006	In-Liquidation
41	Fortune Bank Plc	16-Jan-2006	Under Litigation
42	Gulf Bank Plc	16-Jan-2006	In-Liquidation
43	Hallmark Bank Plc	16-Jan-2006	In-Liquidation

S/N	CLOSED BANK	DATE OF CLOSURE	REMARKS
44	Lead Bank Plc	16-Jan-2006	In-Liquidation
45	Liberty Bank Plc	16-Jan-2006	In-Liquidation
46	Metropolitan Bank Limited	16-Jan-2006	In-Liquidation
47	Trade Bank Plc	16-Jan-2006	In-Liquidation
48	Triumph Bank Limited	16-Jan-2006	Under Litigation
49	African International Bank Ltd	02- Sept-2013	In-Liquidation
50	Spring Bank Plc	05-Aug-2011	Winding-up Orders obtained 6/7/2012
51	Afribank Plc	05-Aug-2011	Winding-up Orders obtained 2/7/2012
52	Bank PHB Plc	05-Aug-2011	Under Litigation

Source: NDIC

4.1.2 Liquidation Activities of MFBs and PMBs

4.1.2.1 Liquidation Activities of MFBs

During the period under review, the NDIC had located and formally closed Dikenafai MFB whose licence was revoked on 4th February, 2014 but could not be located as at the period of the revocation of their licence. Seven (7) out of the one hundred and three (103) Microfinance Banks (MFBs) that had their licences revoked in September, 2010, were yet to be traced. The MFBs were: Cubic, Galaxy, Homeland, Mustason, New gate, Primate and South-west. Furthermore, thirteen (13) out of the eighty-three (83) MFBs whose licences were revoked on 4th February, 2014, were not located. The NDIC continued with its efforts in 2016 to locate the remaining banks whose licences were revoked but were yet to be traced for their proper closure. On the other hand, NDIC had conducted the verification exercise for the depositors of the defunct Satellite MFB and First Herital MFB to facilitate the payment of their insured deposits. The names of the closed MFBs, their location and date of closure are listed in **Table 4.3**.

Table 4.3
CLOSED MICROFINANCE BANKS (MFBs) AS AT 31ST DECEMBER, 2016

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
1	ACME TRUST MFB	LAGOS	Sept.2010
2	ADIF MFB	LAGOS	Sept.2010
3	AFAM MFB	RIVERS	Sept.2010
4	AGBELO MFB	EDO	Sept.2010
5	AJASE-IPO MFB	KWARA	Sept.2010
6	AKPOR-COE MFB	RIVERS	Sept.2010
7	ALLIANCE MFB	ABUJA	Sept.2010
8	ALLOVER MFB	LAGOS	Sept.2010
9	ALSTAR MFB	LAGOS	Sept.2010
10	AMAZING GRACE MFB	OGUN	Sept.2010
11	APEX GOLDEN MFB	LAGOS	Sept.2010
12	ASABARI MFB	OYO	Sept.2010
13	ASAGA-UKWU MFB	ABIA	Sept.2010
14	ASCENT MFB	OGUN	Sept.2010
15	ATTA NWAMBIRI MFB	IMO	Sept.2010
16	BEULAH MFB	LAGOS	Sept.2010
17	BIRAIIDU MFB	KOGI	Sept.2010
18	BIRNIN KUDU MFB	JIGAWA	Sept.2010
19	BONNY MFB	RIVERS	Sept.2010
20	BRISTOL MFB	LAGOS	Sept.2010
21	BROADBASED MFB	DELTA	Sept.2010
22	CAPITAL MFB	ADAMAWA	Sept.2010
23	CASHJET MFB	DELTA	Sept.2010
24	CENTURY MFB	LAGOS	Sept.2010
25	CHAT MFB	KADUNA	Sept.2010
26	CIRCULAR MFB	EDO	Sept.2010
27	CLASSIC MFB	OGUN	Sept.2010

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
28	COMMON BENEFIT MFB	LAGOS	Sept.2010
29	CUBIC MFB*	EDO	Sept.2010
30	CUTTING EDGE MFB	EDO	Sept.2010
31	DANMUSA MFB	KATSINA	Sept.2010
32	DIVINE MFB	RIVERS	Sept.2010
33	DOGON DAJI MFB	SOKOTO	Sept.2010
34	DYNAMIC MFB	LAGOS	Sept.2010
35	EBEM-OHA MFB	ABIA	Sept.2010
36	EBENATOR MFB	IMO	Sept.2010
37	EKWEMA MFB	IMO	Sept.2010
38	EMBRACE MFB	BAYELSA	Sept.2010
39	EMEVOR MFB	DELTA	Sept.2010
40	ETITI MFB	IMO	Sept.2010
41	EVO MFB	RIVERS	Sept.2010
42	EZIMUZO MFB	ANAMBRA	Sept.2010
43	FESTAC 77 MFB	LAGOS	Sept.2010
44	FREEDOM MFB	KANO	Sept.2010
45	FUND EXPRESS MFB	LAGOS	Sept.2010
46	GALAXY MFB *	DELTA	Sept.2010
47	GAMJI MFB	KEBBI	Sept.2010
48	GITICOM MFB	RIVERS	Sept.2010
49	HARBOUR MFB	ANAMBRA	Sept.2010
50	HAZONWAO MFB	LAGOS	Sept.2010
51	HILLTOP MFB	EKITI	Sept.2010
52	HOMELAND MFB *	BAYELSA	Sept.2010
53	IC MFB	LAGOS	Sept.2010
54	IDEAL TRUST MFB	ANAMBRA	Sept.2010

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
55	IFONYIN MFB	OGUN	Sept.2010
56	IHITTE MFB	IMO	Sept.2010
57	IKWUANO MFB	ABIA	Sept.2010
58	IMPACT MFB	LAGOS	Sept.2010
59	IMPERIAL MFB	LAGOS	Sept.2010
60	INTEGRATED MFB	LAGOS	Sept.2010
61	INVESTMENT MFB	ABIA	Sept.2010
62	IPE MFB	ONDO	Sept.2010
63	ITELE MFB	OGUN	Sept.2010
64	JEGA MFB	KEBBI	Sept.2010
65	KBS MFB	LAGOS	Sept.2010
66	KERANA MFB	PLATEAU	Sept.2010
67	KFC MFB	LAGOS	Sept.2010
68	LALUPON MFB	OYO	Sept.2010
69	MARMARA MFB	TARABA	Sept.2010
70	MCB MFB	LAGOS	Sept.2010
71	MIC MFB	LAGOS	Sept.2010
72	MILESTONE MFB	LAGOS	Sept.2010
73	MOORGATE MFB	LAGOS	Sept.2010
74	MUNICIPAL MFB	ABUJA	Sept.2010
75	MUSTASONS MFB*	LAGOS	Sept.2010
76	NEW GATE MFB*	LAGOS	Sept.2010
77	NEXUS MFB LTD	NIGER	Sept.2010
78	NGAS MFB	PLATEAU	Sept.2010
79	OBIOMA MFB	ABIA	Sept.2010
80	OLOMI MFB	OYO	Sept.2010
81	OLOMOYOYO MFB	OYO	Sept.2010

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
82	OMNI MFB	LAGOS	Sept.2010
83	OPENGATE MFB	ABUJA	Sept.2010
84	OWENA MFB	OSUN	Sept.2010
85	OWHOWHA MFB	DELTA	Sept.2010
86	PET MFB	RIVERS	Sept.2010
87	PRIMATE MFB *	LAGOS	Sept.2010
88	PRIME MFB	A. IBOM	Sept.2010
89	SAMINAKA MFB	KADUNA	Sept.2010
90	SHIMAZ MFB	OSUN	Sept.2010
91	SOUTH WEST IKOYI MFB*	LAGOS	Sept.2010
92	STANDEX MFB	ANAMBRA	Sept.2010
93	TOUCHSTONE MFB	LAGOS	Sept.2010
94	TRINITY MFB	A. IBOM	Sept.2010
95	TRI-STAR MFB	ENUGU	Sept.2010
96	UDEZUKA MFB	ANAMBRA	Sept.2010
97	UFUMA MFB **	ANAMBRA	Sept.2010
98	UMUNZE MFB	ANAMBRA	Sept.2010
99	UNIQUE MFB	LAGOS	Sept.2010
100	URUALLA MFB	IMO	Sept.2010
101	UTUGWANG MFB	CROSS RIVER	Sept.2010
102	VENTURE SUPPORT MFB	LAGOS	Sept.2010
103	WIZETRADE MFB	LAGOS	Sept.2010
104	ABIRIBA MFB	ABIA	4-Feb-14
105	ACJEC MFB	ANAMBRA	4-Feb-14
106	ACORN MFB	RIVERS	4-Feb-14
107	AKESAN MFB	OYO	4-Feb-14

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
108	ARACOM MFB	ONDO	4-Feb-14
109	AKIN MFB	CROSS RIVER	4-Feb-14
110	ARGUNGU MFB	KEBBI	4-Feb-14
111	AVALON MFB	LAGOS	4-Feb-14
112	BEKWARRA MFB	CROSS RIVER	4-Feb-14
113	CEDEP MFB	BAUCHI	4-Feb-14
114	CITIGATE MFB	LAGOS	4-Feb-14
115	CITISERVE MFB*	LAGOS	4-Feb-14
116	CKC MFB	RIVERS	4-Feb-14
117	COMBINED BENEFIT MFB	OGUN	4-Feb-14
118	COMPASS MFB*	LAGOS	4-Feb-14
119	CORPORATE MFB	OYO	4-Feb-14
120	CROWN MFB	ENUGU	4-Feb-14
121	CRYSTAL GOLD MFB*	LAGOS	4-Feb-14
122	DAILY CAPITAL MFB	LAGOS	4-Feb-14
123	DIKENAFAI MFB	IMO	4-Feb-14
124	DUNAMIS MFB	LAGOS	4-Feb-14
125	ECB MFB	OSUN	4-Feb-14
126	EDEN MFB	OSUN	4-Feb-14
127	EDET MFB	AKWA IBOM	4-Feb-14
128	EDS MFB*	LAGOS	4-Feb-14
129	EGOSAL MFB	ABIA	4-Feb-14
130	ENTERPRISE MFB*	LAGOS	4-Feb-14
131	ESSENCE MFB	EKITI	4-Feb-14
132	EXPRESS MFB	ABIA	4-Feb-14
133	FIELDREAMS MFB	LAGOS	4-Feb-14
134	FIRST CHOICE MFB	LAGOS	4-Feb-14
135	FIRST GLOBAL MFB	RIVERS	4-Feb-14

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
136	FIRST GOLDEN MERCURY MFB	OSUN	4-Feb-14
137	FIRST HERITAL MFB	LAGOS	4-Feb-14
138	FIRST OMASI MFB	ENUGU	4-Feb-14
139	FREEGATE MFB*	LAGOS	4-Feb-14
140	FUNDS MATRIX MFB*	LAGOS	4-Feb-14
141	GFB MFB	OYO	4-Feb-14
142	GOLD PACKAGE MFB	DELTA	4-Feb-14
143	GREEN FIELD MFB	LAGOS	4-Feb-14
144	GS MFB	LAGOS	4-Feb-14
145	GUSAU MFB	ZAMFARA	4-Feb-14
146	HARMONY MFB	LAGOS	4-Feb-14
147	HAVILAH MFB	LAGOS	4-Feb-14
148	HEBRON MFB	LAGOS	4-Feb-14
149	IDAH MFB	KOGI	4-Feb-14
150	IHIMA MFB	KOGI	4-Feb-14
151	INTERGLOBAL MFB*	LAGOS	4-Feb-14
152	IRELE MFB	ONDO	4-Feb-14
153	KEYSTONE MFB*	LAGOS	4-Feb-14
154	KINGS MFB*	LAGOS	4-Feb-14
155	LANDROCK MFB	DELTA	4-Feb-14
156	LOFTY HEIGHTS MFB	EDO	4-Feb-14
157	NEIGHBOURHOOD MFB	EDO	4-Feb-14
158	NEW HEIGHT MFB*	LAGOS	4-Feb-14
159	NEW IMAGE MFB	OGUN	4-Feb-14
160	NEW MERCENTILE MFB	FCT	4-Feb-14
161	NGEGWE MFB	RIVERS	4-Feb-14
162	NKPOR MFB	ANAMBRA	4-Feb-14
163	OKWUTA MFB	RIVERS	4-Feb-14

S/N	CLOSED MFB	STATE LOCATED	DATE OF CLOSURE
164	OTUN-EKITI MFB	EKITI	4-Feb-14
165	PEOPLESERVE MFB	LAGOS	4-Feb-14
166	PINNACLE MFB	FCT	4-Feb-14
167	PLANNET MFB	LAGOS	4-Feb-14
168	REUNION MFB	EBONYI	4-Feb-14
169	ROYAL TRUST MFB	RIVERS	4-Feb-14
170	SAMA MFB	RIVERS	4-Feb-14
171	SATELLITE MFB	LAGOS	4-Feb-14
172	SILVER MFB	PLATEAU	4-Feb-14
173	SOLACE MFB	DELTA	4-Feb-14
174	SVP MFB*	RIVERS	4-Feb-14
175	TARGET MFB	FCT	4-Feb-14
176	THINK MFB	FCT	4-Feb-14
177	TOP MEGA TRUST MFB	DELTA	4-Feb-14
178	TRADERS MFB*	LAGOS	4-Feb-14
179	UGHIEVWEN MFB	DELTA	4-Feb-14
180	UJOELEN MFB	EDO	4-Feb-14
181	UMUHU OKABIA MFB	IMO	4-Feb-14
182	UMU-OMA MFB	ANAMBRA	4-Feb-14
183	UNIQUE TRUST MFB	DELTA	4-Feb-14
184	UNITED PEOPLE MFB	PLATEAU	4-Feb-14
185	VINNING MFB	LAGOS	4-Feb-14
186	YAF MFB	BENUE	4-Feb-14
187	CRYSTAL EDGE MFB	FCT	19 th Nov. 2014

Source: NDIC

*MFBs that have not been located to effect their proper closing

** Under litigation

4.1.1.2 Liquidation Activities of PMBs

During the period under review, the NDIC continued with the liquidation activities of the forty-six (46) PMBs closed between 2012 and 2014. The names of the closed PMBs arranged according to the year of closure are given in Table 4.4.

Table 4.4
CLOSED PRIMARY MORTGAGE BANKS (PMBs) AS AT 31ST DECEMBER, 2016

S/N	NAME OF CLOSED PMB	DATE OF CLOSURE	REMARKS
1	Accalaim Homes and Loans Ltd	6-Aug-12	Liquidation yet to commence
2	Allwell Savings and Loans Ltd	6-Aug-12	In- Liquidation
3	CB Homes Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
4	Coastal Homes Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
5	Credence Savings and Loans Ltd	6-Aug-12	In- Liquidation
6	Crest Mortgage Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
7	Etaport Building Society Ltd	6-Aug-12	Liquidation yet to commence
8	Furture View Mortgages Ltd	6-Aug-12	In- Liquidation
9	Guardian Trust Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
10	Home Trust Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
11	Horizon Building Society Ltd	6-Aug-12	Liquidation yet to commence
12	Imani Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
13	Mars Home Investment Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence

S/N	NAME OF CLOSED PMB	DATE OF CLOSURE	REMARKS
14	Melrose Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
15	New Capital Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
16	Niger House Building Society Ltd	6-Aug-12	In- Liquidation
17	Omono Building Society Ltd	6-Aug-12	Liquidation yet to commence
18	Owners Home Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
19	Perennial Building Society Ltd	6-Aug-12	Liquidation yet to commence
20	Primrose Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
21	Sakkwato Savings and Loans Ltd	6-Aug-12	In- Liquidation
22	Secure Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
23	Urban Shelter Savings and Loans Ltd	6-Aug-12	Liquidation yet to commence
24	Hallmark Homes Ltd	6-Aug-12	Assumed by Centage Savings & Loans
25	Peak Savings & Loans Ltd	6-Aug-12	Under Litigation
26	Alliance and General Mortgage Ltd	Nov-14	Liquidation yet to commence
27	Benhouse Savings and Loans Ltd	Nov-14	In- Liquidation
28	Consolidated Estate Building Society Ltd	Nov-14	Liquidation yet to commence
29	Cymon Savings & Loans Ltd	Nov-14	Liquidation yet to commence
30	Euro-Banc Savings and Loans Ltd	Nov-14	In- Liquidation

S/N	NAME OF CLOSED PMB	DATE OF CLOSURE	REMARKS
31	First Amalgamated B/S Ltd	Nov-14	Liquidation yet to commence
32	First Capital Savings & Loans Ltd	Nov-14	In- Liquidation
33	Global Building Society (Confluence Savings & Loans) Ltd	Nov-14	Liquidation yet to commence
34	Harvard Trust Savings and Loans Ltd	Nov-14	Liquidation yet to commence
35	Home Foundation Savings & Loans Ltd	Nov-14	Liquidation yet to commence
36	Jubilee Building Society Ltd	Nov-14	Liquidation yet to commence
37	Lagoon Homes Savings and Loans Ltd	Nov-14	In- Liquidation
38	Leverage Home Savings & Loans Ltd	Nov-14	In- Liquidation
39	Midland Mortgages Ltd	Nov-14	Liquidation yet to commence
40	Mortgage PHB Ltd	Nov-14	In- Liquidation
41	Multibanc Savings and Loans Ltd	Nov-14	Liquidation yet to commence
42	Mustard Seed Mortgage Ltd	Nov-14	Liquidation yet to commence
43	Omega Savings and Loans Ltd	Nov-14	In- Liquidation
44	Password Savings and Loans Ltd	Nov-14	Liquidation yet to commence
45	Post Service Savings and Loans Ltd	Nov-14	In- Liquidation
46	TMC Savings and Loans Ltd	Nov-14	Liquidation yet to commence

Source: NDIC

In 2015, the promoters of Post Service Savings & Loans Ltd (The Nigerian Army) made a strong presentation to the Regulatory/Supervisory Authorities to revalidate the licence of the defunct PMB and were granted provisional approval to float a new PMB within a given timeframe which would absorb the assets and liabilities of the defunct Post Service Savings & Loans Ltd. The process was on-going as at 31st December, 2016. The failure to liquidate the PMBs since closure was as a result of the NDIC's inability to locate the banks/their Promoters based on their last known address.

4.2 Claims Settlement and Administration

During the period under review, the NDIC continued to settle the claims of depositors, creditors and shareholders of defunct insured institutions. For the eleven (11) out of thirteen (13) DMBs closed through the P&A transaction, the CBN guaranteed payment of full deposits to all private depositors. While the NDIC paid the insured amounts, the CBN paid the remaining uninsured deposits in full. The 100% guarantee was available up to 29th February, 2012. The CBN had been recouping this payment from declared liquidation dividends as the failed banks' assets were realized.

(a) Payment of Insured Deposits to Depositors of closed DMBs

The NDIC continued with the payment of insured deposits to depositors of the closed DMBs. Table 4.5 shows the cumulative payments from 1994 to 2016. As indicated in the table, the NDIC paid a total of ₦6.797 billion to 426,337 insured depositors as at 31st December, 2016 as against ₦6.796 billion to 426,324 insured depositors in 2015. The marginal increase in insured amount paid was due to the long period since these banks were closed, most of the accounts were dormant prior to closure and most importantly the small balances in the deposit register.

Table 4.5:
DEPOSIT PAYOUT FOR CLOSED BANKS AS AT 31ST DECEMBER, 2016

S/N	Bank	Total Deposits At liquidation (₦) Million	Total Number of Depositors At Liquidation	Total Insured Deposits At Liquidation (₦) Million	Total Excess Deposits (₦) Million	Total Paid Insured (₦) Million	No. of Insured Depositors Paid	Total Excess Paid (₦) Million
1	ABC Merchant Bank	224.182	752	14.136	210.046	8.454	220	162.045
2	Allied Bank of Nigeria	2,777.807	365,883	1205.361	1,572.446	851.632	65,971	212.874
3	Alpha Merchant Bank	1,218.390	776	18.519	1,199.871	18.469	775	797.092
4	Abacus Merchant Bank	272.563	401	12.779	259.785	7.303	152	18.493
5	Amicable Bank of Nigeria	41.035	24,038	26.225	14.810	7.904	978	7.839
6	Commerce Bank Plc	1,156.786	37,462	199.462	957.323	109.731	5,439	338.385
7	Cooperative & Commerce Bank	1,915.587	364,239	1366.666	548.921	885.368	71,441	720.441
8	Century Merchant Bank	573.287	357	11.023	562.264	5.193	118	41.239
9	Continental Merchant Bank	1,390.27	1,060	31.450	1,358.819	19.097	408	884.833
10	Credite Bank Nigeria	155.223	5,997	24.666	130.557	10.292	473	31.596
11	Crown Merchant Bank	111.603	438	9.476	102.127	3.026	74	2.007
12	Commercial Trust Bank	215.770	13,891	29.122	186.647	5.807	496	72.546
13	Financial Merchant Bank	154.913	233	4.874	150.040	3.722	110	55.564

S/N	Bank	Total Deposits At liquidation (N) Million	Total Number of Depositors At Liquidation	Total Insured Deposits At Liquidation (N) Million	Total Excess Deposits (N) Million	Total Paid Insured (N) Million	No. of Insured Depositors Paid	Total Excess Paid (N) Million
14	Great Merchant Bank	132.574	170	5.194	127.38	2.283	55	3.664
15	Group Merchant Bank	296.275	212	4.197	292.078	1.335	32	N/A
16	Highland Bank of Nigeria	91.275	28,186	39.490	51.784	18.765	3,394	15.731
17	ICON Merchant Bank	1,421.194	1,035	33.844	1,387.35	30.113	450	897,057
18	Ivory Merchant Bank	46.084	188	3.191	42.893	0.1	7	35.793
19	Kapital Merchant Bank	314.601	240	5.874	308.726	4.332	111	289.323
20	Lobi Bank of Nigeria	233.612	112,819	146.604	87.008	91.043	10,679	58.239
21	Merchant Bank of Africa	712.398	729	20.909	691.489	12.828	283	375.261
22	Mercantile Bank of Nigeria	807.288	276,272	581.773	225.515	370.592	38,790	236.742
23	Nigeria Merchant Bank	153.896	107	4.847	149.049	3.626	77	78.385
24	North South Bank Ltd.	354.747	68,246	155.074	199.673	80.353	7,584	35.947
25	Pan African Bank Ltd.	648.630	132,540	360.746	287.885	231.718	22,232	243.045
26	Progress Bank of Nigeria	1,096.281	255,211	738.086	358.195	440.518	35,290	156.004
27	Premier Commercial Bank	31.051	30,439	24.407	6.644	0.963	47	0.049
28	Pinnacle Commercial Bank	508.728	18,332	63.377	445.351	27.082	1,568	188.300
29	Peak Merchant Bank	3,424.404	1,044	20.468	3,403.936	2.490	74	N/A

S/N	Bank	Total Deposits At liquidation (₦) Million	Total Number of Depositors At Liquidation	Total Insured Deposits At Liquidation (₦) Million	Total Excess Deposits (₦) Million	Total Paid Insured (₦) Million	No. of Insured Depositors Paid	Total Excess Paid (₦) Million
30	Prime Merchant Bank	204.725	248	4.760	199.964	2.667	61	38.030
31	Rims Merchant Bank	263.374	299	6.957	256.417	1.047	47	199.836
32	Royal Merchant Bank	677.856	531	11.042	666.814	5.066	138	26.450
33	Republic Bank Ltd	79.182	7,416	19.923	59.260	13.068	1,277	28.741
34	United Commercial Bank	275.907	5,162	34.099	241.808	26.174	1,696	67.782
35	Victory Merchant Bank	114.856	227	4.455	110.402	1.866	48	25.220
36	African Express Bank	6,283.714	16,092	123.327	6,160.387	37.284	1,013	4,725.956*
37	Allstates Trust Bank	32,856.4	427,847	3069.049	29,787.35	1,805.752	79,905	18,980.338*
38	Assurance Bank	7,859.033	105,326	708.279	7,150.754	304.173	17,681	4,243.020*
39	City Express Bank	16,420.26	38,147	306.539	16,113.72	143.798	4,293	10,776.413*
40	Eagle Bank	1,033.777	3,280	16.974	1,016.804	16.974	3,280	1,016.804
41	Fortune International Bank	9,244.298	33,557	302.886	8,941.412	31.023	780	
42	Gulf Bank	13,685.37	36,787	334.289	13,351.08	150.127	3,927	6,865.428*
43	Hallmark Bank	65,614.16	121,545	940.055	64,674.1	447.604	17,284	22,757.939*
44	Lead Bank	10,151.12	3,925	62.983	10,088.14	49.218	3,510	8,380.592*
45	Liberty Bank	2,153.333	19,800	142.876	2,010.458	47.415	1,312	1,341.613*
46	Metropolitan Bank	5,087.573	34,409	161.389	4,926.184	27.030	1,635	2,321.713*
47	Trade Bank	10,504.08	155,177	742.179	9,761.953	429.748	21,070	8,017.113*
48	Triumph Bank	3,239.055	3,799	45.362	3,193.693	1.880	40	
	Total	206,228.53	2,754,871	12,199.21	194,029.3	6,796.608	426,337	95,899.161*

Source: NDIC

*Includes uninsured amounts paid out by CBN to public depositors of the defunct DMBs under the Purchase & Assumption Transaction

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

The NDIC continued with the payment of insured deposits to depositors of closed MFBs during the year under review. In 2016, 110 depositors of defunct MFBs were paid N8.49 million as shown in **Table 4.6**.

Table 4.6:
INSURED AMOUNT PAID TO DEPOSITORS OF CLOSED MFBs IN 2016

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED SUM PAID (₦)
1	Abiriba MFB	15	1,193,218.71
2	Akesan MFB	1	35,544.90
3	CASHJET MFB	1	12,567.97
4	Citigate MFB	2	106,990.20
5	Daily Capital MFB	1	20,163.94
6	Eden MFB	15	1,771,172.83
7	First Global MFB	15	1,533,841.42
8	First Herital MFB	1	43,528.50
9	First Omasi MFB	1	200,000.00
10	Havilah MFB	8	591,300.00
11	Idah MFB	3	111,380.64
12	IMPACT MFB	2	400,000.00
13	INTEGRATED MFB	10	1,047,513.69
14	Landrock MFB	4	314,361.25
15	MCB MFB	1	1,468.00
16	New Image MFB	2	191,773.84
17	Ngegwe MFB	3	225,806.14
18	Nkpor MFB	1	20,490.36
19	Peopleserve MFB	18	163,556.20
20	Reunion MFB	1	23,600.00
21	Royal Trust MFB	1	31,009.24
22	Ujoelen MFB	1	197,600.27
23	UNIQUE MFB	1	26,692.73
24	Unique Trust MFB	2	230,344.90
	TOTAL	110	8,493,925.73

Source: NDIC

Table 4.7 shows that a cumulative payment of ₦2.87 billion was made to 81,438 verified depositors of closed MFBs as at 31st December, 2016 as against ₦2.86 billion paid to 81,328 verified depositors in as at 31st December 2015.

Table 4.7:
**PAYMENTS OF INSURED DEPOSITS TO DEPOSITORS OF CLOSED MFBs
AS AT 31ST DECEMBER, 2016**

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (₦)	TOTAL INSURED AMOUNT AT CLOSURE (₦)	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED AMOUNT 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	6,715	123,943,976.90	48,146,341.27	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	699	10,072,836.30
8	ALLOVER	2,908	106,620,590.63	18,528,741.86	10	410,208.76
9	ALLSTAR	593	25,151,377.15	13,017,023.71	74	5,523,845.45
10	AMAZING GRACE	6,501	41,874,942.48	24,013,581.23	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
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	3,786	53,168,613.11	23,502,356.46	542	17,142,940.35

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (₦)	TOTAL INSURED AMOUNT AT CLOSURE (₦)	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED AMOUNT PAID (₦)
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	211	12,125,433.98
27	CLASSIC	17,262	93,638,793.88	65,970,321.23	1,423	38,609,087.71
28	COMMON BENEFIT	29655	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	2,316	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	218	6,416,807.97
43	FUND EXPRESS	807	21,464,760.98	14,630,869.67	62	2,932,554.99
44	GAMJI	1,632	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

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (₦)	TOTAL INSURED AMOUNT AT CLOSURE (₦)	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED AMOUNT PAID (₦)
54	IMPACT	10,223	243,275,120.54	146,491,935.57	1,837	52,952,499.71
55	IMPERIAL	4,285	61,811,529.36	28,364,941.19	206	6,706,316.77
56	INTEGRATED	469,049	6,795,478,591.92	3,387,764,035.20	42,539	1,422,938,433.22
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
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	7,454	68,804,384.34	35,980,541.88	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	156,335,546.50	127,618,281.36	2,398	95,742,794.97
75	OLOMOYOYO	5,896	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

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (₦)	TOTAL INSURED AMOUNT AT CLOSURE (₦)	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED AMOUNT PAID (₦)
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	N/A	63,195,019.50	36,073,748.57	N/A	N/A
90	UMUNZE	3,886	53,428,950.48	44,116,865.77	805	27,552,844.27
91	UNIQUE	2,519	77,920,624.82	15,960,653.63	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	347	12,638,190.31	3,843,027.55	45	2,421,960.09
96	ABIRIBA MFB	3,133	70,191,345.98	46,434,662.89	441	22,702,129.79
97	AKESAN MFB	1,268	24,090,636.95	20,748,024.79	107	5,966,287.39
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	81,893,196.71	28,693,134.49	76	5,431,310.10
104	EDEN MFB	3,079	29,333,250.03	11,657,089.17	50	2,920,500.31
105	EDET MFB	871	10,422,355.82	6,602,326.01	33	1,266,524.11
106	EGOSAL MFB	2,383	5,800,973.67	5,602,465.67	21	325,596.03
107	ESSENCE MFB	3,214	10,867,934.40	9,761,910.49	268	3,440,776.99
108	FIRST CHOICE MFB	1,196	7,800,299.32	3,834,407.79	1	2,119.54
109	FIRST HERITAL MFB	535	70,582,032.60	30,636,049.68	141	11,248,832.92
110	FIRST OMASI MFB	1,956	36,651,587.60	24,020,643.60	275	16,318,134.27
111	FIRST GLOBAL MFB	11,581	288,613,627.23	138,430,966.53	444	42,022,091.09
112	GFB MFB	2,357	10,275,673.13	9,273,392.80	119	3,812,856.48

S/N	NAME OF MFB	TOTAL NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (₦)	TOTAL INSURED AMOUNT AT CLOSURE (₦)	TOTAL NO. OF DEPOSITORS VERIFIED	TOTAL INSURED AMOUNT PAID (₦)
113	GUSAU MFB	1,841	10,724,154.10	10,596,049.10	110	2,452,532.96
114	HAVILAH MFB	71	10,325,021.90	1,938,141.90	25	2,044,300.00
115	HEBRON MFB	32	7,970,577.00	3,104,903.00	21	2,301,037.00
116	IDAH MFB	2,669	21,514,215.08	16,477,381.39	76	2,252,683.85
117	IRELE MFB	1,178	20,496,088.69	14,614,218.27	117	6,478,494.28
118	NEIGHBOURHOOD MFB	5,755	23,487,234.04	19,127,809.35	99	6,544,062.27
119	NGEGWE MFB	1,420	21,277,882.60	12,675,789.57	78	6,930,049.78
120	NKPOR MFB	1,865	54,882,181.35	28,493,442.15	299	17,716,325.03
121	OKWUTA MFB	303	5,479,972.18	3,405,711.89		N/A
122	OTUN-EKITI MFB	2,403	32,351,066.61	18,023,570.08	124	7,723,120.27
123	PLANNET MFB	429	1,831,470.00	1,831,470.00	168	1,208,300.00
124	REUNION MFB	4,018	24,193,586.18	12,706,244.16	54	2,383,187.69
125	ROYAL TRUST MFB	10,214	159,624,342.58	80,487,841.97	562	39,253,411.94
126	TARGET MFB	2,249	9,996,741.95	6,374,504.40	15	750,289.35
127	UGHIEVWEN MFB	7,567	42,595,517.67	37,143,833.39	149	5,747,135.67
128	UJOELEN MFB	3,235	38,865,185.99	21,696,333.76	171	11,169,778.51
129	UMUHU OKABIA MFB	5,125	78,942,542.30	54,676,056.22	611	34,432,296.10
130	LANDROCK MFB	4,685	18,513,134.95	17,603,674.62	91	8,691,280.48
131	NEW IMAGE MFB	8,862	60,376,563.06	43,383,008.38	285	17,211,099.79
132	THINK MFB	3,067	47,421,486.41	19,600,726.66	122	10,469,347.15
133	UNIQUE TRUST MFB	4,726	42,985,870.27	24,746,913.18	164	8,112,441.89
134	CRYSTAL TRUST MFB	38	449,878.10	449,878.10	1	150,000.00
135	PEOPLE SERVE MFB	N/A	N/A	N/A	18	163,556.20
	Total	913,411	12,358,745,474.02	6,454,023,700.32	81,438	2,871,372,330.30

Source: NDIC

c) Payment of Insured Deposits to Depositors of Closed PMBs

The NDIC continued with the payment of insured deposits of closed PMBs in 2016. The sum of ₦7.97 million was paid to 75 depositors of the closed PMBs as at 31st December, 2016 as shown in Table 4.8. As at 31st December, 2015 the sum of ₦43.03 million was paid to 565 depositors.

Table 4.8:

PAYMENT OF INSURED DEPOSITS TO DEPOSITORS OF CLOSED PMBs IN 2016

S/NO	NAME OF PMB	NUMBER OF DEPOSITORS PAID	INSURED AMOUNT PAID (₦)
1	Benhouse Savings and Loans	21	1,303,555.24
2	Harvard Trust Savings and Loans	41	4,850,918.03
3	Lagoon Homes Savings and Loans	8	1,325,411.71
4	Mortgage PHB	5	492,630.27
	Total	75	7,972,515.25

Source: NDIC

Table 4.9 shows that a cumulative payment of N53.03 million was made to 670 verified depositors as at 31st December, 2016 as against N43.03 million paid to 565 verified depositors of closed PMBs in as at 31st December, 2015.

Table 4.9:

PAYMENT OF INSURED DEPOSITS OF CLOSED PMBs AS AT 31ST DECEMBER, 2016

S/ N	NAME OF PMB	NO. OF DEPOSITORS AT CLOSURE	TOTAL DEPOSITS AT CLOSURE (N)	TOTAL INSURED DEPOSITS AT CLOSURE (N)	TOTAL UNINSURED DEPOSITS (N)	NUMBER OF DEPOSITORS PAID	INSURED AMOUNT PAID (N)
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
3	Furture View Mortgages	18	213,477.39	213,477.39	0	0	0
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	Euro-Banc Savings and Loans	2,748	288,460,426.18	15,879,618.66	272,580,807.52	64	8,148,466.64
7	First Capital Savings & Loans	143	2,613,927.44	2,345,311.95	268,615.49	57	1,431,983.21

8	Harvard Trust Savings and Loans	9,958	229,381,077.03	81,642,788.34	147,738,288.69	362	27,751,538.76
9	Lagoon Homes Savings and Loans	13,514	857,379,992.71	96,503,706.67	760,876,286.04	104	8,516,924.64
10	Leverage Home Savings & Loans	1,792	75,555,506.25	23,103,654.50	52,451,851.75	9	1,707,397.26
11	Mortgage PHB	9,997	135,745,114.15	67,771,548.26	67,973,565.89	23	2,146,047.17
12	Post Service Savings and Loans	13,856	466,274,788.73	151,048,608.85	315,226,179.88	-	-
13	Benhouse Savings and Loans	-	-	-	-	21	1,303,555.24
	TOTAL	55,085	2,112,208,888.47	456,426,882.26	1,655,782,006.21	670	53,026,005.69

Source: NDIC

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

The payment of liquidation dividends to the uninsured depositors of closed DMBs continued in 2016. The cumulative payment of N95.90 billion was made to uninsured depositors of closed DMBs as at 31st December, 2016 as against N95.77 billion in 2015. That amount included the uninsured portion of private sector depositors of 11 out of the 13 DMBs closed in 2006, which was funded by the CBN. The payment of liquidation dividends or excess amount to public sector depositors, however, was made by the NDIC from the proceeds of the residual physical assets and recoveries from debtors of the closed DMBs.

The number of DMBs in-liquidation for which a final dividend of 100% of total deposits was declared, remained at fourteen (14) as in the previous year. The DMBs were:

- i. ABC Merchant Bank Ltd (in-liquidation);
- ii. Alpha Merchant Bank Plc (in-liquidation);
- iii. Amicable Bank of Nigeria Ltd (in-liquidation);
- iv. Commercial Trust Bank Ltd (in-liquidation);
- v. Continental Merchant Bank Ltd (in-liquidation);
- vi. Co-operative & Commerce Bank Ltd (in-liquidation);
- vii. ICON Ltd (Merchant Bankers) (in-liquidation);
- viii. Ivory Merchant Bank Ltd (in-liquidation);
- ix. Kapital Merchant Bank Ltd (in-liquidation);
- x. Merchant Bank of Africa Ltd (in-liquidation);
- xi. Nigeria Merchant Bank Plc (in-liquidation);
- xii. Pan African Bank Ltd (in-liquidation);
- xiii. Premier Commercial Bank Ltd (in-liquidation); and
- xiv. Rims Merchant Bank Ltd (in-liquidation).

(e) Payment of Liquidation Dividend to General Creditors and Shareholders

The NDIC continued with the payment of liquidation dividend to creditors and shareholders of DMBs-in-liquidation in 2016. During the year, the sum of ₦2.105 million was paid to 12 verified creditors of Cooperative and Commerce Bank Plc. **Table 4.10** shows that the sum of ₦1,728.40 million was declared as dividend to 1,308 Creditors of 10 DMBs. Out of that amount, the NDIC paid the sum of ₦1,263.84 million to 977 Creditors who filed their claims as at 31st December, 2016 as against ₦1,261.73 million to 965 Creditors as at 31st December, 2015.

Table 4.10:
LIQUIDATION DIVIDENDS PAID TO CREDITORS AS AT 31ST DECEMBER, 2016

S/N	NAME OF BANK IN – LIQUIDATION	NUMBER OF FILED CLAIMS (CREDITORS)	NUMBER OF CREDITORS PAID	AMOUNT DECLARED FOR GENERAL CREDITORS (N' MILLION)	AMOUNT PAID TO CREDITORS (N' MILLION)	REMARKS
1	ALPHA MERCHANT BANK LIMITED	37	21	81.3	81.3	100% declared
2	AMICABLE BANK OF NIGERIA LIMITED	130	91	48.48	42.34	-
3	CONTINENTAL MERCHANT BANK LTD	30	9	312.64	304.63	100% declared
4	PREMIER COMMERCIAL BANK	24	24	1.96	1.67	-
5	EAGLE BANK LTD	85	84	214	140.91	100% declared
6	MERCHANT BANK FOR AFRICA LTD	97	15	247.62	4.20	-
7	NIGERIA MERCHANT BANK LIMITED	141	135	111.34	111.33	100% declared
8	PAN AFRICAN BANK LIMITED	133	34	251.84	222.81	100% declared
9	RIMS MERCHANT BANK LIMITED	46	35	267.21	223.27	100% declared
10	COOPERATIVE AND COMMERCE BANK LTD	585	529	193.97	131.38	100% declared
Total		1,308	977	1,728.4	1,263.84	

Source: NDIC

During the year under review, the NDIC paid 27 Shareholders of Alpha Merchant Bank, Rims Merchant Bank and Continental Merchant Bank, the sum of N3.60 million. The cumulative liquidation dividend declared for Shareholders of DMBS-in-liquidation stood at N3.89 billion as at 31st December, 2016 as shown in Table 4.11. The total liquidation dividend paid to 577 Shareholders of six (6) DMBS-in-liquidation stood at N2.42 billion as at 31st December, 2016 as against N2.41 billion paid to 550 Shareholders of DMBS-in-liquidation as at 31st December, 2015.

Table 4.11:
LIQUIDATION DIVIDEND PAID TO SHAREHOLDERS AS AT 31ST DECEMBER, 2016

S/N	NAME OF DMBS (IN-LIQUIDATION)	NUMBER OF SHAREHOLDERS PAID	AMOUNT DECLARED FOR SHAREHOLDERS OF DMBS IN-LIQUIDATION (N 'MILLION)	AMOUNT PAID TO SHAREHOLDERS OF DMBS IN-LIQUIDATION (N 'MILLION)
1	Alpha Merchant Bank Limited	452	1,562.82	839.207
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	26	125.00	84.354
5	Cooperative and Commerce Bank	1	390.70	0.00
6	Continental Merchant Bank	94	327.29	11.134
	Total	577	3,886.36	2,415.245

Source: NDIC

The cumulative insured amount and dividend paid to depositors and uninsured creditors as at 31st December, 2016 is presented in **Table 4.12** and **Chart 4.1**. Cumulative insured amount of ₦6.797 billion was paid to depositors of closed DMBS, ₦53.03 million to depositors of closed PMBS and ₦2.87 billion to depositors of closed MFBs as at 31st December, 2016.

The cumulative dividend of N95.90 billion paid to depositors of closed DMBS include the 100% guarantee payments by CBN to private depositors under the P&A transaction.

In October 2016, the Corporation advertised in various Newspapers inviting Ministries, Departments and Agencies (MDAs) at the States and Federal levels that had funds trapped in any of the Deposit Money Banks in-liquidation to come forward, for verification, processing and payment of their unclaimed insured and/or liquidation dividends amounting to ₦1,474,739,496.07. Arrangements were concluded to pay the sum of **₦1,474,739,496.07** to Ministries, Department and Agencies (MDAs) under the Federal Government through the Federal Ministry of Finance (FMF) in the first quarter of 2017.

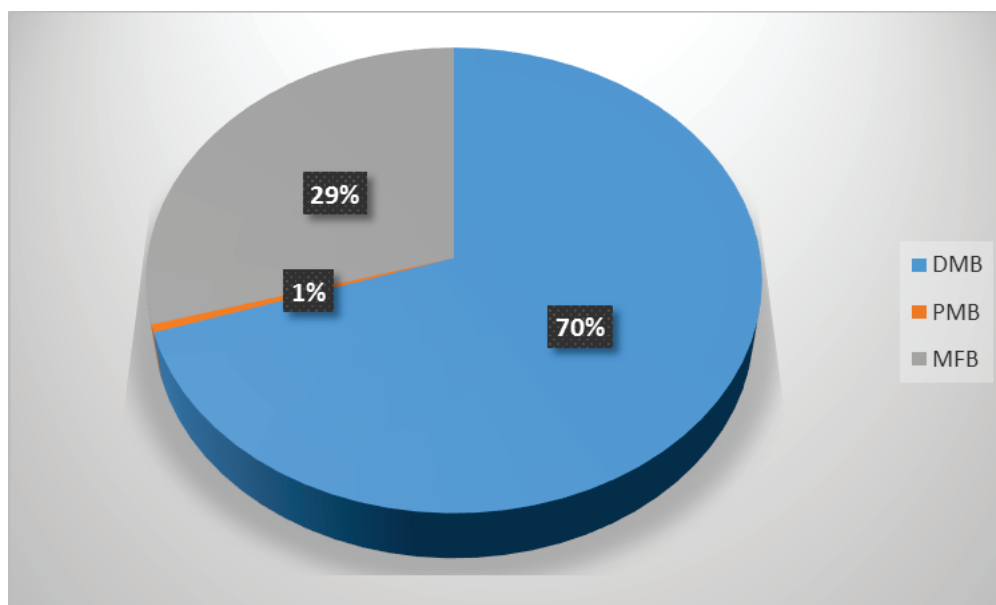
Table 4.12:
. CUMULATIVE INSURED AMOUNT PAID AS AT 31ST DECEMBER, 2016

Type of Institution	Cumulative Insured Amount Paid (₦' Million)	Cumulative Dividend Amount Paid (₦' Million)
DMB	6,796.62	95,899.16*
PMB	53.03	NIL
MFB	2,871.01	NIL
Total	9,720.66	95,899.16

Source: NDIC

*Includes 100% guaranteed payments by CBN to Private Depositors under the P&A transaction

Chart 4.1:
CUMULATIVE INSURED DEPOSITS PAID AS AT 31ST DECEMBER, 2016



Source: NDIC

4.2 Asset Management Activities

In 2016, the NDIC continued with the conversion of assets of closed financial institutions into cash for the payment of Liquidation Dividend to uninsured depositors, creditors and shareholders. The NDIC uses the funds realised in its capacity as liquidator of closed insured financial institutions for the payment of liquidation dividend to uninsured depositors, settlement of other creditors as well as the liquidation of expenses of failed financial institutions.

4.2.1 Management and Recovery of Risk Assets

In its debt recovery efforts in 2016, the NDIC continued to apply various strategies such as direct recovery drive where staff engage debtors to ensure that the outstanding debts are paid. It also engaged the services of debt recovery agents to improve its debt recovery. The NDIC also engaged external solicitors to recover debts through the litigation process 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. The NDIC continued to monitor and supervise the recovery activities of its staff, debt recovery agents and solicitors.

In the period under review, NDIC engaged in other risk-assets-related activities, which included taking inventory and possession of all risk assets of closed banks, making demand on debtors to pay their outstanding debts, and review and approval of repayment eligible proposals sent by debtors.

Furthermore, collaborative efforts with AMCON and other agencies of the Federal and States Governments who acquired physical and risk assets of banks in-liquidation continued during the year.

As at the time of closure, the DMBs in-liquidation were owed the sum of ₦190.61 billion, with details shown in **Table 4.13**; the sum of ₦4.69 billion was owed to MFBs in-liquidation as shown in **Table 4.14**; while the sum of ₦8.15 billion was owed to PMBs in-liquidation pending final reconciliation as shown in **Table 4.15**.

The cumulative recovery from debtors of DMBs, MFBs and PMBs as at 31st December, 2016 stood at ₦28.16 billion, ₦125.13 million and ₦195.17 million, compared to ₦27.43 billion, ₦125.08 million and ₦24.73 million in 2015, respectively. However, it is pertinent to state that, to encourage debtors to repay their outstanding debts, a substantial portion of accrued interest on loans and advances was waived and written-off by the NDIC. The sum of ₦525.32 million was waived while the sum of ₦25.48 million was written-off.

Table 4.13:
**SUMMARY OF RECOVERIES ON LOANS AND ADVANCES FOR THE CLOSED DMBs
AS AT 31ST DECEMBER, 2016**

S/N	DMBs IN-LIQUIDATION	TOTAL LOANS & ADVANCES AT CLOSURE (₦ MILLION)	CUMULATIVE LOAN RECOVERY AS AT 31 ST DEC 2015 (₦ MILLION)	TOTAL LOAN RECOVERY AS AT 31 ST DEC 2016 (₦ MILLION)	CUMULATIVE LOAN RECOVERY AS AT 31 ST DEC 2016 (₦ MILLION)
1	Abacus Merchant Bank Ltd	1,213.87	41.81	-	41.81
2	ABC Merchant Bank Ltd	565.37	77.96	-	77.96
3	African Express Bank Ltd	9,847.81	4,112.01	8.53	4,120.54
4	African International Bank	11,688.04	4.14	44.04	48.18
5	Allied Bank Nig. Plc	2,535.48	393.44	0.08	393.52
6	Allstates Trust Bank Plc	25,414.95	3,879.21	476.39	4,355.60
7	Alpha Merchant Bank Plc	1,030.72	907.89	-	907.89
8	Amicable Bank Plc	328.99	28.21	-	28.21
9	Assurance Bank Ltd	6,369.79	318.86	80.91	399.77
10	Century Merchant Bank Ltd	809.81	31.66	-	31.66
11	City Express Bank Plc	13,323.06	1,049.58	26.51	1,076.09
12	Commerce Bank Ltd	1,643.59	292.90	0.02	292.92
13	Commercial Trust Bank Ltd	570.59	157.39	-	157.39
14	Continental Merchant Bank Plc	1,712.28	453.79	-	453.79
15	Co-operative & Commerce Bank Plc	2,305.38	628.69	1.59	630.28
16	Credite Bank Nigeria Ltd	479.92	24.27	-	24.27
17	Crown Merchant Bank Ltd	340.31	13.99	-	13.99
18	Eagle Bank Ltd	217.62	11.39	-	11.39
19	Finanacial Merchant Bank Ltd	447.19	148.98	1.66	150.64
20	Great Merchant Bank Ltd	393.44	16.12	-	16.12
21	Group Merchant Bank Ltd	741.81	36.82	-	36.82
22	Gulf Bank Ltd	21,269.06	507.58	2.66	510.24
23	Hallmark Bank Plc	29,716.74	3,703.28	10.10	3,713.38
24	Highland Bank Plc	114.05	21.01	-	21.01
25	ICON Merchant Bank Ltd	140.62	211.00	15.32	226.32

S/N	DMBs IN-LIQUIDATION	TOTAL LOANS & ADVANCES AT CLOSURE (₦ MILLION)	CUMULATIVE LOAN RECOVERY AS AT 31 ST DEC 2015 (₦ MILLION)	TOTAL LOAN RECOVERY AS AT 31 ST DEC 2016 (₦ MILLION)	CUMULATIVE LOAN RECOVERY AS AT 31 ST DEC 2016 (₦ MILLION)
26	Ivory Merchant Bank Ltd	1,491.37	57.56	-	57.56
27	Kapital Merchant Bank Ltd	344.27	273.41	-	273.41
28	Lead Bank Plc	12,380.78	2,335.39	18.49	2,353.88
29	Liberty Bank Plc	5,191.10	231.93	2.42	234.35
30	Lobi Bank Ltd	291.60	84.70	-	84.70
31	Merchant Bank of Africa Ltd	2,048.81	255.44	2.01	257.45
32	Mercantile Bank Plc	1,217.60	261.52	0.23	261.75
33	Metropolitan Bank Ltd	8,258.00	1,190.39	28.04	1,218.43
34	Nigeria Merchant Bank Plc	1,243.15	260.06	1.86	261.92
35	North-South Bank Plc	932.04	42.95	-	42.95
36	Pan African Bank Ltd	1,282.45	669.32	-	669.32
37	Pinacle Commercial Bank Ltd	1,551.90	156.99	0.69	157.68
38	Premier Commercial Bank Ltd	1,102.00	35.39	0.62	36.01
39	Prime Merchant Bank Ltd	838.11	52.80	-	52.80
40	Progress Bank Plc	1,880.94	490.96	2.49	493.45
41	Republic Bank Ltd	232.56	33.93	-	33.93
42	Rims Mer. Bank Ltd	1,900.88	65.00	-	65.00
43	Royal Merchant Bank Ltd	1,131.07	49.08	0.60	49.68
44	Trade Bank Plc	11,901.30	3,601.56	5.28	3,606.84
45	United Com Bank Ltd	1,864.58	186.15	0.09	186.24
46	Victory Merchant Bank Ltd	301.47	21.10	-	21.10
	TOTAL	190,606.47	26,746.62	730.63	28,158.24

Source: NDIC

Table 4.14:
**SUMMARY OF RECOVERIES FOR PRIMARY MORTGAGE BANKS
(IN-LIQUIDATION) AS AT 31ST DECEMBER, 2016**

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS & ADVANCES AS AT CLOSURE (₦' MILLION)	CUMULATIVE RECOVERIES AS AT 31 ST DEC 2016 (₦' MILLION)
1	ACME MFB	0.178	-
2	ADIF MFB	41.67	-
3	AFAM MFB	8.56	-
4	AGBELO MFB	31.9	0.2
5	AJASSE MFB	-	0.02
6	ALLIANCE MFB	81.26	-
7	ALLOVER MFB	124.73	4.2
8	ALLSTAR MFB	37.55	0.13
9	APEX GOLDEN GATE MFB	11.86	-
10	ASABARI MFB	7.75	0.46
11	ASAGA-UKWU MFB	71.18	0.05
12	ASCENT MFB	14.19	
13	ATTA NWAMBIRI MFB	8.87	0.23
14	BASIC MFB	-	0.02
15	BEULAH MFB	16.91	1.91
16	BIRaidu MFB	33.94	-
17	BIRNIN KUDU MFB	74.79	-
18	BONNY MFB	25.92	-
19	BRISTOL MFB	13.18	-
20	CAPITAL MFB	63.73	0.34
21	CASHJET MFB	49.08	-
22	CEDEP MFB	-	0.02
23	CENTURY MFB	2.54	-
24	CHAT MFB	6.56	-
25	CIRCULAR MFB	215.03	0.84
26	CLASSIC MFB	102.87	2.24
27	COMMON BENEFIT MFB	9.19	-
28	CRYSTAL EDGE	-	0.05
29	CUTTING EDGE MFB	81.69	0.07
30	DANMUSA MFB	11.9	0.13
31	DIVINE MFB	39.35	-
32	DOGONDAJI MFB	-	0.04
33	DYNAMIC MFB	5.2	-
34	EBEM-OHA MFB	4.96	0.01
35	EBENATOR MFB	-	17.92
36	ETITI MFB	0.158	-
37	EVO MFB	22.18	4.79
38	EZIMUZO MFB	17.13	0.05

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS & ADVANCES AS AT CLOSURE (₦' MILLION)	CUMULATIVE RECOVERIES AS AT 31 ST DEC 2016 (₦' MILLION)
39	FESTAC MFB	8.78	-
40	FREEDOM MFB	21.54	0.85
41	FUND EXPRES MFB	26.37	-
42	GITICOM MFB	103.66	1.63
43	HARBOUR MFB	3.51	-
44	HAZONWAO MFB	31.28	-
45	HILLTOP MFB	17	0.28
46	IC MFB	44.13	0.09
47	IDEAL TRUST MFB	-	0.01
48	IFONYIN MFB	45.59	0.39
49	IHITTE MFB	42.85	-
50	IKWUANO MFB	2.73	-
51	IMPACT MFB	-	0.06
52	INTEGRATED MFB	1,509.81	3.13
53	INVESTMENT MFB	4.22	-
54	IPE MFB	15.92	-
55	ISERI MFB	-	0.02
56	ITELE MFB	6.82	0.16
57	JEGA MAGAJI MFB	47.79	2.28
58	KBS MFB	2.48	-
59	KERANA MFB	2.69	-
60	KFC MFB	1.48	-
61	LALUPON MFB	11.34	0.2
62	MARMARA MFB	94.62	-
63	MC MFB	-	0.02
64	MCB MFB	30.1	0.06
65	MILESTONE MFB	246.32	-
66	MOORGATE MFB	83.16	-
67	MUNICIPAL MFB	72.6	-
68	NEW GATE MFB	15.07	-
69	NGAS MFB	23.69	0.03
70	NGEGWE MFB	-	0.4
71	OBIOMA MFB	120.04	-
72	OLOMI MFB	132.56	1.33
73	OLOMOYOYO MFB	2.57	-
74	OMNI MFB	175.07	-
75	OPENGATE MFB	3.79	3.08
76	OWENA MFB	69.49	0.08
77	PET MFB	36.89	0.63
78	STANDEX MFB	-	0.04
79	TRINITY MFB	1.98	-
80	TRISTAR MFB	20.03	0.1

S/N	MFBs IN-LIQUIDATION	TOTAL LOANS & ADVANCES AS AT CLOSURE (₦' MILLION)	CUMULATIVE RECOVERIES AS AT 31 ST DEC 2016 (₦' MILLION)
81	UDEZUKA MFB	316.33	75
82	UFUMA MFB	21.77	-
83	UMUNZE MFB	5.62	0.02
84	UNIQUE MFB	9.29	-
85	UNRECONCILED MFBs	0.42	0.42
86	UTUGWANG MFB	21.18	1.1
87	VENTURE SUPPORT MFB	2.76	-
	TOTAL	4,691.346	125.13

Source: NDIC

Table 4.15
**SUMMARY OF RECOVERIES FOR PRIMARY MORTGAGE BANKS
(IN-LIQUIDATION) AS AT 31ST DECEMBER, 2016**

S/N	PRIMARY MORTGAGE BANK IN LIQUIDATION	OUTSTANDING BALANCE AS AT CLOSURE (₦ MILLION)	TOTAL RECOVERIES IN 2016 (₦ MILLION)	CUMULATIVE RECOVERIES AS AT 31 ST DEC 2016 (₦ MILLION)
1	EUROBANC	743.28	-	2.81
2	LAGOON HOMES	2,247.06	5.23	16.67
3	PHB MORGAGES	3,471.13	161.23	174.52
4	POST SERVICE HOMES	773.33	1.70	1.17
5	LEVERAGE HOMES	59.14	-	-
6	OMEGA HOMES	206.73	-	-
7	FIRST CAPITAL	10.89	-	-
8	HAVARD TRUST S&L	641.32	-	-
	TOTAL	8,152.88	168.16	195.17

Source: NDIC

4.2 Asset Management Activities

The management of the physical assets of failed financial institutions during the period under review continued. It involved effective and efficient conservation and disposal of physical assets to facilitate the prompt payment of liquidation dividends to uninsured depositors and other creditors of the failed insured institutions. The physical assets included land, buildings, motor vehicles, plant & machinery, furniture & fittings, equipment and chattels. In addition, the NDIC continued to manage the physical assets of closed institutions effectively through engagement of the services of reputable professional estate surveyors and valuers to assess all the properties of the closed institutions and guide the disposal of the assets.

To ensure transparency, integrity and accountability in the disposal process, the NDIC continued to advertise for the sale of all the physical assets recovered from the closed institutions. High-value items, such as buildings, motor vehicles and plant & machinery were sold to interested members of the public through sealed competitive bid process, while the chattels were sold by public auction with the aid of professional auctioneers.

As shown in Table 4.16, a cumulative amount of ₦21.215 billion was realised from the disposal of physical assets of closed DMBs in 2016 as against ₦21.209 billion in 2015. Table 4.17 shows that the sum of ₦361.48 million was realised from the disposal of physical assets of closed MFBs as at December 2016 as against ₦341.08 million in 2015. Table 4.18 shows that the sum of ₦75.49 million was realised from the disposal of physical assets of closed PMBs as at 31st December, 2016 as against ₦1.80 million as at 31st December, 2015.

Out of the total amount realised from the sale of physical assets of closed DMBs as at 31st December, 2016, the sum of ₦17,201.92 million was realised from landed properties, ₦2,580.45 million from chattels and ₦1,432.52 million from vehicles and power generating sets. Similarly, out of the total amount realised from the sale of physical assets of closed MFBs, about ₦177.14 million was realised from the sale of chattels, ₦8.85 million from sale of vehicles and generating sets, and ₦175.49 million was from landed properties and rent residue. With respect to PMBs, the total sum of ₦24.49 million was realised from the sale of chattels and ₦51.00 million was from landed properties and rent.

Table 4.16:
**SUMMARY OF PROCEEDS FROM SALES OF ASSETS OF DMBs IN-LIQUIDATION
 AS AT 31ST DECEMBER, 2016**

S/N	DMBs IN-LIQUIDATION	LANDED PROPERTIES (₦ MILLION)	VEHICLES AND GEN SETS (₦ MILLION)	CHATELS (₦ MILLION)	TOTAL (₦ MILLION)
1	Abacus Merchant Bank Ltd.	-	2.71	3.66	6.37
2	ABC Merchant Bank Ltd	-	3.83	3.4	7.23
3	Afex Bank Plc	225.13	-	127.5	352.63
4	Allied Bank Plc	696.87	64.78	39.84	801.49
5	Allstates Trust Bank Plc	3,102.38	36.67	16.95	3,156.00
6	Alpha Merchant Bank Plc.	122.24	0.11	0.71	123.06
7	Amicable Bank of Nig. Plc	8	7.14	17.55	32.69
8	Assurance Bank Ltd.	1,297.80	456.57	-	1,754.37
9	Century Merc. Bank Ltd.	-	7.1	10.51	17.61

S/N	DMBs IN-LIQUIDATION	LANDED PROPERTIES (₦ MILLION)	VEHICLES AND GEN SETS (₦ MILLION)	CHATELS (₦ MILLION)	TOTAL (₦ MILLION)
10	City Express Bank Plc	537	14.42	315.31	866.73
11	Commerce Bank Ltd.	151.14	42.57	31.28	224.99
12	Commercial Trust Bank Ltd.	36.08	10.3	25.38	71.76
13	Continental Merc. Bank Plc.	984.33	11.57	22.36	1,018.26
14	Co-operative & Commerce Bank Plc.	726.72	13.1	32.86	772.68
15	Credite Bank Nigeria Ltd.	15	14.09	14.89	43.98
16	Crown Merchant Bank Ltd.	15	6.06	3.8	24.86
17	Eagle Bank	885	0.49	-	885.49
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	2.41	177	493.68
22	Hallmark Bank Plc	1,900.35	4.54	1,315.51	3,220.40
23	Highland Bank of Nig. Plc	12.97	5.54	7.99	26.5
24	ICON Ltd. (Merchant Bankers) Ltd	667.45	3.47	20.88	691.8
25	Ivory Merchant Bank Ltd	56	3.76	1.53	61.29
26	Kapital Merchant Bank L td.	-	41.36	0.24	41.6
27	Lead Bank Plc	847.26	202.56	-	1,049.82
28	Liberty Bank Plc	796	0.59	90	886.59
29	Lobi Bank of Nig. Ltd.	83.11	3.9	11.71	98.72
30	Mercantile Bank of Nig. Plc.	387.81	6.99	42.23	437.03
31	Merchant Bank of Africa Ltd.	287.04	1.87	16.87	305.78
32	Metropolitan Bank Limited	517.4	0.72	85	603.12
33	Nigeria Merchant Bank Ltd.	123.55	4.89	0.5	128.94
34	North-South Bank Nig. Plc.	213	1.2	16.39	230.59
35	Pan African Bank Ltd.	338.81	6.52	4.93	350.26
36	Peak Merchant Bank	-	0.4	-	0.4
37	Pinacle Commercial Bank Ltd.	-	12.19	18.42	30.61
38	Premier Merchant Bank Ltd.	37.43	3.98	9.9	51.31
39	Prime Merchant Bank Ltd.	-	2.28	5.39	7.67
40	Progress Bank of Nig. Plc	136.13	15.5	39.7	191.33
41	Republic Bank Limited	170	0.1	6.38	176.48
42	Rims Merchant Bank Ltd.	402.4	3.11	1.42	406.93
43	Royal Merchant Bank Ltd.	-	2.84	3.88	6.72
44	Trade Bank Plc	1,103.97	376.82	0.3	1,481.09
45	United Commercial Bank Ltd.	-	29.13	15.68	44.81
46	Victory Merchant Bank Ltd.	-	0.31	6.63	6.94
	TOTAL	17,201.92	1,432.52	2,580.45	21,214.89

Source: NDIC

Table 4.17:
**SUMMARY OF PROCEEDS FROM THE SALE OF ASSETS OF MFBs
IN-LIQUIDATION AS AT 31ST DECEMBER, 2016**

S/N	MFBs IN-LIQUIDATION	LANDED PROPERTIES/RENT (₦ Million)	VEHICLES/GEN SETS (₦ Million)	CHATELS (₦ Million)	TOTAL (₦ 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	-	-	-	-
18	ASCENT MFB	-	-	0.22	0.22
19	ATTA NWAMBIRI MFB	3.15	-	0.70	3.85
20	BEKWARA MFB	-	-	0.47	0.47
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	CAPITAL MFB	-	-	1.76	1.76
27	CASHJET MFB	-	1.40	2.87	4.27
28	CENTURY MFB	-	0.15	0.30	0.45
29	CHAT MFB	-	-	-	-
30	CIRCULAR MFB	-	-	1.02	1.02
31	CITIGATE MFB	-	-	1.29	1.29
32	CLASSIC MFB	31.07	-	3.13	34.20
33	CEDEP MFB	-	-	0.38	0.38
34	CREDENCE MFB	-	-	0.12	0.12
35	CROWN MFB	-	-	0.26	0.26
36	COMMON BENEFIT MFB	-	-	0.69	0.69
37	CUBIC MFB	-	-	-	-
38	CUTTING EDGE MFB	-	-	0.20	0.20
39	DANMUSA MFB	-	-	-	-
40	DAILY CAPITAL MFB	-	-	0.99	0.99
41	DIVINE MFB	-	-	1.19	1.19

S/N	MFBs IN-LIQUIDATION	LANDED PROPERTIES/RENT (₦ Million)	VEHICLES/GEN SETS (₦ Million)	CHATELS (₦ Million)	TOTAL (₦ Million)
43	DUNAMIS MFB	-	-	0.49	0.49
44	DYNAMIC MFB	-	-	0.41	0.41
45	EBEM-OHA MFB	-	-	0.01	0.01
46	EBENATOR MFB	-	-	0.40	0.40
47	ECB MFB	0.25	-	2.25	2.50
48	EDEN MFB	-	-	0.26	0.26
49	EDET MFB	6.89	-	7.78	14.67
50	EGOSAL MFB	-	-	0.17	0.17
51	EMBRACE MFB	-	-	-	-
52	EMEVAR MFB	-	-	0.05	0.05
53	ESSENCE MFB	-	-	0.12	0.12
54	ETITI MFB	-	-	0.30	0.30
55	EVO MFB	0.20	-	0.92	1.12
56	EZIMUZO MFB	-	-	0.25	0.25
57	FESTAC MFB	-	-	0.07	0.07
58	FIELDREAMS MFB	-	-	0.06	0.06
59	FIRST CHOICE MFB	-	-	0.99	0.99
60	FIRST GLOBAL MFB	-	-	2.83	2.83
61	FIRST HERITAGE MFB	-	-	0.21	0.21
62	FIRST OMASI MFB	-	-	0.36	0.36
63	FREEDOM MFB	1.50	-	2.40	3.90
64	FUND EXPRES MFB	-	-	0.78	0.78
65	G S MFB	-	-	0.25	0.25
66	GAMJI MFB	25.10	-	0.31	25.41
67	GITICOM MFB	-	0.10	0.87	0.97
68	GRAND FORTRESS MFB	-	-	0.15	0.15
69	GREENFIELD MFB	-	-	0.11	0.11
70	GUSAU MFB	-	-	0.19	0.19
71	HARBOUR MFB	-	-	0.14	0.14
72	HAZONWAO MFB	-	-	0.27	0.27
73	HAVILAH MFB	-	-	0.16	0.16
74	HEBRON MFB	-	-	1.00	1.00
75	HILLTOP MFB	-	-	1.30	1.30
76	HOMELAND MFB	-	-	0.53	0.53
77	IC MFB	-	0.76	0.33	1.09
78	IDAH MFB	-	-	0.25	0.25
79	IDEA TRUST MFB	-	-	0.60	0.60
80	IFONYIN MFB	-	0.07	0.21	0.28
81	IHITTE MFB	-	-	2.46	2.46
82	IRELE MFB	-	-	0.86	0.86
83	IKWUANO MFB	-	-	0.92	0.92
84	IMPACT MFB	-	-	4.61	4.61
85	IMPERIAL MFB	-	0.40	0.86	1.26
86	INTEGRATED MFB	79.22	2.88	56.71	138.81
87	INVESTMENT MFB	-	-	0.59	0.59
88	IPE MFB	-	-	0.62	0.62
89	ITELE MFB	-	-	0.13	0.13
90	KBS MFB	-	-	0.27	0.27

S/N	MFBs IN-LIQUIDATION	LANDED PROPERTIES/RENT (₦ Million)	VEHICLES/GEN SETS (₦ Million)	CHATELS (₦ Million)	TOTAL (₦ Million)
91	KERANA MFB	-	-	0.64	0.64
92	KFC MFB	-	-	0.08	0.08
93	LALUPON MFB	-	-	0.01	0.01
94	LANDROCK MFB	-	-	0.16	0.16
95	MARMARA MFB	-	-	1.04	1.04
96	MUNICIPAL MFB	-	-	1.48	1.48
97	MCB MFB	-	-	0.14	0.14
98	MIC MFB	-	-	3.79	3.79
99	MOORGATE MFB	6.90	0.95	4.94	12.79
100	NEIGHBOURHOOD MFB	-	-	2.34	2.34
101	NEW GATE MFB	-	-	0.18	0.18
102	NEW IMAGE MFB	-	-	0.77	0.77
103	NEXUS	-	-	2.93	2.93
104	NGAS MFB	-	-	0.58	0.58
105	NGEGWE MFB	-	-	0.42	0.42
106	NKPOR MFB	-	-	0.38	0.38
107	OBIOMA MFB	-	-	1.84	1.84
108	OLOMI MFB	13.50	0.60	0.48	14.58
109	OLOMOYOYO MFB	6.00	-	0.21	6.21
110	OMNI MFB	-	-	4.03	4.03
111	OPENGATE MFB	-	-	1.73	1.73
112	OTUN-EKITI MFB	-	-	0.07	0.07
113	OWENA MFB	-	-	0.31	0.31
114	OWHOWHA MFB	-	-	0.05	0.05
115	OWKUTA MFB	-	-	0.52	0.52
116	PET MFB	-	-	3.61	3.61
117	PEOPLE SERVE MFB	-	-	1.34	1.34
118	PLANET MFB	-	-	0.13	0.13
119	PRIME MFB	0.20	-	3.06	3.26
120	REUNION MFB	-	-	0.27	0.27
121	ROYAL TRUST MFB	-	-	0.83	0.83
122	SAMNIAKA MFB	-	-	-	-
123	SHIMAZ MFB	-	-	0.15	0.15
124	SILVER MFB	-	-	0.26	0.26
125	STANDEX MFB	-	-	0.01	0.01
126	TARGET MFB	-	-	0.66	0.66
127	THINK MFB	-	-	1.44	1.44
128	TOUCH STONE MFB	-	-	0.68	0.68
129	TRINITY MFB	-	-	0.52	0.52
130	TRISTAR MFB	-	-	2.57	2.57
131	UDEZUKA MFB	-	-	0.48	0.48
132	UGHIEVWEN MFB	-	-	0.38	0.38
133	UJOELEN MFB	-	-	0.44	0.44
134	UMUHU MFB	-	-	0.53	0.53

Source: NDIC

TABLE 4.18.
**SUMMARY OF PROCEEDS FROM THE SALE OF ASSETS OF PMBs
 IN-LIQUIDATION AS AT 31ST DECEMBER, 2016**

S/N	PRIMARY MORTGAGE BANKS IN-LIQUIDATION	LANDED PROPERTIES/RENT (₦ Million)	VEHICLES/ GEN. SETS (₦ Million)	CHATELS (₦ Million)	TOTAL (₦ Million)
1	CREDENCE PMI	-	-	1.45	1.45
2	EURO BANK S& L	-	-	2.8147	2.8147
3	FIRST CAPITAL SAVINGS	-	-	0.027	0.027
4	HAVARD TRUST SAVING	-	-	1.17	1.17
5	JUBILEE BUILDING SOCIETY	-	-	0.36	0.36
6	LAGOON SAVINGS AND LOAN	-	-	8.7349	8.7349
7	LEVERAGE SAVINGS & LOAN	-	-	1.2432	1.2432
8	MORTGAGES PHB	51	-	6.724	57.724
9	OMEGA S&L	-	-	1.7411	1.7411
10	HARMONY S & L	-	-	0.0367	0.0367
11	BENHOUSE BUILDING SOCIETY	-	-	0.19	0.19
	TOTAL	51	-	24.4916	75.4916

Source: NDIC

4.2.3 Realization of Investments

In 2016, the amount realized from the disposal of investments from twelve (12) failed DMBs in-liquidation amounted to ₦86.71 million while ₦57,393.90 was realised from disposal of investments in one (1) MFB in-liquidation, as shown in **Table 4.19**. As at December 31st December, 2016, the cumulative sum of ₦4.419 billion was realised from investments of the affected banks compared with ₦4.415 billion as at 31st December, 2015.

TABLE 4.19.
**SUMMARY OF PROCEEDS FROM REALISATION OF INVESTMENTS OF DMBs
 AND MFBs IN-LIQUIDATION AS AT 31ST DECEMBER, 2016**

S/N	DEPOSIT MONEY BANK IN - LIQUIDATION	CUMULATIVE REALIZATION FROM 2008 TO DEC 2015	TOTAL REALISATION FROM JAN TO 31 ST DEC 2016	CUMULATIVE REALISATION FROM AS AT 31 ST DEC 2016
1	Afex Bank Ltd	1,552,032.00	NIL	1,552,032.00
2	Akesan Microfinance Bank	NIL	799,186.00	799,186.00
3	Allstates Trust Bank	385,184,612.68	2,935,340.07	385,184,612.68
4	City Express Bank Plc	979,184,280.23	1,135,892.48	980,320,172.71
5	Gulf Bank Ltd	1,500,000.00	NIL	1,500,000.00
6	Hallmark Bank Plc(Homes)	1,230,039,759.70	NIL	1,230,039,759.70

S/N	DEPOSIT MONEY BANK IN - LIQUIDATION	CUMULATIVE REALIZATION FROM 2008 TO DEC 2015	TOTAL REALISATION FROM JAN TO 31 ST DEC 2016	CUMULATIVE REALISATION FROM AS AT 31 ST DEC 2016
7	Lead Bank Plc	892,725,346.34	1,832.63	892,725,346.34
8	Liberty Bank	9,876,680.90	NIL	9,876,680.90
9	Metropolitan Bank Ltd	241,832,386.34	31,298,179.31	244,142,601.65
10	Nig. Merc. Bank Plc	161,642.16	NIL	161,642.16
11	Rims Mer. Bank Ltd	52,279,582.60	50,544,404.10	52,279,582.60
12	Trade Bank Plc	620,183,053.00	NIL	620,183,053.00
	DMB TOTAL	4,414,519,375.95	86,714,834.59	4,418,764,669.74
	MICROFINANCE BANK IN - LIQUIDATION	CUMULATIVE REALIZATION FROM 2008 TO DEC 2015	TOTAL REALISATION JAN TO DEC 2016	CUMULATIVE REALISATION AS AT 31 ST DEC, 2016
1	Ihitte Microfinance Bank	836,268.00	57,393.90	893,661.90
	MFB TOTAL	836,268.00	57,393.90	893,661.90
	GRAND TOTAL	4,415,355,643.95	86,772,228.49	4,419,658,331.64

Source: NDIC

4.2.4 Data Management and Administration Unit

As part of its collaborative efforts and contribution to safe and sound financial industry, the NDIC continued with the implementation of the policy circular issued by the CBN, authorizing it to issue Letters of Clearance to customers of DMBs in-liquidation who were listed in the Credit Risk Management System (CRMS) after all debts against them had been fully paid. The Risk Assets Registers of all the banks in-liquidation continued to be maintained and regularly updated with information on recoveries, interest waivers and write-offs on accounts of debtors.

Also, in line with the CBN Circular, the NDIC in collaboration with two (2) Credit Bureaus uploaded the Risk Asset Register of all closed DMBs onto their credit risk management platforms. The NDIC is in the process of doing the same with the risk asset registers of all MFBs and PMBs.

4.2.5 Major Challenges Faced by the NDIC in Asset Management Activities

The challenges faced by NDIC in 2015 in the areas of asset management of banks in liquidation continued to feature in 2016. The challenges included the following:

- Poor documentation by failed banks and inadequate information about the borrowers.
- Unwillingness of debtors (especially prominent individuals) to pay their debts.
- Uncollateralized loans.
- Difficulty in identifying assets of judgment debtors.
- Protracted legal processes as matters relating to debtors were frequently adjourned.
- Large outstanding insider-related debts usually characterised by poor documentation and insider abuse.
- Inability of debtors to repay due to economic downturn, government policy

- somersault, recession and other challenges.
- h. Delayed revocation of the licences of MFBs and PMBs which made it difficult to trace their records and persons behind the failed institutions.

SECTION 5

CORPORATE SUPPORT INFRASTRUCTURE

5.0 Introduction

This section presents the activities of support Departments and Units whose accomplishments helped in the attainment of the NDIC's Mission and Vision in 2016.

5.1 Legal Services

The Legal Department carried out various activities in line with its mandate in 2016. These activities included corporate secretarial services for the Executive Committee and Management of the NDIC. The Department also proffered legal advice and opinion on legal issues affecting the operations and administration of the NDIC. It also managed civil and criminal litigations involving the NDIC's personality, liquidation of failed insured institutions, as well as co-ordinated the criminal prosecution of officers, directors and customers of banks in-liquidation during the period under review.

It also conducted various legal searches at Land Registries and Corporate Affairs Commission (CAC) for the NDIC and External Solicitors, drafted and vetted agreements, contracts, regulations and other legal instruments, including the proposed re-enactment of the NDIC's enabling statute. The Department managed the perfection of titles 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.

The Legal Department collaborated with stakeholders and external consultants to organise and co-ordinate various seminars, trainings and workshops on legal issues pertinent to Deposit Insurance Law and Practice. It also organised successful Sensitization Seminars for Federal and State High Court Judges and Justices of the Court of Appeal. It also held sensitization seminar for External Solicitors, as well as capacity building workshops for in-house counsel, the FMIU and an Integrated Training Programme for the staff of Asset Management Department (AMD), Claims Resolution Department (CRD), Information Technology Department (ITD) and Legal Department aimed at achieving synergy in their activities.

During the year under review, the Department reviewed its activities, processes and contributions to the corporate objectives during its maiden conference in November 2016. It provided and coordinated corporate secretarial services for the NDIC by collaborating and liaising with all relevant Departments and sister institutions to achieve the objectives of the NDIC. However, due to non-existence of a Board of Directors, following its dissolution in July 2015, corporate secretarial activities had slowed and limited to the activities of EXCO and Management in 2016.



NDIC MD/CEO, Umar Ibrahim (6th from Left) in a group photograph with the Corporation's Legal Department staff during the 2016 Legal Department Retreat in Abuja.



Assistant Director, Legal Department, Mr. V. A. Nwabueze making a presentation as Senior Management and staff of the Legal Department listen during the 2016 Legal Department Retreat

5.2 Strategy Development

The Strategy Development Department (SDD) is charged with the responsibility of driving the future-oriented plans of the NDIC to meet the emerging challenges in the banking industry in particular, and the financial sector in general. Its mandate is to drive the NDIC's Strategy and performance, improve business processes for excellent service delivery through the use of best practices, knowledge and technology.

The objectives of the Department includes the improvement of strategic planning culture and alignment of its objectives and activities to the main thrust of corporate strategy as well as the promotion of service excellence through continuous business process improvement. These functions were carried out through the Corporate Planning, Process Improvement and SERVICOM Units.

In 2016, the following activities were carried out by the Department in accordance with the NDIC's Strategic Objectives:

- i. The Department collaborated with PMU to complete the cascading and target setting on the refreshed 2016-2020 strategy. That was done by cascading the 13 Corporate Objectives to the various Departments/Units and Zones of the NDIC. The exercise aimed at cascading the high level strategy to business Units/Departments and then to individual level in order to streamline every staff to the broader strategy of the NDIC.
- ii. The Department received and reported to Management on quarterly basis, returns from Departments/Units on the status of their strategic initiatives implementation. The reports also comprised of detailed analysis of environmental issues and risks that could impede the implementation of the corporate strategy.
- iii. The Department submitted annual and quarterly reports to the Federal Ministry of Finance on the Performance contract it signed with the NDIC. The Department also represented the NDIC in all the meetings called by the Ministry in respect of the said Performance Contract.
- iv. The Department hosted the 5th Meeting of Reform Units/Desk Officers in Parastatals and Agencies under the Federal Ministry of Finance on 27th October, 2016. A paper titled "Leveraging on Strategy for Excellent Service Delivery" was presented by the Department during that meeting. The members of the Committee were Debt Management Office, Securities and Exchange Commission, National Insurance Commission, Nigeria Customs Service, Office of the Accountant General of the Federation, Federal Inland Revenue Service, Nigeria Deposit Insurance Corporation, NEXIM Bank, NERFUND and Pension Transitional Arrangement Directorate.
- v. The Department sensitized the NDIC's internal stakeholders (HODs/HOUs, Supervisors and Departmental Budget Officers) on the characteristics, similarities and differences between the 2011-2015 Strategic Plan and the

- current 2016-2020 Strategic plan. The exercise was aimed at enabling them understand how to strategically align their activities with the strategy of the NDIC.
- vi. The Department submitted reports of the activities of the NDIC as it relates to the different Transformation Programmes being implemented by the FSS 2020 on a quarterly basis. It also participated in several Strategy Sessions organised by the Programme Management Office of the FSS 2020 in February 2016. Furthermore, the Department wrote an article on Public Awareness, titled "Reimbursing Depositors Claim in the Nigeria Deposit Insurance Corporation" for publication in the Quarterly Journal of the FSS2020.
 - vii. Sequel to the report submitted by the Committee on the Establishment of Efficiency Unit in the NDIC, the EXCO at its 476th Meeting of Tuesday 8th November, 2016 approved the establishment of an Efficiency Section under the Process Improvement Unit of the Strategy Development Department (SDD). Management further directed that the Efficiency Section should collaborate with Finance and Audit Departments to ensure effectiveness.
 - viii. A major activity in managing the performance of the NDIC is the identification of the key strategy processes. The Department designed a template and liaised with all Departments to review the NDIC's Process Inventory. The objective was to ensure that the processes were consolidated, documented and standardized.
 - ix. The Department reviewed the usage of desktops, laptops and photocopiers to guide Management on budgetary decision making.
 - x. The Department hosted the SERVICOM focal officers' meeting which afforded representatives of the various Departments the opportunity to provide information on key areas of service delivery failures. Similarly, the Department organised a one day SERVICOM Customer Care Workshop on Thursday 17th November, 2016. The workshop was aimed at improving staff attitudes on how to serve our stakeholders better towards achieving our vision of being the best deposit insurer in the world by 2020. The NDIC complied with all the requirements of SERVICOM during the reviewed period.
 - xi. The Department held three (3) in-house seminars to improve the capacity and competencies of its staff. Papers on Building a Successful Team, Balanced Scorecard and Process Improvement were delivered at the seminars.

5.3 Establishment Office

The Establishment Office provides support services to Departments and Units in the Lagos Office. The Office also exists in Zonal Offices of the NDIC. During the year under review, the Office performed the following activities:

- a. Provided a conducive office accommodation in Lagos and support services such as fleet management, logistics support, human resource services, procurement, stores management, etc.

- b. Provided adequate security for NDIC's assets and personnel.
- c. The Office complemented the efforts of HRD by ensuring that all issues relating to human resources were properly attended to and escalated on need basis. It also supported the Engineering and Technical Services Department (ETSD) in liaising with relevant consultants, agencies, contractors, service providers and the Lagos State Government on the on-going NDIC building projects in Lagos.
- d. The Office, in liaison with the Research, Policy and International Relations Department (RPIRD), provided efficient Library services to the Lagos Office.

5.4 Financial Management

The Finance Department is responsible for the planning, organizing, controlling and coordinating the NDIC's financial affairs through a rich Performance-Based Budgeting System (PBBS) that is linked to its Strategic Plan. It also maintains comprehensive financial records; ensures availability of funds for activities at all times; settles bills to beneficiaries in a timely and efficient manner; promptly invest the Insurance Funds in eligible securities while ensuring the safety and liquidity of the Funds.

In June 2016, the NDIC fully integrated its payment system with the Remita e-payment and e-collection solution with a view to achieving its end-to-end payment and complied with the directive of the Federal Government for implementation of the Treasury Single Account (TSA). Accordingly, the Department no longer prepare mandates and bank schedules to CBN, as all payments are now automated and processed on the Remita solution.

During the year under review, the Department followed up on the remittance of Internally Generated Revenue (IGR) to the Consolidated Revenue Fund (CRF). A total of ₦34.89 billion was remitted by the NDIC within the period under review. It is worthy of note that to date, the sum of **₦104.26 billion** had been remitted to the CRF from 2007 to 2016.

Also, all statutory deductions, namely: Value Added Tax (VAT); Withholding Tax (WHT); Pay As You Earn (PAYE); National Health Insurance Scheme (NHIS); National Housing Fund (NHF); and Pension Fund Contributions were remitted to the relevant authorities as at when due.

The Department, in collaboration with other stakeholders, upgraded the Infor 10 CPM to Infor DEPM Budget Software, which was more flexible and had a comprehensive Business Intelligence Module with Dashboard Analytics. The application was also aligned with the FGN Zero-Based Budgeting System.

The Oracle Treasury Management software went live on 5th December, 2016, in addition to the cut over to a new "PAYiT" software that enables end-to-end payments between CBN and NDIC by the Finance Unit, Lagos Office.

The Department also automated the Budget Monitoring and Control across the NDIC's Head Office, Lagos and the eight (8) Zonal Offices to an online real-time basis thereby ensuring effective control and capturing of commitments on the application.

Furthermore, in 2016, capacity building on Performance Based Budgeting System (PBBS), Financial Planning, Management & Control, and Cost Control etc. were carried out by the Department for its staff as well as training for Budget officers of various Departments, Units and Zones on the Softwares. The Budget Officers were exposed to programmes like Financial Modelling, Effective Budgeting & Cost Control and International Financial Reporting Standards (IFRS), amongst others.

The Department also successfully hosted two (2) Forensic Auditors from the Federal Ministry of Finance (FMF) and several Auditors from the Office of the Auditor General for the Federation.

5.5 Information Technology

During the year under review, the Department continued to provide effective and efficient IT resources for the smooth running of the Corporation. While providing services, the Department ensured confidentiality, availability and integrity of information to all its stakeholders.

Also during the year, the NDIC completed the gap assessment in preparation for ISO 27001 Security Certification. ISO 27001 Security Certification was intended to provide guidance on how to manage information security. Additionally, as part of the plan towards the certification, some staff were trained and certified as ISO 27001 Lead Implementers and Lead Auditors.

The Department provided the required IT support for the Corporation to comply with the requirement of the directive of the Federal Government on Treasury Single Account (TSA). Hence, all accounts payables and receivables from origination to payments were done without the use of physical payment instruments. That had greatly enhanced the turnaround time of payments.

Furthermore, the Department developed a Crisis Communication System for ERMD which filters staff by location and send notifications in the event of crisis. It was also designed to be used in the case of a disaster.

The Department successfully upgraded the Intranet portal. That had enhanced the NDIC's document management and archival process. It also aided the development of a Records Management Solution for BED. The portal enabled members of BED to collaborate and share Bank Examination reports in a more secure mode, limiting access to sensitive reports, with an audit trail to record users' activities.

5.6 Performance Management

During the year under review, the Performance Management Unit (PMU) developed and obtained management approval to adopt a new Performance Management Policy, which would drive the NDIC's performance management processes.

The Policy clearly articulates the performance management framework and defines the governing guidelines. It provides clarity of purpose for a Performance Management System (PMS). It also defines the roles, responsibilities and expectations of every employee. The Policy was expected to enhance the individual and organization's performance. The Policy was approved in June 2016 and had since been circulated to all staff.

5.6.1 Performance Planning Exercise

The PMU commenced a Performance Planning exercise for the year 2017 performance cycle on 1st September, 2016. Planning, which is the foundation of the PMS, is essentially a discussion between a supervisor and subordinate on the employee's work-plan. Supervisors were supposed to provide each employee with a new work-plan and hold a planning meeting with each subordinate within the first 30 calendar days of:

- i. The employee's entry into a position; or
- ii. Any significant changes to the job duties or performance goals for the current performance cycle; or
- iii. The beginning of the performance management cycle, which is 1st September every year.

PMU provided support to Departments/Units/Zones for the exercise, which was expected to be continuous.

5.6.2 Knowledge Sharing Sessions

In an effort to achieve one of NDIC's strategic objectives of improving skills and best practice knowledge of employees, the PMU organized knowledge sharing sessions for its staff and that of SDD during the year. That was to improve their knowledge on performance management with special focus on Cascading of Objectives from Corporate to Departments and Units, as well as to individuals/staff.

5.6.3 Collaboration with SDD in Cascading Corporate Objectives (2016 – 2020 Strategic Plan)

As a result of the commencement of a new 5-year Strategic Plan (2016 - 2020), PMU in collaboration with SDD, commenced cascading of the new/revised corporate objectives from Corporate to Department down to individual level.

Some of the activities carried out included:

- i. Discussion on the revised strategic objectives with Departments, Units/Zones;
- ii. Cascading of objectives from Corporate to Departments;

- iii. Cascading of objectives from Department to Unit/Group/Section;
- iv. Cascading from Unit/Group/Section to Individual Employee.

5.6.4 Vendor Evaluation and Selection

During the year under review, the PMU served as the Secretariat of the Software presentation and Vendor Selection/Evaluation committee. The meeting held on the 26th July, 2016. The Committee comprised of Heads of PMU, SDD, ITD and HRD. The Committee discussed the requirement specifications for the new PMS software.

5.6.5 Year 2016 Confirmation Appraisal

The PMU conducted confirmation appraisal for the ninety-four (94) newly employed staff, who assumed duty in 2015 and reported their performance to HRD during the year under review.

5.6.6 Year 2016 Staff Performance Appraisal Exercise

The PMU conducted the NDIC-wide performance appraisal exercise in the month of July 2016. In line with the new performance management policy, the exercise was supposed to be conducted for 60 calendar days. However, due to some challenges, the deadline was extended. In addition, issues raised by four (4) staff that contested their appraisal scores were resolved by the Performance Management Committee set up for that purpose.

5.7 Internal Audit

The Department reports functionally to the Board Audit Committee and administratively to the Managing Director/Chief Executive Officer. It plays the major role of providing independent assurance to Management that the NDIC's Risk Management, Governance and Internal Control processes are operating effectively.

During the period under review, the Department carried out its routine activities of auditing the Zonal Offices, Head Office, Lagos Office, Departments and Units. Other activities of reviewing Payment Vouchers, Cash Advance, periodic Cash Count and Audit Inspection were also carried out.

The Department, during the year achieved major strides towards Risk-Based Internal Auditing and the TeamMate Software was fully deployed to facilitate the system. The Risk-Based Assessment of all the Departments and Units was done to ensure that all risk ratings were within the NDIC's risk appetite.

The TeamMate Auditing Management Software has been harnessed by the Department for a more timely and accurate Risk-Based Auditing, aimed at adding value to the processes of the Departments and Units.

In order to ensure continuous audit activities in an effective and efficient manner in the Zonal Offices, the Department was restructured. Resident Internal Auditors (RIAs) were appointed among the staff in the Zones. The RIAs served as representatives of the Department and report to the Director.

The Department registered all its staff with the Institute of Internal Auditors (IIA) to increase their proficiency and professionalism. Staff were also registered with the Information Systems Audit and Control Association (ISACA) and were trained to write the Certified Information Systems Auditor (CISA) Certification Examination. That was to reposition the Department towards the global best practice and current trends in internal auditing and in addition to prepare the staff for Information System Auditing. Four (4) of the registered staff in the first batch had passed the CISA examination, while the remaining staff are going to sit for the examination in June 2017.

In the same vein, the Department trained its staff in key areas of its operations. The trainings aimed at sharpening their auditing skills included:

- i. ICAN Intensive Training on Forensic Accounting Certification.
- ii. REMITA e-Learning Training for Public Sector Auditors.
- iii. Sun Accounting Software Training.
- iv. Audit Command Language (ACL) Software Training.
- v. Risk Managers Association of Nigeria (RIMAN) Training and Certification.

To ensure optimal quality service delivery, the activities of the Department were reviewed by External Quality Assessors - PKF Professional Services Nigeria. The exercise added value to the effective and efficient functioning of the Department.

5.8 Enterprise Risk Management (ERM)

The Enterprise Risk Management Department (ERMD) was established as a Unit in February, 2009 and was subsequently upgraded to a full-fledged Department in January, 2014 with the Objective of implementing Enterprise Risk Management (ERM) and Business Continuity Management (BCM) Frameworks as well as Document Management Policy in the Corporation.

During the year under review, the ERMD continued with the performance of its core function of coordinating the implementation of NDIC's Enterprise Risk Management (ERM) Framework by identifying, assessing, controlling, treating and reporting on all significant risks that were likely to impede the achievement of NDIC's mandate. Furthermore, in order to monitor the effectiveness of control measures put in place to mitigate the identified risks, the Department conducted an Enterprise Risk Monitoring exercise. The Departments, Units and Zonal Offices subsequently issued feedback reports on the outcome and recommendations for immediate implementation.

The Department, in conjunction with PricewaterhouseCoopers (PwC), conducted a Business Impact Analysis (BIA) across the NDIC and the BIA report was approved by Management which formed part of the requirements for the development of the Business Continuity Management (BCM) Framework. Also, in March, 2016, the draft Business Continuity Plans (BCPs) for Abuja, Lagos and Zonal offices by PwC were developed and approved by Management for implementation. In addition, Management also approved the BCM Framework developed by PwC in May 2016.

Furthermore, the implementation of the Document Policy and monitoring for compliance with the standardization of filing system were embarked upon to ensure proper documentation, filing practices and referencing in the Head Office. Similarly, the Electronic Document Management Software, Docuware deployed was upgraded from DocuWare 6.7 to DocuWare 6.10. A 2-day training was organised for staff to improve capacity and enhance their knowledge of the upgraded version of the software.

During the review period, the Department provided the Risk Forecast for 2016 and its implications on the achievement of the NDIC's mandate to Management. In addition, the Department commenced the population of the Crisis Communication Plan as part of the implementation of its BCM Framework.

5.9 Engineering and Technical Services

The Engineering and Technical Services Department (ETSD) was created out of the former Administration Department to ensure the professional execution of capital projects, maintenance of facilities and equipment throughout the Corporation.

The Department has the responsibility of providing effective and efficient support services for the smooth running of the NDIC.

5.9.1 Initiatives

During the year under review, the Department undertook the following initiatives:

- i. Effective communication with Project Managers, Consultants and Contractors.
- ii. Provision of prompt response to service delivery.
- iii. Fostering of culture of service excellence by support staff.
- iv. Provision of a safe, habitable and conducive working environment.
- v. Managing risk associated with projects and developing key risk indicators.

5.9.2 Major Capital Projects

The construction of three (3) building projects at Lagos and Abuja as well as a temporary Office for Sokoto Zonal Office commenced during the year under review and work was progressing steadily at all the sites.

5.9.3 Facility Management

Most of the maintenance services rendered by the Department were outsourced. Service/Maintenance Agreements were executed with the retained companies for servicing of equipment, lifts, generators, fire-fighting equipment, central air-conditions, cleaning and gardening services.

In order to improve on assets and facility management and procurement services for a good service delivery system, the contracts for the development and implementation of e-Facility and e-Procurement management solutions were at their final stages. The scope of work included the development, installation, and configuration of web-based Facility and Procurement Management Softwares. The installation and configuration stages were executed. That indicated 90% of the projects were completed as at 31st December, 2016.

5.10 Procurement & Management Services

During the period under review, the Procurement & Management Services Department (P&MSD) was created out of the former Administration Department. As a service provider, its various Units and Sections continued to function in a coordinated manner to provide sister Departments and Autonomous Units with quality services and logistics to ensure that the Corporation delivers fully on its mandate and strategic objectives. Its activities included the streamlining of the procurement processes to drive competitive performance in equipment and acquisition of the appropriate skills and competence for service delivery as well as Strategic Partnering with the Bureau of Public Procurement (BPP). As a direct consequence, the NDIC's Procurement Plan and key initiatives for 2016 were substantially implemented as follows:

5.10.1 Strategic Partnering with the Bureau of Public Procurement (BPP)

As required by law, all the procurement activities of the NDIC within the prescribed financial thresholds were done under the purview of the BPP. The Department fully collaborated with the BPP to ensure that all its procurement activities were transparent and consistent with the standards contained in the Public Procurement Act, 2007. It is worth mentioning that the Corporation had always complied with the provisions of the Act.

5.10.2 Management and Staff Support Services

In the period under review, the Department continued to provide efficient support services for the hosting of meetings of the Executive Management Committee as well as other relevant meetings. The scope and application of such services include the efficient management of the entire vehicle fleet, provision of adequate security for staff and assets, and effective management of the Central Store.

5.10.3 Key Projects

In an effort to effectively discharge its responsibilities, the Department embarked on the following activities:

i. Acquisition of web-based e-Procurement software

The Department acquired the Web-Based Facility and Procurement Management Software for the Development of the 2017 Procurement Plan.

ii. Security Upgrades

During the year, the Department provided Internet Protocol Closed Circuit Television (IPCTV) cameras and switches to all the Zonal Offices and fully restored wire-less communication channel through walkie-talkies at the Head Office. In addition, five (5) Motorola walkie-talkie handsets were acquired to enhance security services.

iii. Customized Fleet Management Software

In collaboration with the Information Technology Department (ITD), an online application was developed for the management of the NDIC's vehicle fleet.

iv. Capacity Building Initiatives

Apart from the routine training provided by the Bureau of Public Procurement (BPP), four (4) members of staff of the Department passed the intensive two-weeks Public Procurement Conversion Course organized by the BPP. The Department also organized training at the Economic & Financial Crimes Commission (EFCC) Academy for forty-six (46) members of its in-house security staff. In collaboration with the HRD, the Department also mounted two (2) runs of the Drivers Improvement Course.

5.11 Human Capital Management and Development

The Human Resource Department (HRD) was saddled with the responsibility of ensuring the selection, recruitment, training, discipline and the overall management of the NDIC's human resources towards the achievement of its corporate objectives, its pursuit of excellence and as a strategy for the realization of an effective Human Resource Management in the NDIC. The Department had continuously aligned its activities with HR best international practice.

Below are the highlights of activities of the Department in 2016:

5.11.1 Recruitment of New Staff and Staff Confirmation

A total of 76 out of 100 staff recruited in August 2015 were confirmed in November 2016, six (6) were before Management for consideration while the remaining would be presented to Management as soon as they met the confirmation requirements. During the year under review, a total of 158 and 21 candidates of the senior and junior officers' cadres, respectively, were interviewed and recommended to Management for employment.

5.11.2 Work Place Mentoring and Counselling

One-to-a-group mentoring sessions and mentees' sensitization workshops were conducted in Abuja and Lagos offices for eligible mentees who were recruited in 2015 as well as those who were unable to attend previous runs. The purpose of these sessions was to ensure that knowledge from experienced staff was cascaded to a large number of employees in one setting. The mentoring sessions focused on General Business Knowledge and Understanding Cultural and Organizational Norms while the sensitization workshop was aimed at providing mentees with tips on how to maximize opportunities provided by the mentoring platform to advance their careers in the NDIC.

5.11.3 HR Communications/Town Hall Meetings

Three (3) editions of the HR Communications Quarterly e-Newsletter (HR Digest) were published in 2016. The Newsletter is one of the channels deployed by HRD to ensure accurate information dissemination. The Department continued to deploy timely and accurate information to employees through HR Communications on the NDIC Outlook.

Furthermore, Town Hall meetings of Senior Management with employees were held at all the Zonal Offices between November and December, 2016. The main objective of those meetings was to provide opportunity for honest and open interaction between Senior Management and employees so as to encourage harmonious co-existence in the workplace as well as eliminate rumour-mongering.

5.11.4 Knowledge Management Initiatives

To ensure a well-coordinated and proper management of knowledge and to avail staff the opportunity to become more abreast with conceptual issues on the NDIC's operations and related organisational skills, some internally developed operational courses and acquired soft skills courses were deployed on the e-learning portal during the year under review. The courses were grouped into: In-house e-Courses, Soft-skill e-Courses and Leadership e-Courses.

All Senior and Executive staff were required to undertake the study of One (1) In-House and Soft-Skill Course each within each quarter of 2016.

5.11.5 Training (NDIC Academy)

Year 2016 was another eventful period for the Academy as buttressed by the under-listed activities that were undertaken to enhance the quality of learning in the NDIC.

To ensure standardization in the curricula of the Academy courses in line with international best practice, the existing curricula were revised and new ones were developed covering forty-seven (47) programs. The courses that would be mounted annually are to be selected from the basket depending on the needs of the NDIC. While thirty-two (32) of the curricula are for technical courses, fifteen (15) are for management courses, which are broader and incorporate legacy programs, industry-

specific courses (oil and gas, agriculture, telecommunications, etc.), courses targeted at faculties of institutions of higher learning, especially those where DIS is now taught as component of degree curriculum, courses for sister DIS institutions in Africa and Asia, relevant to major external stakeholders such as banks and depositors (consumer protection) aside from competency-bridging programs for internal stakeholders. The document underwent quality assurance by internal Subject-Matter Experts before being approved by the Executive Committee (EXCO).

A great deal of effort was made to improve the quality of training in 2016. To ensure that the quality of learning was comparable to what obtained in reputable institutions overseas, the Academy was registered with the Harvard Business School, Boston, USA which enabled it to have "Higher Education Individual Access" to the Harvard Business School Publishing for Educators for high quality teaching aids such as case studies, videos, etc.

A standard course brochure covering programs that would be run by the different schools starting in 2017 was developed. Following request from the EFCC Chairman and Management's approval, a Committee was constituted to conduct a training programme for operatives of the EFCC and ICPC. The programme which had 58 participants who were Operatives from the two Agencies was held in two batches between August 22 and November 30, 2016 at the EFCC Academy Karu, Abuja.

The Academy also organised some trainings in collaboration with Departments within the NDIC. In all, 2,132 participants benefited from these trainings. A further break-down shows that, 394 participants were in the Executive cadre, 1,476 Senior staff while 262 were Junior staff.

To further underscore the importance the Corporation attaches to capacity building, Management invited the Chartered Institute of Bankers of Nigeria (CIBN) to undertake an assessment of the Academy's training curricula and facilities. Following its successful performance in the exercise, the Academy was accredited as a centre for professional development by the Council of the CIBN in November, 2016.

Also, Management took steps to reposition the Academy for the challenges ahead by approving a new vision with the following key elements in December, 2016:

- 1) A revised organogram of a three-unit structure with realigned activities and roles to enable it deliver value more effectively. In this regard, instead of the previous two Units, it now has three Units namely: Learning Management, Programme Delivery and Shared Services,
- 2) Five (5) schools as against the previous two (2). The five new schools are: Bank Supervision, Bank Failure Resolution, Deposit Insurance and Consumer Protection, Information Technology and Management Development.

5.11.6 Self-Development Activities of Staff

During the year under review, 269 staff were undergoing self-development programs in various field of studies as indicated in the **Table 5.1**.

Table 5.1
TABLE 5.1. SELF-DEVELOPMENT EFFORT BY STAFF IN 2016

S/N	COURSES	NUMBER OF STAFF
1	CBMBA	1
2	DIPLOMA	13
3	LLM, MBA, M.Sc.	158
4	LLB, B.Sc., HND	30
5	PGD	56
6	Ph.D.	11
TOTAL		269

Source: NDIC

5.11.7 Socialization Initiatives

In recognition of the importance of staff wellbeing, productivity and the creation of an enduring team spirit amongst staff, the Management approved the following socialisation initiatives in 2016:

- Annual Health Talk;
- Monthly Departmental, Zonal and Unit Happy Hour;
- End-of-Year Party; and
- Inter-Agency Games.

The Monthly Happy Hour was a great success across the various locations.

5.11.8 Accelerated Capacity Development Program

The Chartered Banker/MBA (CB/MBA) scheme was introduced to help address peculiar short and long-term capacity needs of the NDIC. It was specifically targeted at staff in the lower/middle managerial cadre with a view to equipping them with critical work-related skills.

However, Management had suspended the intake of fresh candidates into the CB/MBA scheme in 2016, due to budgetary constraints. However, eighteen (18) continuing students/staff graduated from the CB/MBA programme during the year. To date, twenty-seven (27) staff had graduated from the programme while fifteen (15) from Batch 2 travelled to Bangor University, in the United Kingdom to fulfil the residency component of the programme.

SECTION 6

PUBLIC AWARENESS AND CORPORATE SOCIAL RESPONSIBILITY

6.0. Introduction

Public awareness plays a significant role in deepening financial inclusion by engendering public confidence in the financial system. Depositors' confidence is crucial to financial system stability and is best achieved when stakeholders fully comprehend and appreciate the role of a DIS as well as its importance in the financial safety-net. That informed the reason why the NDIC attaches a lot of importance to public awareness, which is evident in its various strategic initiatives geared towards educating the public about its mandate and activities. Also important are the Corporate Social Responsibility activities of the NDIC aimed at promoting public confidence in the financial system while adding value to the carefully selected beneficiaries of the projects, thereby enhancing public awareness of the DIS. This section presents some programmes and activities executed by NDIC in 2016 to promote public confidence in the financial system.

6.1 Public Awareness Initiatives

As in previous years, a number of activities geared towards educating the public on the activities and achievements of the NDIC were executed during the year. Some of these activities and initiatives undertaken were as follows:

6.1.1 NDIC Stakeholders Town Hall Meeting

The NDIC convened the maiden edition of its Stakeholders' Town-Hall Meeting in 2016. The meeting was designed as a platform for Management to come together with operators and bank customers to rub minds on consumer protection towards promoting financial inclusion. The programme was held in collaboration with the Bank Customers Association of Nigeria (BCAN) on Thursday, 10th November, 2016 at the Avenue Event Centre, Kano. The theme of the meeting was "Bank Customer Protection: The Role of NDIC". The event drew over 250 participants that included bank customers, professional bodies, civil society organisations, students, consultants, mass media and representatives of DMBs, PMBs and MFBs from the three (3) Northern geo-political zones. The programme featured four (4) lectures titled:

- i. Bank Customer Protection: The Role of NDIC;
- ii. Guide to Bank Charges and Electronic Banking (e-Banking) in Nigeria;
- iii. The Role of Bank Customer in Self Education; and
- iv. Customer Service Delivery: Consumer's Experience.

The programme also featured an interactive Question & Answer Sessions. The NDIC Help Desk was also set up at the venue to coordinate suggestions/feedback and complaints from depositors and other stakeholders. Resource persons for the programme were drawn from the NDIC, BCAN and Bank Customers. The initiative was intended to hold yearly in each of the six (6) geo-political zones of the country.



NDIC MD/CE Alh. Umaru Ibrahim in a group photograph with students who participated at the 2016 NDIC Stakeholders Town Hall Meeting held at The Avenue Event Centre, Kano, Kano State.



NDIC MD/CE, Alh. Umaru Ibrahim, (3rd Left); Former Special Adviser on Islamic Banking to former Central Bank of Nigeria Governor, Dr. Bashir Umar (2nd right) and other dignitaries during the maiden NDIC Stakeholders Town Hall Meeting held at The Avenue Event Centre, Kano, Kano State

6.1.2. Participation in Major International Trade Fairs

In 2016, the NDIC participated in the Enugu, Kaduna, Abuja, Lagos and Kano International Trade Fairs. The trade fairs afforded the Corporation the opportunity for one-on-one interaction with several visitors to its pavilion made up of its strategic stakeholders cutting across individuals, corporate organizations, bank customers, entrepreneurs and members of the academia from various universities and institutions of higher learning in Nigeria.

Apart from attending to guests' enquiries directly, the Trade Fairs provided a platform for reaching out to the unbanked and providing them with relevant information that would give them access to financial services, educating them on the benefits and limitations of the DIS and the NDIC's contributions toward financial system stability.

The publicity strategies adopted at the various trade fairs included placement of jingles in Pidgin, English, Hausa, Yoruba and Igbo languages on national and local TV/Radio stations; face-to-face interaction with members of the public; NDIC Special Day which showcased its landmark achievements in enhancing financial system stability. Several visitors were at its stand during the trade fairs with the highest number of 1,422 guests recorded during the Kaduna International Trade Fair.

6.1.3. Students' Academic Visits

During the year under review, the NDIC hosted 405 students from twelve (12) educational institutions on academic visits. The students cut across primary, secondary and tertiary institutions. It has been the NDIC's tradition to open its doors to the students for academic visits in order to:

- i. Sensitise them and their lecturers/teachers who accompany them on the mandate and activities of the NDIC;
- ii. Promote financial literacy among the youth in order to enhance their confidence in accessing financial products and services provided in the formal banking system; and
- iii. Deepen their knowledge about financial services.

In addition to lectures by representatives of Legal, Research and Operational Departments as well as interactive (Question & Answer) session, the NDIC distributed its research publications and branded souvenirs to the visitors.



Principal Manager, Media Relations, Hawwau Gambo presenting NDIC researched publications to students of Department of Accounting and Business Administration, Gombe State University during the students' excursion visit to the Corporation Headquarters, Abuja



Officials of the Corporation and students of the Department of Accounting and Business Administration, Gombe State University in a group photograph during the students' excursion visit to the Corporation's Head Office, Abuja

6.1.4 Annual Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN)

In order to enhance the capacity of the media representatives toward accurate and effective reportage of its mandate and activities, the Corporation organised annual workshop for the Business Editors and Members of the Finance Correspondents Association of Nigeria (FICAN). The workshop which began in year 2000, focused on current developments in the financial system. Since its inception, the workshop had gone a long way to sharpen the knowledge and skills of media professionals in performing their role of informing and educating members of the public on the NDIC's mandate and other matters relating to financial system stability. The 2016 workshop with the theme: "Economic Recession and the Nigerian Banking Sector: Opportunities,

Challenges and the Way Forward" was held at Royal Blue Luxury Hotel, Kaduna from 15th – 17th December, 2016. A total of 115 Business Editors and Finance Correspondents drawn from both print and electronic media participated in the workshop.



MD/CE, Alh Umaru Ibrahim (right) exchanging pleasantries with the Editor, Southern Operations, Blue Print newspaper, Mr. Jerry Uwah (left) during the 2016 NDIC Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) at Royal Blue Luxury International Hotel, Kaduna, Kaduna State



Head, Communication & Public Affairs, Alh. H. S. Birchi (left) introducing participants to the MD/CE, Alh. Umaru Ibrahim during the 2016 NDIC Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) at Royal Blue Luxury International Hotel, Kaduna, Kaduna State



L-R: Director, Research, Policy & International Relations, Mr. M. Y. Umar, MD/CE, Alh. Umaru Ibrahim and Publisher, *Businessday* Newspaper, Mr. Philip Isakpa during the 2016 NDIC Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) at Royal Blue Luxury International Hotel, Kaduna, Kaduna State.

6.1.5 Sensitization Seminars for Judicial Officers

The NDIC identified the Nigerian Judiciary as a critical stakeholder towards the effective discharge of its mandate. To this end, it organised sensitization seminar for the various Judicial Officers with the theme: "Challenges to Deposit Insurance Law and Practice in Nigeria". The sensitization seminar was designed to enhance judicial officers' understanding of the operations and practice of DIS and appreciate the legal issues that would lead to more informed court judgments. During the year, the sensitisation seminar was organised for State and Federal Capital Territory (FCT) High Court Judges, Federal High Court Judges and Justices of the Appeal Courts.



NDIC's MD/CE, Alhaji Umaru Ibrahim, mni, FCIB (3rd right) in a group photograph with officials of the Corporation and Judges of the Federal High Court during the 2016 NDIC Sensitization Seminar for Federal High Judges on the Challenges to Deposit Insurance Law and Practice in Nigeria held in Abuja

6.1.6 Partnership and Collaboration with Stakeholders

The NDIC continued to partner with various stakeholders through programmes that were aimed at fostering collaboration and effective working relationship. To this end, an NDIC Leadership Engagement Series with Young Leaders and Professionals was held with the All Progressives Youth Forum (APYF) on 7th September, 2016 at the Reiz Continental Hotel, Abuja. The platform was to enhance better understanding of the mandate and activities of the NDIC in line with the policy direction of the present Administration. The parley attracted young leaders from diverse backgrounds across the six (6) geo-political zones of the country. Members of the youth forum pledged to utilise the knowledge acquired from the programme for a broad-based sensitization of Nigerians, particularly the youth on the policies and programmes of the present administration through television, radio, round-table and online platforms.

6.1.7 Financial Literacy for Children and Youth Using Story Books

The NDIC adopted the "Catch Them Young" approach in financial education in order to instil the right values, attitudes and perceptions toward financial management in children and youth. Accordingly, the Corporation partnered with a seasoned journalist to produce two (2) story books targeted at children in nursery and primary schools and students of junior secondary schools. The books were: "The Little Piggy" (for nursery and primary schools) and "The Money Tree" (for junior secondary schools). The story books were specifically designed to sensitize the readers on the benefits of savings and value of money as well as the importance of taking responsibility for managing one's finances. The major highlights of the books are as follows:

- i. Inculcating saving habits;
- ii. Value and importance of money in daily living;
- iii. Money is earned and part of your earnings must be saved;
- iv. Role of banks and other financial services;
- v. The role of NDIC in protecting your bank deposits; and
- vi. Investments are crucial to personal economic growth.

The NDIC acquired the rights to publish the two (2) story books and distributed the copies free of charge to primary and secondary schools nationwide.

6.1.8 Oversight Visits by Members of the National Assembly

As a strategic stakeholder, the NDIC continued to collaborate with the two hallowed Chambers of the National Assembly with a view to creating harmonious working relationship. To this end, the Corporation hosted the Senate Committee on Banking, Insurance and Other Financial Institutions on oversight visit to its Head Office, Abuja in October, 2016 and Members of the House of Representatives Committee on Insurance and Actuarial Matters on oversight visit to its Lagos Office in December 2016. Both oversight visits afforded the legislators the opportunity to acquaint themselves with the mandate, activities and challenges of the NDIC.



L-R: NDIC MD/CE, Alh. Umaru Ibrahim; Executive Director (Operations), Prince Aghatise Erediauwa, and Ag. Board Secretary/Director Legal, Mr. B. A. Taribo during the 2016 Budget defence before the House of Representatives Committee on Insurance and Actuarial Matters



NDIC MD/CEO, Umaru Ibrahim (Right) delivers his welcome address to the House of Representatives Committee on Insurance and Actuarial Matters during the opening ceremony of the Committee's retreat on the review of the Corporation's operations and proposed NDIC Amendment Bill while the Committee Chairman, Hon. Olufemi Fakeye (middle) and other committee members listen with rapt attention.

6.1.9 Social Media Campaign

The adoption of social media campaign in 2014 opened a new vista for the NDIC's public awareness drive. Under the initiative, major social media platforms namely: Facebook, Twitter, Instagram and LinkedIn were integrated onto the NDIC's website to enhance its new brand visibility and access to its programmes and activities by the general public. The highlights of the various social media platforms in 2016 were as follows:

Facebook

Followers: 2,090

Total Impressions: 109,148

Most Popular Post: Maximum Deposit Insurance Coverage Upward Review for PMBs

Most Popular Post: Reached over 6,100 people

Twitter

Followers: 599

Tweets: 43

Total Impressions: 47,426

Most Popular Tweet: Courtesy visit by President of CIBN to the NDIC

Most Popular Tweet Impressions: 526

Instagram

Followers: 234

Posts: 12

Most Popular Post: Picture of MD/CE with Hon. Olufemi Fakeye (Chairman, House of Representatives Committee on Insurance and Actuarial Matters)

LinkedIn

Followers: 678

Most Popular Post: Inspirational Quote

Most Popular Post Impressions: 1,812



NDIC Brand Champions being awarded for working diligently to promote the Corporation's image on Social Media.

6.1.10 Public Awareness through the Enterprise Help-Desk System Unit

The 24-Hour Enterprise Help-Desk continued to serve as a significant tool for facilitating interactions between the NDIC and its stakeholders especially depositors of insured financial institutions. In 2016, as in previous years, the Desk continued to educate and enlighten depositors as well as attended to enquiries and issues raised by customers of insured financial institutions and the general public. By so doing, public confidence continues to be fostered and financial system stability was also promoted. Table 6.1 reveals the number of calls received through the Help-Desk in 2015 and 2016.

TABLE 6.1
CALLS RECEIVED BY NDIC HELP DESK IN 2015 AND 2016

S/N	DETAILS	2015	%	2016	%
1	Deposit Money Banks (DMBs)	93	16.12	94	15.80
2	Failed Deposit Money Banks	91	15.77	95	15.97
3	AMCON Deposit Money Banks	2	0.35	2	0.34
4	Primary Mortgage Banks (PMBs)	68	11.79	80	13.45
5	Microfinance Banks (MFBs)	9	1.56	9	1.51
6	Closed Microfinance Banks	197	34.14	193	32.43
7	General	117	20.28	122	20.50
	TOTAL	577	100	595	100

Source: NDIC

A total of 595 calls were received through the Help-Desk in 2016. That figure shows a 3.12% increase in the number of calls received when compared with 577 in 2015. Furthermore, about 48.41% of the calls were enquiries and complaints from customers of failed insured financial institutions. General enquiries on NDIC's functions and activities accounted for 20.50% of the total calls received in 2016.

The complaints centred mainly on deposit pay-out for failed DMBs and closed MFBs, suspension of payments by Agent Banks, status of shareholders of liquidated financial institutions, as well as disparity in depositors' statement of accounts. Depositors of Gulf Bank, Hallmark Bank, Allied Bank, All States Trust Bank, Fortune Bank, Cooperative and Commerce Bank and Fin Bank, were among the callers that enquired about pay-out status. The customers of First Capital Savings and Loans, Integrated MFB, Abiriba MFB, Lagoon Homes, Alache MFB, Post Service Homes Limited and Leverage Homes Savings and Loans, also made enquiries about the status of payments of their insured deposits. Other customers enquired about the licensing status of their insured financial institutions.

The bulk of complaints received on banks in operation were mainly on Savannah Bank of Nigeria Plc and its operational status. Others bordered on issues of ATM dispense error, trapped deposits and difficulty by some MFB customers to access their funds/deposits.

In addition, a total of 2,065 e-mails were received and complaints therein promptly addressed by the Help-Desk. Most of the mails were enquiries on the NDIC's mandate, functions and activities, as well as petitions from depositors against DMBs for unlawful deductions from their accounts.

6.1.11 Corporate Social Responsibility (CSR)

In line with its tradition, the NDIC sponsored several corporate and community based events which were aimed at promoting its visibility and presence in the public domain. Some of these projects were corporate sponsorship, education support and community health care related. In 2016, NDIC spent the sum of N71.64 million on various projects across the country. The details of some of the projects and the amounts expended are presented in Table 6.2.



Deputy Director and Head, NDIC Academy, Dr. B. A. Okoro cutting the tape for the official commissioning of the NDIC sponsored College Auditorium and the Expansion Clinic at Federal College of Agriculture, Ishiagu, Ivo LGA, Ebonyi State

Table 6.2.
CSR PROJECTS IN EDUCATIONAL INSTITUTIONS IN 2016

S/NO	INSTITUTION	AMOUNT (₦)
1.	Rehabilitation of St. James Primary School, Oke-Akaran, Oyo State	14,940,695.96
2.	Building of an Auditorium at Offa Grammar School, Offa, Kwara State	14,016,535.00
3.	Sponsorship of 22 nd World Conference Bank Institutes - Chartered Institute of Bankers of Nigeria, (CIBN)	10,000,000.00
4.	Business Day Award Sponsorship	3,000,000.00
5.	Donation to North-West University, Kano State.	2,646,700.00
6.	Sponsorship of 46 th ICAN Annual Conference	2,500,000.00
7.	Feeding of 200 women and Children for two months in the "Get Involved Programme".	2,400,000.00
8.	Corporate Co-Sponsorship Fee to CIBN for 2016 Annual Banker's Dinner	2,000,000.00
9.	22 nd Nigeria Economic Summit Group (NESG)	2,000,000.00

Source: NDIC

SECTION 7

REVIEW OF THE PROPOSED AMENDMENT TO THE NDIC ENABLING ACT 2006

7.0 Introduction

The process of amending the NDIC Act No. 16 of 2006 was initiated during the 7th Assembly (2011-2015) of the Nigerian legislature. The amendment aims at strengthening the NDIC's supervisory capabilities and addressing its challenges in the areas of liquidation of failed insured financial institutions and ensuring compliance with the Core Principles for Effective DIS.

During the period under review, the NDIC re-submitted the Bill for the amendment of the NDIC Act 2006 to the 8th National Assembly for legislative action, having addressed all areas of conflict with the CBN.

Some of the issues contained in the proposed amendment were as follows:

7.1 Correction of Editorial Errors

The proposed amendment seeks to correct identified editorial and grammatical errors in the NDIC Act 2006. Some of these errors were "corrected" by publishing a corrigendum. There is, however, the need to incorporate the provisions of the proposed amendment with those of the corrigendum as well as other corrections not covered.

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 the Management Committee in the absence of a Board for the NDIC. Similarly, the extant provision also made reference to only one Executive Director when the Act provides for two (2) Executive Directors. The proposed amendment was to address those loopholes.

7.3 Public Policy Objectives

The NDIC Act 2006 did not contain an express assertion of the Public Policy Objectives (PPOs) of the NDIC. The introduction of PPOs for the operation of the DIS in Nigeria serves as a veritable guide for the NDIC's policy thrusts and operations. In order to comply with the recommendation of the International Association for Deposit Insurers (IADI) on the above, the PPOs of the DIS in Nigeria was formulated and included 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 the Act. It was embedded in a way that acknowledges the Central Bank of Nigeria (CBN) as the lead supervisor in the Nigerian

financial system, and that the supervision of insured institutions would be done in collaboration with the CBN as lead regulator and supervisor.

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 two (2) Executive Directors (who are also members of the Board) part-time members. The proposed amendment 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) while the Federal Ministry of Finance (FMF) is to be represented by the Director, Home Finance.

7.6 Interim Management Board

In order to obviate a situation whereby there is a vacuum on the Board, it was proposed that, if for any reason the tenure of the Board expires, and a new Board is not appointed, the Minister of Finance shall in consultation with the Governor of CBN constitute an Interim Management Board for the NDIC to be made up of the Permanent Secretary, Federal Ministry of Finance, who shall be the Chairman, the Managing Director, the two (2) Executive Directors of the NDIC and two (2) representatives of the CBN not below the rank of a Director, one of whom shall be the Director of Banking Supervision.

7.7 Removal of Board Member

There was a new proposal that, no member of the Board shall be removed without compliance with the provisions of the enabling laws. The aim of the proposed amendment was to enhance Corporate Governance in the NDIC.

7.8 Vacancy in the Composition of Board Membership

The proposed amendment here provides that, in the event of a Board member vacating office for any reason, there was need to appoint another person to fill the vacancy and such appointee should represent the vacating member's constituency.

7.9 Conflict of Interest

The IADI Revised Core Principle 3, provides that, the deposit insurer should be operationally independent, transparent, accountable and insulated from undue political and industry influence. In compliance with that principle, the NDIC initiated the proposed amendments to formalize its commitments to transparency, accountability and probity. The proposal also ensures that employees and Board members exhibit high levels of professionalism and ethical conduct in line with the standards being demanded from members of DIS worldwide.

7.10 General Reserve Fund

The proposed amendment seeks to restore the ability of the NDIC to rapidly build up the General Reserve Fund by increasing the amount of surplus that should go to the General Reserve and decreasing the amount to be paid into the Consolidated Revenue Fund of the Government until such a time when the General Reserve Fund is sufficiently built up to address anticipated risks, in accordance with international best practices. The growth of the General Reserve Fund was in recent times hampered by the Fiscal Responsibility Act of 2007, which states that 80% of operating surplus of the Corporation be remitted to the Consolidated Revenue Fund 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 those 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 in Insured Institutions 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 become financial conglomerates, having interest in subsidiaries, associates and affiliates. In order to prevent such institutions from being used as avenues through which depositors' funds are dissipated, it is imperative that the NDIC has 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

The proposed amendment seeks to substitute the word "Board" in the extant Act with the words "Managing Director", as it would be cumbersome to always await Board's approval to commence Special Examination when the issues at stake warrants immediate action. The issue involved is operational and not a policy matter.

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 implementation of the NDIC's recommendations contained in Examination Reports in order to strengthen its supervisory capacity.

The amendment aims at compliance with revised 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

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. Consequently, there is the need for a Statutory Contingency Plan to address Open Bank Resolution in order to reduce the risk of failure as much as possible.

Accordingly, the proposed amendments 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.

The proposed amendment also aims at complying with revised 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 but 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 problem 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 distressed institution. There is need to prohibit attachment on 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 of distressed insured institutions do not interfere when the NDIC is carrying out Open Bank Resolution measures aimed at restructuring such 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

Whenever the revocation of the licence of an insured financial institution 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. The amendment is to ensure that all such suits abate pending resolution of the winding up petition.

7.1.19 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, which 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 institutions 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

The Rules in the Schedule to the Act govern proceedings at Board meetings. Rule 2 which provides for the Chairman as one of the members who must be present before a Quorum can be formed for Board meetings effectively negates the provisions of Rule 3(2) which empowers any other Director to Act as Chairman at a Board meeting where the Chairman is absent. Also, 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 seeks to correct 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

There is need for the NDIC to have powers that would enable it pay insured depositors of failed insured institutions even in the face of litigation challenging revocation of the failed institution's operating licence. This will reduce the extent to which depositors are subjected to untold hardship anytime litigants institute action against the NDIC to forestall liquidation of a failed insured institution.

The proposed amendment seeks to enable NDIC pay insured deposits irrespective of the filing of such an application in court as payment of insured deposits will be statutorily obligatory. In the event that 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.

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. This is in line with best practices obtainable in developed jurisdictions.

7.23 Restriction on Mortgage of Assets

This provision would place 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. The provision is to enable the NDIC keep track of the assets of insured institutions thereby 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 Revised IADI Core Principles 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. This 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. That is because mere conviction of criminals only does not constitute adequate remedy with the desired economic results.

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 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 Company and Allied Matters Act. However, that provision has not succeeded 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 mischief 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. This would enable the NDIC carry out its liquidation activities effectively.

7.26 Right of Lien and Disposal

This provision is to assist in the recovery of debts owed the closed insured institutions, by giving the NDIC the right of lien over any collateral in its custody pledged as security for a loan by a debtor of a failed insured institution who has repaid the loan facility but also indebted to another failed insured institution under liquidation.

SECTION 8

RESEARCH ACTIVITIES AND INTER-AGENCY COLLABORATIONS WITH INTERNATIONAL INSTITUTIONS

8.0 Introduction

Given the phase of global financial development, research has emerged as an indispensable activity to banking sector regulators including Deposit Insurers. Consequently, the NDIC is continuously carrying out research into issues that would increase its efficiency and effectiveness towards the discharge of its mandate.

The research activities as well as inter-agency collaboration with international institutions undertaken by the NDIC during the year under review are presented in this section.

8.1 Research Activities

The developments in the Nigerian economy with particular reference to the banking and financial systems were monitored and the findings of the research works and reports on the developments in the economy were published in the NDIC Quarterly Journal. The following are some of the research activities undertaken during the period under review:

8.1.1 Development of Case Studies on Bank Failures in Nigeria

During the year 2016, a total of twenty (20) cases on failed insured DMBs were developed in four (4) volumes of five (5) failed DMBs each. Volumes 1, 2 and 3 were published while volume 4 was submitted for printing.

The publication of the case studies on bank failure in Nigeria is to provide an authoritative and valuable compendium of all that transpired before and at the point of failure of such financial institutions. The publication provides the underpinning causes of such failures; how the failures evolved, the disposition of erstwhile owners, directors, chief executives and staff of such financial institutions; cost implication of the failures to the NDIC and other relevant stakeholders, as well as supervisory measures and resolution methods adopted to resolve such failures. It also seeks to bring out key lessons learnt from such exercises in order to inform future actions and decisions.

8.1.2 A Study on the Adoption of Integrated Protection Scheme (IPS) in Nigeria: Issues and Challenges

The study discussed the issues and challenges associated with the adoption of Integrated Protection Scheme (IPS) in Nigeria. The issues discussed were: operational independence, limits and scope of coverage as well as funding plan, in addition to other design features that apply to the Bank DIS.

The study also examined some of the potential challenges IPS will face if adopted in Nigeria. The challenges include, among others: cumbersome procedures of failure resolution and reimbursement of depositors; increased moral hazard; ineffective supervision of participating institutions arising from the size of the industry; inadequate legal and regulatory framework; challenges of asset disposal; risk of cross subsidization; and determination of appropriate coverage level.

Notwithstanding the challenges, the study found that there were prospects which include: Existence of FSRCC; Existence of Separate Deposit Insurance Funds for various categories of insured institutions; Deployment of Consolidated Supervision; Target Fund Ratio Framework; and Amendment of the NDIC Act 2006. The prospects are indeed overwhelming and could make a good case for the adoption of IPS in Nigeria. The authors also reviewed the practices in some jurisdictions such as the United Kingdom, Malaysia and Korea where IPS is practiced, in order to buttress the points made in terms of the issues and challenges associated with the adoption of IPS.

The study also revealed that the issues in the countries were similar except for a few differences in terms of institutions and products covered by the IPS. The study recommended that Nigeria should consider the adoption of IPS because of its importance and the absence of effective compensation systems in the insurance and capital markets. The adoption could be in phases as implemented in Malaysia where at the moment only banking and insurance products are covered by the IPS.

8.1.3 Nigerian Foreign Exchange: Stylised Facts and Volatility Modelling

The exchange rate and risks associated with it are key factors that influence economic activities in Nigeria. An important measure in finance is the risk associated with an asset and asset volatility is perhaps the most commonly used risk measure. Volatility is used in risk management, value-at-risk estimation, portfolio analysis and derivatives pricing. It is well known that economic and financial news have an impact on volatility and that "good" news and "bad" news do not have the same impact on future volatility. In Nigeria, the 2014 and 2015 exchange rate decisions by the CBN have been of special interest to risk managers, researchers, regulators, traders and other financial market participants.

In the paper, statistical analysis of Nigerian exchange rate (Naira/USD, Naira/Pound, Naira/Euro and Naira/Yuan) data was done and a set of stylized empirical facts observed in the data. The study also applied Autoregressive Conditional Heteroscedasticity (ARCH), symmetric GARCH and three asymmetric GARCH models (which are Exponential GARCH or EGARCH, GJR-GARCH and Asymmetric Power ARCH), unit-root GARCH models (IGARCH) and long memory in volatility, that is Fractionally Integrated GARCH or FIGARCH with variations in the distribution of the errors to be normal, student t and skewed student t that capture most stylized acts

about exchange rate returns such as volatility clustering and leverage effect to the four (4) pairs of Nigerian foreign exchange data.

The study found that a good volatility model for the Naira and other currencies return series should capture serial correlation, time-varying variance, peakedness as well as fat tails. In addition, due to the existence of asymmetry of the return distributions observed, it was necessary to model left and right tails separately in order to capture their distinct characteristics. It was also found that FIGARCH models with fat-tailed distributions were capable of capturing serial correlation, time-varying variance, long-memory, peakedness as well as fat tails for the Naira/USD. For the Naira/Yuan, Naira/Pound and Naira/Euro, the APARCH (1,1) model with student-t or skewed student-t error distributions were able to capture the stylised facts observed in the data.

8.1.4 Study of Cooperatives in Nigeria

The study was a collaborative work undertaken by the Research Department and a Consultant, AG Partnerships. In view of the importance of Cooperative Societies in the development of a nation, the NDIC embarked on a review of Cooperatives in Nigeria to identify requirements for significantly improving their membership and impact, and towards promoting financial inclusion and socio-economic development. Also, the interrelationships (if any) between Cooperatives and Microfinance banks was explored.

The study acknowledged that Cooperative Societies can improve the delivery of Microfinance Banking, transform agriculture, enhance micro, small and medium enterprises (MSMEs), create jobs, increase socio-economic development, reverse rural-urban migration, eradicate poverty & deepen financial inclusion.

Findings from the study indicated that there was a dearth of data on Cooperatives in Nigeria and oftentimes, when obtained from different sources conflicting and no single source provided an accurate number of Cooperatives nationwide. In addition, Cooperatives in Nigeria are structured across three (3) levels – primary, secondary and tertiary and there are broadly twelve (12) types of Cooperatives in Nigeria. The strengths of Cooperative Societies in Nigeria include their multi-sector operations and wide geographical distribution, whereas their weaknesses include poor data management and weak regulatory and supervisory environment, amongst others.

The study further discovered that there was no defined relationship between the Federal and State Departments of Cooperatives; there was no Service Level Agreements, no reporting and there was absence of supervision and overall coordination.

The key recommendations of the study were: the need for regulation, especially the amendment of the Nigeria Cooperative Societies Act, 2004; the establishment of a

dedicated Agency/Commission to coordinate regulation, supervision and data warehousing for the sector (which should be delinked from Federal Ministry of Agriculture and Rural Development, such as exists in Tanzania); the existing three (3) Cooperatives Colleges in Nigeria should be revamped and all technical training should be routed through them; and the need for the establishment of a Cooperative Bank, which is a requirement and a strategy for sourcing cheap funding to provide the much-needed low-interest funding.

In conclusion, the report proposed that: a simple and accurate database with information on all Cooperatives in Nigeria be established by 2019; a target of 20% of the adult population should participate in Cooperatives activities by 2021; and that the country should aim for the outputs of Cooperatives to contribute up to 10% to GDP by 2021.

8.1.5 Studies on Mergers and Acquisitions in the Nigerian Banking System

The NDIC, in collaboration with Consultants, successfully concluded two (2) studies on Mergers and Acquisitions (M&A) in the Nigerian Banking Industry during the year under review. The first study was conducted in collaboration with Susman and Associates. The study was on M&A involving four (4) DMBs, namely: Access Bank, Ecobank Nig. Plc, First City Monument Bank and Sterling Bank.

The objective of the study was to determine the extent to which M&A as a resolution option had been able to address some of the challenges that bedevilled the banking sector in the recent past. The study was carried out using econometric analysis and with the aid of survey instruments. The study showed that the DMBs were satisfied with the outcome of the M&A and that shareholder value was enhanced.

The second study was in collaboration with DMC Konsult and involved five (5) DMBs, namely: Fidelity Bank Plc, Stanbic Bank Plc, Skye Bank Plc, UBA Plc and Unity Bank Plc that emerged from the 2005 banking sector consolidation who had 3, 1, 5, 3 and 9 banks that merged for their formation, respectively. The study examined the effects of M&A on the entire banking system and concluded that the exercise was a well thought out policy that ensured the stability of the financial system. The study used descriptive analysis of financial ratios to evaluate the effectiveness of M&A.

8.1.6 Guidelines on Single Customer View for Prompt Pay-Out

A policy guideline on the presentation of insured financial institutions customer account-balances and other relevant information titled "Guidelines on Single Customer View (SCV) for faster Pay-Out" was developed. The project was targeted at ensuring a faster pay-out of seven (7) days (as per revised IADI Core Principle 15) as against the existing 90 days. The SCV proposes that a unique and consistent view of an eligible claimant's aggregate insured deposits with an insured financial institution is provided in a specified format.

8.1.7 Study of the Framework for Credit Management in Banks

The study was jointly undertaken by the NDIC and FITC. The broad objective of the study was to understand and identify the structures and operations of credit management systems in DMBs in Nigeria. Some specific objectives of the study were as follow: profile the generic departmental structure for credit management in DMBs within Nigeria; appraise the structures of the departments and units for effectiveness; establish the capacity and level of adequacy of departments in meeting the needs of the DMBs; and identify the constraints, if any including competency gaps that limit the optimal performance of the credit departments and units.

Survey method of analysis was adopted in carrying out this research work, using a semi-structured questionnaire, to address the objectives of the study. The questionnaires were distributed to senior employees of the 24 DMBs in the system.

The study discovered that staff of Credit Management Departments in Nigerian DMBs possessed adequate and relevant educational qualifications and were adequately aware of the requirements of their respective departments. Majority of the respondent DMBs confirmed that their Credit Departments operated as well-defined Units.

8.2 Collaboration with International Institutions

8.2.1 World Bank Technical Assistance: Target Fund Ratio Project

During the period under review, the World Bank developed a Target Fund Ratio Framework for the NDIC and requested the NDIC's approval to publish the document for public dissemination to a target audience such as deposit insurers, central banks and interested academics. The World Bank intends to put the paper on its website and possibly that of IADI. It also wished to take advantage of opportunities to share it at regularly scheduled conferences, such as the WB-IMF Annual Meetings. The NDIC granted the request.

8.2.2 Collaboration with the United States Department of the Treasury

The Office of Technical Assistance (OTA) of the Department of the Treasury of the USA visited the NDIC for a needs assessment mission to determine the comprehensive needs of the NDIC in its operational areas so as to package training that would enhance the capacity of staff to effectively discharge their responsibilities. It was agreed that the NDIC would require capacity building in the following areas to bridge the observed skills-gap:

- i. Bulk sales and collection of risk assets of closed financial institutions;
- ii. Training on Recovery and Resolution Planning;
- iii. Capacity Building on Risk-Based Supervision (RBS);
- iv. Developing a Framework for testing banks' Contingency Funding Plans;
- v. Stress Testing;

- vi. Develop a Framework for Resolution Focused Examination;
- vii. Attachment of Examiners to FDIC for practical exposure on Banking Supervision; and
- viii. Econometrics and Modelling techniques.

However, none of the proposed training or technical assistance took place during the year due to budgetary constraints as reported by OTA.

8.2.3 International Association of Deposit Insurers (IADI) Activities

The NDIC continued to leverage on its membership of IADI by participating in seminars/workshops as well as sharing information and experiences with other deposit insurance agencies around the world. Some IADI activities that the NDIC participated during the year included:

i) Working Group for the Review of the Organizational Structure and Procedures

The NDIC participated in the review of the IADI working papers and made valuable contributions towards the amendment of the Terms of Reference (ToR) of the Africa Regional Committee (ARC) for consideration.

ii) Support for the Application of the Auditing Association of German Banks as Associate Member of IADI

The NDIC supported an application by the Auditing Association of German Banks to join the IADI as its 10th Associate member.

iii) Request for Assistance by the Deposit Protection Corporation (DPC) of Zimbabwe

The NDIC organised a four (4) day study tour that focused on its experiences with Microfinance Banks for the staff of DPC. The NDIC further assisted the DPC in setting up its Research, Policy and International Affairs Department and provided it with its Operational Manual. The DPC also requested and obtained information on how loans from the Central Bank to contributory institutions are being treated in Nigeria in terms of deposit insurance.

iv) Request for Information on Bridge Banks by Iran Deposit Guarantee Fund

The Iran Deposit Guarantee Fund (IDGF) requested for information on how Bridge Banks were used by NDIC in order to help the Iranian Parliament (Majlis) to enact an enforceable Deposit Guarantee Act. The NDIC assisted by forwarding the published book on its experience with Bridge Banks.



Visitation by two (2) staff of Deposit Protection Corporation of Zimbabwe to understudy the Corporation's Experiences with MFBs, 7th – 10th March, 2016 in Abuja and Lagos.

v) 15th IADI Annual Conference and General Meeting Hosted by the Korea Deposit Insurance Corporation (KDIC)

The NDIC participated at the 15th IADI Annual and General Meeting and Conference that was held in Seoul, Korea. During the AGM in October 2016, the MD/CEO of NDIC, Mr Umaru Ibrahim, FCIB, mni, was re-elected to serve another term of three (3) years as an IADI EXCO member.



NDIC Executive Management in a group photograph with Executive African delegates during the 2016 International Association of Deposit Insurers (IADI) 15th Annual General Meeting and Annual Conference in Seoul Korea.

vi) Africa Regional Committee (ARC) Workshop

The NDIC participated and made two (2) presentations on “Mobile Money and Deposit Insurance in Africa” and “Deposit Protection Framework for Mobile Money Deposits: Concepts, Issues and Challenges – Experiences and Initiatives” at the Africa Regional Committee (ARC) Workshop in Zanzibar, Tanzania. The event took place in September 2016.

vi) Technical Assistance Programme for ARC

The ARC proposed a workshop for Technical Assistance to IADI for its members after the Technical Assistance Working Group (TAWG) carried out a survey to identify needs on a regional basis. The NDIC made valuable contributions on topical issues to be considered as topics for the workshop. The NDIC suggested Liquidation and Litigation as issues to be considered for discussion during the workshop in addition to Sources and Uses of Funds; Public Awareness; and Reimbursing Depositors. The programme is scheduled to hold in 2017.

8.3 Other Collaborations**8.3.1 Introduction of Deposit Insurance Courses in Universities and Other Tertiary Institutions**

The NDIC continued with its programme on the introduction of Deposit Insurance in the Nigerian Universities and other tertiary institutions aimed at enhancing public awareness of DIS, promoting financial inclusion and capacity building in the financial system.

Memorandum of Understanding has been executed with five (5) pioneer Universities (Ahmadu Bello University (ABU), Zaria, University of Ibadan (UI), University of Benin (UNIBEN), Obafemi Awolowo University (OAU) and Bayero University Kano (BUK)) for the programme. Out of the five, only ABU had commenced while “train-the-trainer” was conducted for all the institutions. The first batch of deserving Business Administration students of Ahmadu Bello University received their entitlements according to the MoU between the NDIC and the University after completing the course “Fundamentals of Deposit Insurance” in the first semester of 2015/2016 session. Meanwhile, efforts are on top gear to sign similar MoUs with FITC and CIBN.

8.3.2 National Institute for Policy and Strategic Studies

The NDIC is collaborating with the National Institute for Policy and Strategic Studies (NIPSS) to set up a joint Committee to plan and coordinate activities for the establishment of a Centre for Financial Economics (CFE) in NIPSS, Kuru, Jos, Plateau State. As part of the project, the Committee held meetings and inspected facilities at Lagos Business School, Financial Institutions' Training Centre, Chartered Institute of Bankers of Nigeria and the West African Institute for Financial and Economic Management from 16th – 19th May, 2016 as part of a working visit.

After the meeting, a report was submitted to the Management of the two (2) institutions with specific recommendations that included:

- i. Establishing the CFE at NIPSS, with strong legal backing and adequate governance framework.
- ii. The Centre should be state-of-the-art with modern required facilities.
- iii. CBN should be contacted for support of the project.



Chairman Board of Directors Jaiz Bank Plc, Alhaji Umaru Muttalab (right) exchanges pleasantries with NDIC Deputy Director Research Policy and International Relations Department, Mr. K. O. Nwaigwe who represented the NDIC MD/CE, Alh Umaru Ibrahim during the Daily Trust Board of Economists Breakfast meeting in Abuja.



Representative of NDIC MD/CE, Alh. Umaru Ibrahim, Deputy Director Research Policy and International Relations Department, Mr. K. O. Nwaigwe (centre) and NDIC Deputy Director Insurance and Surveillance Department, Mr. S. B. Balogun (right) and a participant during the Daily Trust Board of Economists Breakfast meeting in Abuja.



L-R: Asst. Director, Communication & Public Affairs Unit, Mr. H. O. Bakare and the Director, Human Resource Department, Mr. M. A. Ahmed during the National Institute of Public Relations (NIPR) Presidential Dinner and Award Night in Abuja.



The Nigeria Deposit Insurance Corporation (NDIC) MD/CE, Alh. Umaru Ibrahim presenting NDIC branded souvenirs to the MD/CEO Jaiz Bank Plc Mallam Hassan Usman during a courtesy visit of the Jaiz Bank Plc Management Team to the Corporation.

SECTION 9

CORPORATE GOVERNANCE

9.0 Introduction

The Board of the NDIC was guided by corporate governance principles in the discharge of its responsibilities to the Corporation, banking system and other stakeholders. After the dissolution of the Board of the NDIC on 16th July, 2015, all matters that required the attention of the Board were referred to the President, through the Minister of Finance.

During the year under review, the decisions of the Executive Committee (EXCO) of the Corporation were referred to the Federal Minister of Finance. The EXCO in collaboration with the Minister, carried out their duties in line with the NDIC strategic plan which focused on depositor protection as well as financial system stability.

This section presents the structure of the Board of Directors of the NDIC.

9.1 Board Committees

According to the NDIC Act 2006, the NDIC Board should comprise of twelve (12) members. The Board operates through six (6) standing committees: Finance and General Purpose, IT/Corporate Strategy, Debt Recovery, Audit, Establishment and Executive. These Committees are to assist the Board in facilitating its decisions and effective discharge of its oversight function. In the absence of a Board during the year under review, only the Executive Committee performed its functions. The roles of the Committees are:

9.1.1 Finance and General Purpose Committee

The Committee is responsible for the review of matters relating to the NDIC Annual Budget and its Implementation, consideration of NDIC's Quarterly Financial Reports, appointment of External Auditors and Compliance with Financial Regulations.

9.1.2 IT/Corporate Strategy Committee

The Committee is mandated to formulate policies that ensure the availability of adequate and appropriate IT infrastructure policies and procedures for the NDIC. The Committee is also responsible for adequate oversight on the implementation of the NDIC Strategic Plan.

9.1.3 Debt Recovery Committee

The Committee advises the Board on debt recovery, interest waivers and other matters relating to financial institutions under liquidation.

9.1.4 Audit Committee

The Audit Committee regularly considers Audit Report of External and Internal Auditors. The Committee also reviews Auditor General of the Federation Report on the Corporation as well as ensuring proper accounting records. It also reviews the statement of accounts of the Corporation to ascertain the level of compliance with relevant policies, rules and guidelines from the Federal Government, Financial Reporting Council (FRC) of Nigeria and Corporate Affairs Commission (CAC).

9.1.5 Establishment Committee

The Committee exercises oversight on Human Resource issues such as recruitment, training, compensation, and other staff matters.

9.1.6 The Executive Committee (EXCO)

The Executive Committee (EXCO) comprises of the Managing Director/Chief Executive Officer (MD/CEO), Executive Director Operations (ED, Ops) and Executive Director Corporate Services (ED, CS). The Committee is responsible for the day-to-day administration and implementation of the policy decisions made by the Board. The composition of EXCO during the period under review was:

- I. Alhaji Umaru Ibrahim, mni, FCIB – MD/CEO;
- II. Prince Aghatise Erediauwa – ED (Operations); and
- III. Hon. Omolola Abiola-Edewor – ED (Corporate Services)

The EXCO met fifteen (15) times in 2016 and deliberated on various issues affecting the NDIC operations and activities all targeted towards the achievement of its mandate.

9.2 COMPLIANCE WITH STATUTORY REQUIREMENTS

During the year, the NDIC ensured that it continued to discharge its mandate of Deposit Guarantee, Bank Supervision, Distress Resolution and Bank Liquidation in an efficient and effective manner, towards ensuring financial system stability.

The NDIC also complied with the Fiscal Responsibility Act 2007, Pension Reform Act 2014 (as amended), National Health Insurance Scheme (NHIS) and rendered returns in respect of banks-in-liquidation to the Corporate Affairs Commission (CAC) and CBN as required by CAMA 1990 (as amended) and BOFIA 1991 (as amended), respectively.

Furthermore, it also responded to all requests by the National Assembly, Ministry of Finance and complied with the provisions of the Code of Conduct for Public Officers. In addition, the NDIC continued to comply with the requirement of FIRS on taxes, Public Procurement Act in respect of contracts and supplies as well as the Financial Reporting Council of Nigeria regarding the Implementation of IFRS.