NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

PART TWO

INSURED INSTITUTIONS' PERFORMANCE AND PROFILE

NDIC

Nigeria Deposit Insurance Corporation

Protecting your bank deposits

SECTION 10

THE OPERATING ENVIRONMENT IN 2015

10.1 Introduction

The operating environment of insured financial institutions was characterised by significant level of turbulence in 2016 due to a myriad of regulatory, macro-economic and socio-political developments in the domestic and international markets.

Monetary policy stance of the CBN in 2016 remained tight and that had a profound impact on the Nigerian economy. The global oil prices remained low for most part of the year. That, acting in tandem with militant activities in the oil-producing Niger-Delta region culminated in reduced production of crude oil and ultimately resulted in low foreign exchange inflows to the country. All that coupled, with the uncertainties, which characterised the foreign exchange market brought about reduced growth and depressed private consumption. The country experienced negative GDP growth rate of 1.5% in the year.

The situation was exacerbated by falling output and rising inflation. By December 2016, headline inflation (year-on-year) rose to 18.55% from the 9.60% in January 2016, showing a sustained upward trend throughout the year. The inflation was driven mainly by increase in the prices of food, energy, transportation, imports and production factors.

Despite these challenges, crude oil price which began the year at US$30.66/barrel ended the year at US$54.10/barrel showing a modest recovery mainly, due to the decision of Organisation of Petroleum Exporting Countries (OPEC) and other non-OPEC members to cut production in a bid to reverse the fall in oil prices. Therefore, that provided a level of optimism with regards to recovery from the current economic downturn. The successes recorded in curbing insurgencies and other criminal activities in the country also added to the optimism.

On the global stage, however, there were uncertainties created by unprecedented political and economic developments such as the referendum by Britain to exit the European Union (Brexit). Also, in 2016, just as in the previous year the Emerging Markets and Developing Economies (EMDEs) experienced much slower rates of growth than their counterparts in the developed world due to low commodity prices, rising unemployment, currency instabilities, poor economic policies and political uncertainties.

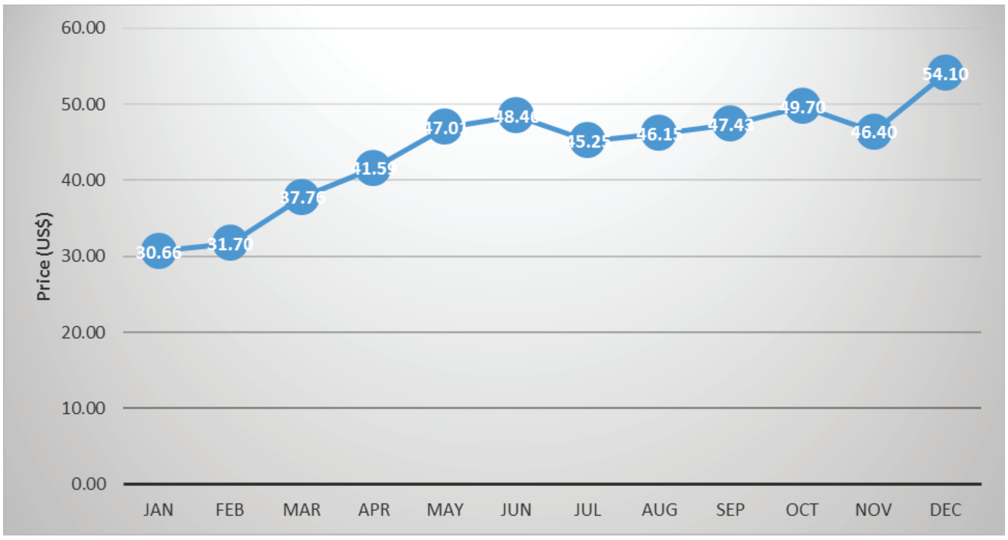
During the year under review, the CBN, NDIC and other safety-net participants continued to implement and improve on financial sector policies to ensure sustained stability and the growth of the financial system. Financial inclusion and confidence in the system also remained a key concern of all stakeholders, and were given the required attention.

This section presents a review of the operating environment of insured financial institutions in 2016.

10.2 Monetary Policy Environment

During the period, the CBN sustained its efforts in the discharge of its cardinal function of maintaining price and exchange rate stability. As usual the effects of global crude oil trade had a lot of impact on the financial institutions' operating environment due to the heavy reliance of the country on oil as the major source of revenue to government. The fall in output alongside the fluctuating price resulted in a challenging operating environment. Consequently, the country's external reserves recorded a sluggish growth. All these developments, including the foreign exchange management policies, culminated in the Naira experiencing a record loss in value. Chart 10.1 shows the trend in global crude oil prices in the year 2016.

Chart 10.1
TREND IN GLOBAL CRUDE OIL PRICES IN 2016



In a bid to reduce the impact of all of these challenges on the business environment, the CBN in 2016 implemented the following measures to moderate their combined effects:

a) Liquidity Management Measures

The CBN retained the Liquidity Ratio (LR) at 30% throughout the year, while Cash Reserve Ratio (CRR) moved from 20% in January 2016, to 22.50% by March and then remained at that point for the rest of the year. The actions were aimed at price stability and reduction in inflationary pressures.

b) Interest Rate Policy

The Monetary Policy Rate (MPR) started at 11% in January and increased to 12% in March, then later increased to 14% in July 2016, and was maintained for the remaining part of the year. The objective of the increases was to moderate inflationary pressures and maintain price stability.

c) Foreign Exchange Policy

The challenges faced in output and price of crude oil resulted in dismal levels of foreign exchange earnings for the country which consequently culminated in the shortage of foreign exchange and weakening of the Naira exchange rate. The CBN, therefore took steps to stabilise the exchange rate, which informed the introduction of the Flexible and Multiple Foreign Exchange Regime in May 2016. That brought about revival of the interbank foreign exchange market as well as the BDCs to tackle the shortage of US Dollars in the market. That was also expected to reduce the margin between the official and the parallel market rates. By that action, the exchange rate at inter-bank moved from N197/US$1, the point at which it had been pegged all through 2015 and the earlier part of 2016, to N210/US$1 in June 2016. The rate then increased to N305.00/US$1 the point around which it wavered for the rest of the year and closed at N305.90/US$1 in December 2016. At the parallel market, the average rate in June 2016 was N351.82/US$1 and closed at N455.26/US$1 in December 2016.

10.3 Regulatory Developments

During the year under review, the CBN issued a number of circulars and guidelines to guide the operations of insured deposit-taking financial institutions. They included the following:

a) Introduction of Negotiable Current Account Maintenance Fee

The CBN, in a circular referenced FPR/DIR/GEN/CIR/01/003, dated 20th January, 2016, introduced Current Account Maintenance Fee not exceeding ₦1 per mille, in respect of all customer induced debit transactions due to the phasing out of the Commission-on-Turnover (COT) with effect from January 2016.

b) Refund of Mandatory Caution Deposit to Bureau de Change (BDC)

In a circular, referenced FPR/DIR/GEN/CIR/01/004 dated 22nd January, 2016, the CBN decided on the refund of Mandatory Caution Deposit of ₦35 million to all BDC operators and the retention of ₦1 million licensing fee. This was in furtherance of the action of the CBN of suspending the sales of US Dollars to the BDCs as a part of measures to reduce the pressure on the country's foreign reserves. Sequel to this circular therefore, all eligible BDCs who would no longer continue in that line of business were advised to apply for a refund of their Caution Deposits.

c) Extension of Bank Verification Number (BVN) Registration For Nigerian Banks' Customers in Diaspora

The CBN, in a circular referenced BPS/DIR/GEN/CIR/03/001, dated 4th February 2016 extended the deadline for the registration and linkage of BVN to accounts of Nigerian banks' customers in diaspora to 30th June, 2016. The CBN had initially set the deadline at 31st January, 2016 but had to extend it when it observed that the low percentage of registration was as a result of lack of accessibility and availability of registration centres in some cities where Nigerians reside abroad. This deadline was again extended in a circular referenced BPS/DPD/GEN/CIR/01/002 to 31st December, 2016 to ensure maximum compliance.

d) Clarification on Accounts With BVN Related Issues

The CBN in a circular referenced BPS/DIR/GEN/CIR/16/003 made clarifications on accounts with BVN related issues such as customers who could not link their accounts due to discrepancies between the records on database and the records on the core banking applications of the DMBs.

In that regard, the CBN had directed that issues such as; Correction of Date of Birth on BVN record should be allowed once, with supporting documents, evidencing the correct date of birth; and customer's name on the BVN database should be the same in all his/her accounts across the banking industry. Where a bank raises suspicion on the activity of its customer, a suspicious transaction report should be filed with the Nigeria Financial Intelligence Unit of the Nigeria Police Force.

e) Exposure Draft on the Guide to Charges for Banks and Other Financial Institutions in Nigeria

The CBN issued a circular referenced FPR/DIR/CIR/GEN/01/005 and dated 11th March, 2016 to all Banks and Other Financial Institutions in respect of exposure draft on the Guide to Bank Charges which came into effect on 1st April, 2013.

In 2016, the CBN had commenced the review of the extant Guide to Bank Charges which was in line with the philosophy of periodically ensuring that the provisions of the Guide is in line with current realities as well as addressing complaints from consumers of financial services.

f) Directive on Reporting of Illegal Charges by Banks

The CBN had asked customers of banks to report any excessive and illegal charges by their banks. The CBN's Revised Guide to Bank Charges clearly specified allowable charges for all banking services and the CBN does not in any way condone the fleecing of banking customers under any pretence. In that regard, banks' customers have been advised to always forward their complaints to the Consumer Protection Department of the CBN.

g) Exposure Draft Guidelines on the Regulation and Supervision of Non Interest Microfinance in Nigeria

In a circular referenced FPR/DIR/GEN/CIR/01/007 and dated 11th May, 2016, the CBN released the Guidelines for the Regulation and Supervision of Non-Interest Micro Finance Banks (NIMFBs) in Nigeria for comments and inputs. That was in response to several enquiries from persons seeking to establish Non-Interest Micro Finance Banks as well as to encourage the development of the microfinance subsector towards financial deepening.

h) Revised Guidelines for Operation of the Nigerian Inter-Bank Foreign Exchange Market

The CBN had released the Guidelines for the operation of the Nigerian Inter-Bank forex market dated 15th June, 2016. The Guidelines unveiled a new flexible foreign exchange regime that would be determined by market forces. That was part of measures being explored by the CBN in response to the current declining value of the Naira against foreign currencies and the attendant effect on the foreign exchange reserve position and inflationary pressures. The Guidelines were also expected to end speculation in the forex market.

i) Revised Guidelines on Transaction Switching in Nigeria

In a circular referenced BPS/DIR/GEN/CIR/011 and dated 3rd May, 2016, the CBN issued the Guidelines on Transaction Switching in Nigeria. The Guidelines were served to supersede the previous Guidelines on Transaction Switching Services and the Operational Rules and Regulations for the Nigeria Central Switch (NCS). The Guidelines set out the procedures for the operation of switching services in Nigeria, including the rights and obligations of the parties to the switching contract. It was also required that the switching companies meet the minimum standards for switching, as approved by the CBN.

j) Guidelines on Operations of Electronic Payment Channels in Nigeria

In a circular referenced BPS/DIR/GEN/CIR/012 and dated 3rd May, 2016, the CBN issued a revised set of Guidelines on the Operations of Electronic Payment Channels in Nigeria. The Guidelines superseded the previous Standards and Guidelines on ATM Operations in Nigeria and Guidelines on PoS Card Acceptance Services, issued by the CBN. The Guidelines sought to increase financial inclusion as well as enhance the implementation of the cashless policy initiative.

k) Review of Restrictions and Limits on Level I and II of the Tiered KYC Accounts

The CBN in a circular referenced FPR/DIR/CIR/GEN/06/002 dated 1st July, 2016, in furtherance of its efforts to deepen financial inclusion, reviewed upward current transaction limits on Tier I and II accounts to ₦50, 000 and ₦100, 000, respectively for single deposit. Similarly, the cumulative balance for Tier I was increased to ₦300, 000, and ₦500, 000 for Tier II.

l) Mandatory Registration and Listing of Commercial Papers (Cps)

The CBN in a circular referenced BSD/DIR/GEN/LAB/09/035 and dated 12th July, 2016, permitted Banks to deal in only CPs that are registered on Authorised Securities Exchanges with effect from 11th July, 2016. Accordingly, banks were prohibited from transacting in CPs (that were not quoted or intended for quotation on an Authorised Securities Exchange) in any capacity whatsoever, including but not limited to as issuer; Guarantor; Issuing, Placing, Paying and Collecting Agent (IPPCA), Collecting and Paying Agent (CPA); etc., from the effective date.

m) Provisioning for Foreign Currency Loans

The CBN issued a circular referenced BSD/DIR/GEN /LAB/09/037 and dated 27th July, 2016 to all Banks and Other Financial Institutions in respect of provisioning for foreign currency loans. By this circular the institutions were required to ensure adequate and proper provisioning and also required to ensure that the un-provisioned portion of all such facilities were fully provided for immediately in the income statements and evidence of the additional provisions forwarded to the Director of Banking Supervision, CBN, within one week of the date of that circular.

n) Write-Off of Fully Provided Non Performing Loans

In a circular dated 28th July 2016, and referenced BSD/DIR/GEN/Lab/09/038, the CBN, in view of the current macro-economic challenges, granted one-off forbearance, to DMBs, to write-off fully provided NPLs without waiting for the mandatory one year.

o) Reduction in Exposure to Banks Resulting from e-Payment Transactions

The CBN in a Circular dated 30th August, 2016 and referenced BPS/DIR/GEN/CIR/03/006 directed DMBs to give value for electronic transactions at T+1 as against instant value under the guidelines of electronic payments of salaries, pensions, suppliers and taxes. This was to forestall the cases of growing exposure of banks on payment solution service provider's platform due to operational failures. However, two (2) exceptions to the rule were given for the case of pledged collaterals and collateral schemes for off-setting irrevocable exposures.

p) Recommended Ranks for Executive Compliance and Chief Compliance Officers of DMBs

The CBN in a Circular dated 28th September, 2016 and referenced BSD/DIR/GEN/lab/09/038 directed DMBs to appoint Executive Compliance Officers (ECOs) not below the rank of an Executive Director and Chief Compliance Officers (CCOs) not below the rank of a General Manager (GM) in order to ensure strict compliance with all extant regulations, particularly those relating to Foreign Exchange Transactions, Financial Action Task Force (FATF), and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT).

q) Amendment of Guidelines on Transaction Switching

The CBN in its Circular dated 17th October, 2016 and referenced BPS/DIR/GEN/CIR/03/008 notified all stakeholders of amendments to the existing guideline on transaction switching which would hitherto allow the Nigerian Central Switch to own and promote its own e-payments cards and other retail products, while being run according to international best practice. That was in a bid to ensure robustness and strength in the electronic payment system in the country through encouraging shared services and innovation.

r) Framework for Consumer Protection

The CBN in furtherance of its mandate to promote a stable financial system released a framework dated 7th November, 2016 and referenced CPD/DIR/GEN/CPF/03/004 on consumer protection. The framework defined the direction of the CBN on consumer protection and expatiated on the structural provisions and supporting regulatory/supervisory instruments which would aid the objectives of the framework particularly the engendering of confidence in the system as well as financial inclusion.

10.4 Macro-Economic Environment

The Macro-economic developments continued to influence economic activities in the financial sector during the period under review. The Nigerian economy experienced a poor economic performance attributable to militant attacks on oil infrastructure; tight liquidity in the foreign exchange market; lower global crude oil price than expected; high energy prices for consumers and the accumulation of salary arrears as well as depressed private consumption, amongst other macro-economic factors. According to the National Bureau of Statistics (NBS), the economy was in a recession in 2016 with a negative GDP growth rate of 1.5% for the year.

The uncertainty in the external environment persisted due to political and economic developments, amongst which was the Brexit and other anti-globalization sentiments, uncertainties over the outcome and the eventual winner of the U.S.A presidential elections, divergent monetary stance of the advanced central banks and disorderly commodity price movements. There was a slow-down in improvements to global output recovery shown by less than expected growth of 3.1% in 2016. The development was affected largely by the deteriorating global trade, reversal in output growth in the advanced economies and a significant slowdown in growth in the emerging and developing economies.

The major effect on growth in the advanced economies included unfavourable labour market conditions, suppressed foreign exchange demand and weaker than anticipated domestic aggregate demand. Consequently, growth in the U.S. exceeded its third quarter expectation, growing at an annual rate of 2.9%. Japan's economy grew at a seasonally adjusted annualized rate of 0.2 per cent.

Growth in the Emerging Markets and Developing Economies (EMDEs) continued to face unstable macroeconomic environment, low commodity prices, rising inflation, currency instability, intractable low aggregate demand and low capital inflow. Global inflation rose moderately in response to rising prices in advanced economies due to the modest recovery in oil prices. Table 10.1 shows some key macro-economic indicators for Nigeria from 2012-2016.

TABLE 10.1:
KEY MACRO-ECONOMIC INDICATORS FROM 2012-2016

Macro-economic Indicator	2012	2013	2014	2015	2016
Gross Domestic Product (₦' Million at 2010 constant basic prices)	59,929,893.04	63,218,721.73	67,152,785.84	69,023,929.94	67,984,197.29
Gross Domestic Product Growth Rate for the year (%)	4.2	5.49	6.22	2.79	-1.50
No. of Banks	20	24	24	24	25
Inflation Rate (%)	11.98	7.96	8.00	9.55	18.55
Total Deposits of DMBs (₦' Trillion)	14.39	16.77	18.02	17.51	18.59
Ratio of Total Deposits to GDP (%)	24	27	27	25	27
Total Assets of Banks inclusive off-Balance Sheet (OBS) Engagements (₦' Billion)	24,584.65	23,169.00	30,970.40	31,393.28	35,400.10
External Reserve (US$ Million) as at 31st December	43,830.40	42,847.30	34,468.60	29,069.78	26,986.22

Source: NBS, NDIC and CBN

Table 10.1 shows that the GDP growth rate had been increasing from 2012 to 2014. The growths were due to the stability of the macro-economic environment, influx of Foreign Direct Investments (FDIs), rebasing of the nation's GDP in 2010 which took into account viable economic sectors that were not previously captured or incorporated in the nation's GDP computation, high prices of crude oil which increased government income during the period as well as stable daily crude oil output production in the Niger Delta area of the nation. However, the table also shows that the GDP growth rate had been on decline since 2015 and has slipped in to negative growth rate in the year 2016 due to the weakening of the macro-economic environment/variables, impact of fall in the price of crude oil which began since mid-2014, vandalism of oil installations that affected daily output production which in turns impacted on government revenues as well as depressed consumer demand etc.

The table also shows that year on year inflation rate had been on the rise from 8% in 2014 to 18.55% in 2016. This rising inflationary pressure can be attributed to the lingering scarcity of refined petroleum products, insecurity in some parts of the country affecting production and distribution of goods and services, exchange rate pass through from imported goods, seasonality of agricultural produce, increase in electricity tariff as well as increase in transportation cost nationwide etc. External foreign reserve had also been on the decline from US$ 43.8 billion in 2012 to US$ 26.9 Billion as at 31st December, 2016. The decline of the foreign reserve can largely be attributed to the fall in the price of crude oil which began since mid-2014 as well as vandalism of oil installations which affected daily output production which in turns impacted on government revenues etc.

Other developments in the domestic macro-economic environment include the following:

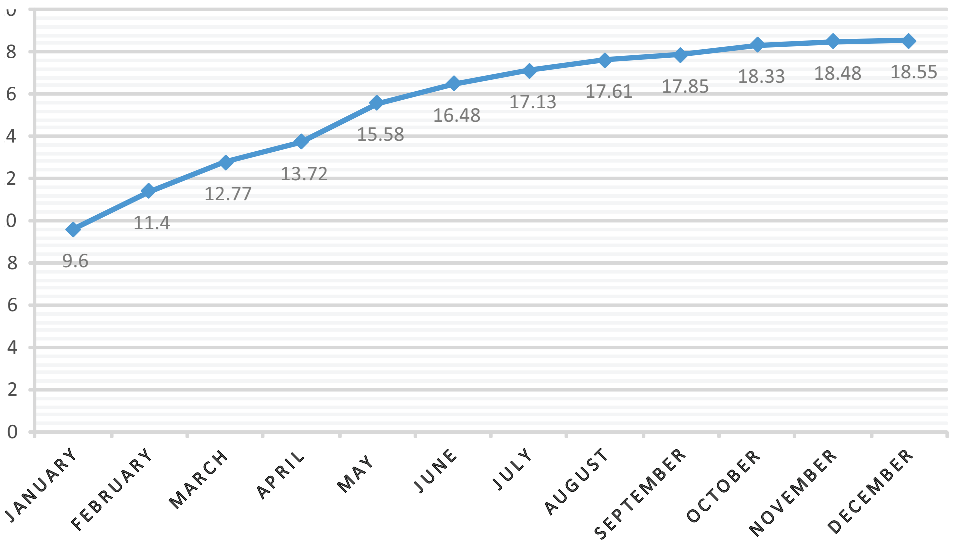
a) Domestic Economic and Financial Developments Output

According to the National Bureau of Statistics (NBS), the economy contracted by 1.5% in 2016 having slipped into recession. The non-oil sector grew by 0.03%, driven by Agriculture which grew by 4.54%. The poor performance in economic activities cuts across most sectors: Manufacturing (contracted by 4.38%), Construction (contracted by 6.13%) and Trade and Services contracted by 1.38% and 1.08% respectively, in the third quarter of 2016. The contraction of Real GDP is largely due to the dismal performance of the Oil sector which slipped by 22.01% in the third quarter and 17.48% in the second quarter of 2016. The Bonny Light oil price was $36.91 per barrel in 2015 and $55.76 per barrel in 2016, showing some improvement due to the cut in production by OPEC.

b) Prices

Another major challenge that impacted negatively on the economy was the rising inflationary pressure as witnessed during the year 2016 (see Chart 10.2) that had eroded the real purchasing power of fixed income earners in the country thereby slowing economic growth. This inflationary pressure can largely be attributed to the lingering scarcity of refined petroleum products, insecurity in some parts of the country which affected production and distribution of petroleum, exchange rate pass-through from imported goods, seasonality of agricultural produce, increase in electricity tariff and increase in transportation cost. Thus, given that the Nigerian economy is highly import dependent, the shortages of foreign exchange as witnessed in 2016 provided some basis for price increases.

Chart 10.2.
INFLATION RATE IN 2016



Source: CBN

In 2016, headline inflation rose to 18.55% in December 2016 from 9.55% in December 2015. Food inflation also rose to 17.39% in December 2016 from 10.59% in December 2015 while the core inflation rose to 18.05% in December 2016 from 8.73% in December 2015. Overall, inflation maintained a rising trend in 2016.

c) Monetary, Credit and Financial Markets Developments

The development in the financial system with particular reference to Monetary, Credit and Financial Markets showed that broad money supply (M2) rose by 19.02% in 2016, being 8.0 percentage points higher than the programmed limit of 15.24% and was 5.90% in December 2015. Net domestic credit (NDC) grew by 24.79% in the same period, being 17.94% above its provisional benchmark for 2016. Growth in net credit to government stood at 58.84%, surpassing its target of 47.4%.

During the period under review, money market interest rates fluctuated with the level of liquidity in the banking system. Average inter-bank call and Open-Buy-Back (OBB) rates, closed at 10.39% and 7.35%, respectively, in December 2016. In December 2015, the inter-bank call and OBB rates averaged 0.81% and 0.98%, respectively.

All-Share Index (ASI) decreased by 6.20% from 28,642.25 at end December 2015 to 26,874.62 at end-December 2016. Market Capitalization also decreased by 6.10% from ₦9.85 trillion as at 31st December, 2015 to ₦9.25 trillion as at 31st December, 2016.

d) External Sector Developments

Gross official reserves was US$26.99billion as at 31st December, 2016, representing a decrease of US$2.08billion from US$29.07 billion as at 31st December, 2015.

10.5 Socio – Political Environment

The socio-political environment of Nigeria in 2016 witnessed numerous challenges which included vandalism of oil installations that affected daily crude oil output production, reduced but persistent insurgency in the North-East, Kidnapping, Terrorism by cattle herdsmen, armed robbery, corruption, increased electricity tariffs and price hikes most especially domestic fuel, ethno-religious crisis and high rate of unemployment. The impact of the challenges had been two fold. On the one side, economic activities whether farming, trade or movement of goods and services within the country had significantly reduced. On the other hand, the much needed direct foreign investments to stabilise the exchange rate and create jobs in the economy did not come.

Another significant development that impacted negatively on the economy was the prolonged non-payment of salaries and arrears in some States and Local Governments. That development affected aggregate demand, worsened growth prospects and added hardship to the affected public workers during the year. In addition, infrastructure deficit had also hampered economic activities and contributed to the recession in 2016 for the first time in more than 2 decades.

Furthermore, the sustenance of the Niger-Delta Amnesty Programme, ongoing dialogue between the Federal Government and representatives of the Niger Delta Militants as well as the efforts of security agencies in curbing ethno-religious clashes, armed robbery, kidnapping had also improved the security situation in the country during the period under review.

Other issues that impacted positively on the economy were the continued fight by the current administration against corruption which aided government achieving the following: removed thousands of ghost workers from public payroll which reduced the cost of governance; more control over government revenues since all Ministries, Departments and Agencies (MDAs) were directed to remit their generated and unspent funds to the Treasury Single Account as well as formulation of Whistle-blowing Policy for corrupt practices. In addition, many Political Office Holders and Civil Servants are standing trial for misappropriation of public funds and that could serve as a deterrent to others.

Also, the introduction of social welfare programmes during the year by the Federal Government has impacted positively on the economy and has reduced poverty and vulnerabilities through the enhancement of income and purchasing power of the less privileged in the society.

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SECTION 11

FINANCIAL CONDITION OF THE BANKING INDUSTRY

11.1 Financial Condition of Deposit Money Banks (DMBS)

The Nigerian economy went into recession during the year under review having recorded negative GDP growth rates for two (2) consecutive quarters and ending with an annual negative GDP growth rate of 1.5% for 2016 (full year GDP contraction). The year also witnessed domestic currency devaluation leading to the depreciation of the Naira against major international currencies. The problem was compounded by the scarcity of forex in the market. In order to improve liquidity in the forex market and address the declining Foreign Reserve, the CBN introduced Flexible Exchange Rate Policy, which saw the domestic currency even further depreciate.

Another challenge faced by the DMBs in 2016 was the sharp fall in the price of crude oil and production which resulted in a decline in foreign exchange earnings for the government and invariably exacerbated the shortfall in the supply of forex to the market. The year also witnessed rising rate of inflation from about 9.55% as at December 2015 to 18.55% as at December 2016, due to the removal of subsidy on Petroleum Motor Spirit (PMS) and the hike in electricity tariffs, among others. These, among many other factors such as infrastructural deficit, insecurity and credit rating downgrade by International Rating Agencies presented a challenging environment for the DMBs in 2016. In addition, CBN Monetary Policy remained contractionary during the year to contain rising inflation.

Notwithstanding the enumerated challenges, the DMBs still recorded growths in Total Assets of 12.77%, Loans & Advances of 22.21% and Total Deposits of 6.17% in 2016. On the other hand, the economic down-turn impacted negatively on the quality of the industry Loans and Advances, Earnings and Profitability and Capital Adequacy.

The major highlights of the DMBs performance in 2016 are presented hereunder.

11.1.1 Capital Adequacy Position

The DMBs average capital to risk-weighted assets ratio (CAR) decreased from 17.66% in 2015 to 14.78% in 2016. However, the average ratio was above the threshold of 10% for National Banks, but fell slightly below the threshold of 15% for International Banks. It is pertinent to note that three (3) out of 25 DMBs in operation as at 31st December, 2016, failed to meet the minimum CAR threshold of 10% as at 31st December, 2016 compared to two (2) DMBs as at 31st December, 2015. The rising required provisions for loan losses, operating losses and declining profits due to economic recession, among other factors contributed to the erosion of the industry capital base. The DMBs would require ₦398.60 billion in order to recapitalise to meet the minimum regulatory capital requirement. **Table 11.1 & Chart 11.1** show the trend of Capital Adequacy in 2015 and 2016.

CHART 11.1.
TREND OF CAPITAL ADEQUACY RATIO OF DMBs IN 2015 AND 2016

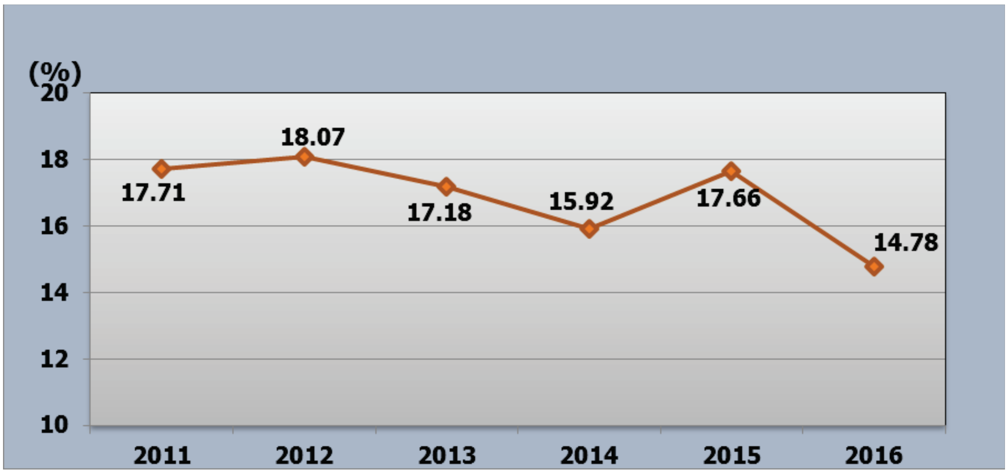


Table 11.1 shows some indices of DMBs' capital adequacy as at 31st December, 2016 with comparative figures for 2015.

TABLE 11.1.
DMBs' CAPITAL ADEQUACY AS AT 31ST DECEMBER, 2015 AND 2016

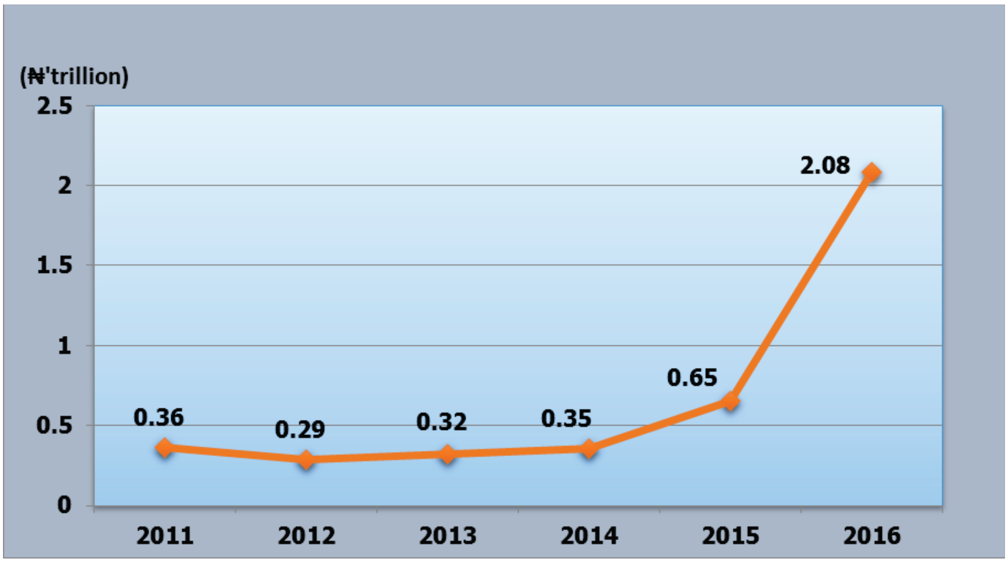
Capital Adequacy Indicators	Year	
	2015	2016
Total Qualifying Capital (₦' billion)	3,239.37	3,111.42
Adjusted Shareholders' Funds (Tier 1 Capital) (₦' billion)	2,782.28	2,649.94
Tier II Capital (₦' billion)	457.09	461.49
Average Capital to Total Risk-Weighted Asset Ratio (%)	17.66	14.78

Source: NDIC

11.1.2 Asset Quality of DMBs

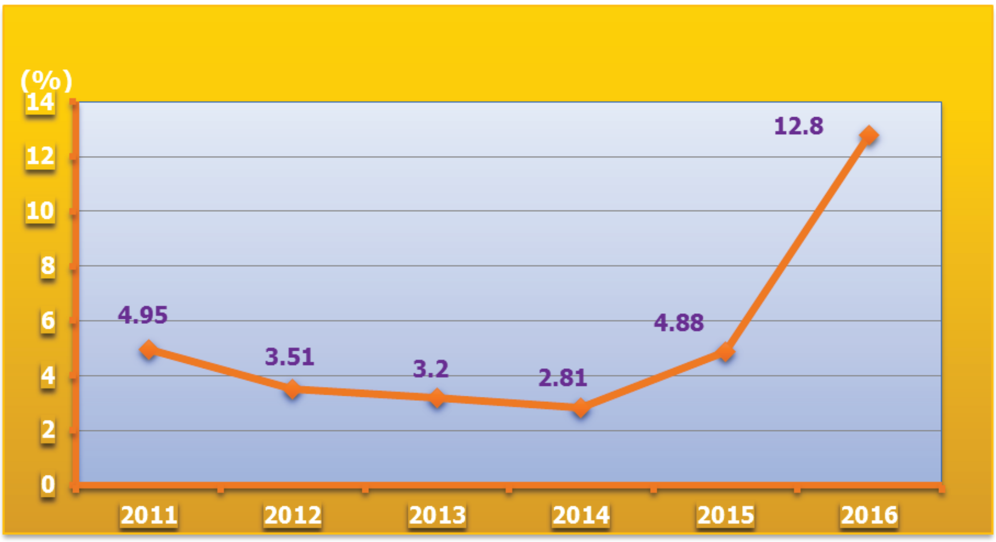
The DMBs total loans to the domestic economy stood at ₦16.29 trillion as at 31st December, 2016, out of which the sum of ₦2.08 trillion was Non-performing. The sharp rise in the quantum of Non-Performing Loans (NPLs) by 220% from ₦0.65 trillion as at 31st December, 2015 to ₦2.08 trillion as at 31st December, 2016 showed significant deterioration in the quality of the loans. The huge exposure of the industry to Oil and Gas sector as well as the low price of crude oil impacted on the capacity of obligors to meet their loan repayment obligations. However, the NDIC, working in collaboration with the CBN had strengthened the supervision of the industry's exposure to Oil and Gas sector and the foreign exchange market. **Table 11.2 and Chart 11.2** show the trend of NPLs in the DMBs from 2011 to 2016.

CHART 11.2:
TREND OF NPLs IN DMBs FROM 2011 TO 2016



A further review of the asset quality shows that the NPL to Total Loans ratio (NPL ratio) significantly increased from 4.88% as at 31st December, 2015 to 12.80% as at 31st December, 2016. The NPL ratio of 12.80% compared unfavourably with the maximum prudential threshold of 5%. **Chart 11.3** below shows the trend of NPL ratio from 2011 to 2016.

CHART 11.2:
NPLs/TOTAL LOANS IN DMBs FROM 2011 TO 2016



The ratio of NPLs to Shareholders' Funds significantly increased from 12.79% as at 31st December, 2015 to 43.84% as at 31st December, 2016, which puts the DMBs capital base in a precarious position. **Table 11.2** shows the quality of assets of the industry as at 31st December, 2016, relative to 31st December, 2015.

TABLE 11.2:
ASSET QUALITY OF DMBs AS AT 31ST DECEMBER 2015 AND 2016

Asset Quality Indicators	Year	
	2015	**2016**
Total Loans & Advances (₦' Trillion)	13.33	16.29
NPLs (₦' Trillion)	0.65	2.08
NPLs to Total Loans (%)	4.87	12.80
Ratio of NPLs to Shareholders' Funds (%)	12.79	43.84

Source: NDIC

11.1.3 Insider-Related Loans

The rising incidence of insider loans in the banking industry was of great concern to the Regulators/Supervisors. Total insider-related loans in DMBs amounted to ₦670.75 billion as at 31st December, 2016. Out of that amount, the sum of ₦265.38 billion or 39.57% was non-performing and constitutes a threat to the survival of the DMBs.

11.1.4 Earnings and Profitability

The economic recession, amongst other factors affected the earnings and profitability of the DMBs as most of the profitability indices declined in 2016. The DMBs unaudited profit fell by 30.16% from ₦0.63 trillion as at 31st December, 2015 to ₦0.44 trillion as at 31st December, 2016.

Non-interest income decreased by 32.60% to ₦0.17 trillion as at 31st December, 2016 from ₦0.25 trillion as at 31st December, 2015. Net-interest income also decreased to ₦0.28 trillion as at 31st December, 2016 from ₦1.44 trillion in 2015. On the positive side, Interest expenses decreased from ₦0.97 trillion as at 31st December, 2015 to ₦0.43 trillion as at 31st December, 2016 while Operating expenses decreased to ₦0.38 trillion in 2016 from ₦1.39 trillion in 2015.

The DMBs Return on Assets (ROA) decreased from 2.34% in 2015 to 1.48% in 2016 while Return on Equity (ROE) fell from 19.78% in 2015 to 12.56% in 2016. Yield on Earning Assets also depreciated from 13.40% in 2015 to 3.51% in 2016. **Table 11.3 and Charts 11.4 & 11.5** present selected financial indicators of the DMBs earnings and profitability as at 31st December, 2016.

TABLE 11.3.
EARNINGS AND PROFITABILITY INDICATORS OF DMBs AS AT 31ST DECEMBER, 2014, 2015 AND 2016

Indicators	31ST DECEMBER		
	2014	2015	2016
Profit Before Tax (₦' trillion)	0.60	0.63	0.44
Net Interest income (₦' trillion)	1.30	1.44	0.28
Non-Interest income(₦' trillion)	0.87	0.25	0.17
Interest Expenses (₦' trillion)	0.82	0.97	0.43
Operating Expenses (₦' trillion)	1.60	1.39	0.38
Yield on Earning Assets (%)	11.71	13.40	3.51
Return on Equity (%)	20.34	19.78	12.56
Return on Assets (%)	2.29	2.34	1.48

CHART 11.4.
TREND OF PROFIT BEFORE TAX IN DMBs FROM 2011 TO 2016

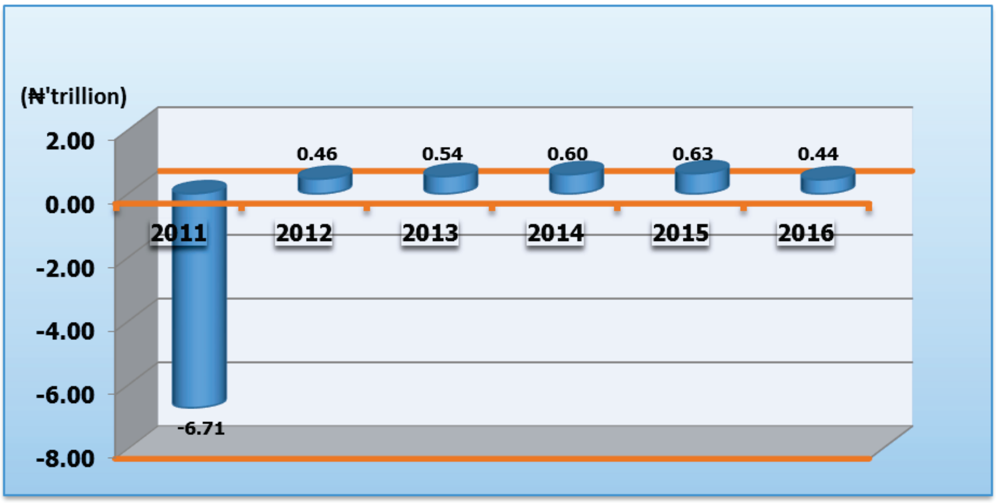
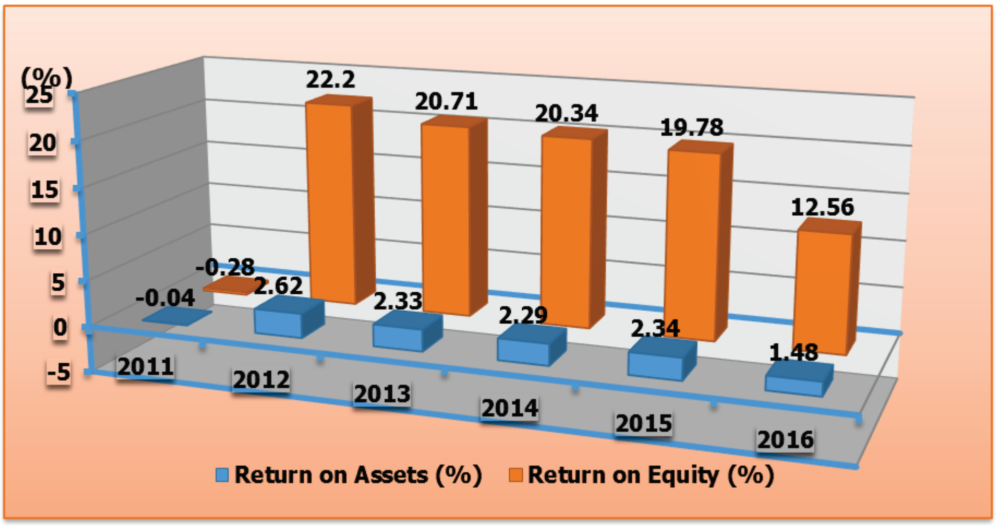


CHART 11.5.
RETURN ON ASSETS AND EQUITY OF DMBs FROM 2011 TO 2016



11.1.5 Liquidity Management

The DMBs remained liquid though the average liquidity ratio slightly decreased from 48.63% as at 31st December, 2015 to 43.96% as at 31st December, 2016. The DMBs average Liquidity Ratio of 43.96% was well above the minimum prudential threshold of 30%. During the period under review, four (4) out of the twenty-five (25) DMBs failed to meet the minimum prudential liquidity ratio requirement of 30%. T**able 11.4 and Chart 11.6** show the trend of Liquidity Ratio position of the DMBs as at 31st December, 2016.

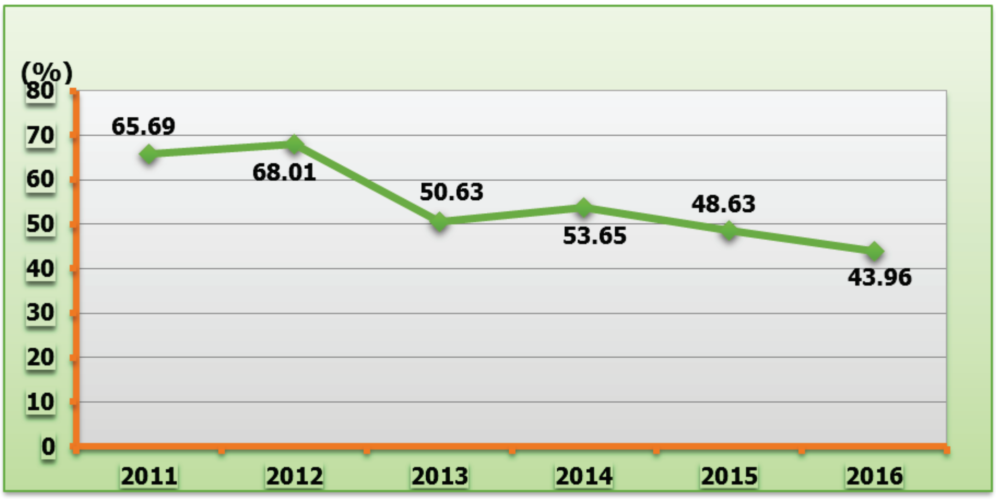
TABLE 11.4.
LIQUIDITY POSITION OF DMBs AS AT 31ST DECEMBER, 2016

Items	Year		
	2014	**2015**	**2016**
Average Liquidity Ratio	53.65	48.63	43.96
Loans to Deposit Ratio	68.11	73.76	87.69
No. of Banks with Less than 30% minimum Liquidity Ratio	Nil	1	4

Source: NDIC

CHART 11.6.

TREND OF AVERAGE LIQUIDITY RATIO FROM 2011 TO 2016



Also, the DMBs loans to deposit ratio increased from 73.76% as at 31st December, 2015 to 87.69% as at 31st December, 2016, indicating over trading by the DMBs.

11.1.6 DMBs Maturity Profile of Assets and Liabilities

During the year under review, the maturity profile of the DMBs assets and liabilities continued to show a mismatch and investor preference for short-term investment. As at 31st December, 2016, Total Asset below 30 days accounted for ₦8.86 trillion which was 34.64% of the aggregate Total Assets. The total liabilities within 30 days accounted for ₦14.33 trillion and was 71.77% of the aggregate Total Liabilities.

Also, assets maturing within one year stood at ₦2.43 trillion while ₦3.79 trillion would mature over one year. On the other hand, liabilities of ₦773.19 billion would mature within one year as depicted in Chart 11.7.

CHART 11.7.

MATURITY PROFILE OF ASSETS AND LIABILITIES OF DMBs AS AT 31ST DECEMBER, 2016

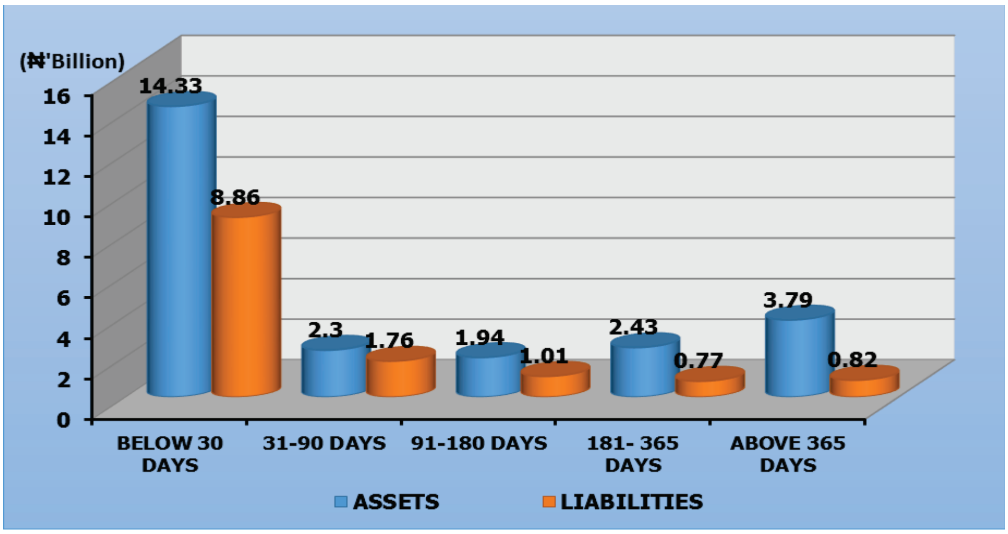


TABLE 11.5:
SECTORAL ALLOCATION OF CREDITS BY DMBs IN 2015 AND 2016

SECTOR	2015 (₦'Bn)	% of Total Loans	NPL/TL 2015 (%)	2016 (₦'Bn)	% of Total Loans	NPL/TL 2016 (%)
Oil and Gas	3,307.87	24.82	15.29	4,916.63	30.19	14.98
Manufacturing	1,854.01	13.91	12.79	2,217.66	13.62	3.45
General	1,386.50	10.40	19.20	1,316.24	8.08	12.05
General Commerce	1,020.69	7.66	13.46	1,029.51	6.32	10.47
Information and Communication	831.94	6.24	5.13	858.82	5.27	8.48
Governments	1,053.97	7.91	1.37	1,376.89	8.45	0.45
Real Estate Activities	706.38	5.30	5.67	811.80	4.98	17.84
Construction	533.05	4.00	9.73	631.09	3.87	12.03
Agriculture	502.23	3.77	6.42	525.95	3.23	3.23
Finance and Insurance	476.07	3.57	2.68	737.65	4.53	3.93
Transportation and Storage	596.39	4.47	4.10	451.39	2.77	26.14
Capital Market	437.28	3.28	0.25	212.28	1.30	0.77
Professional, Scientific and Technical Activities	126.36	0.95	1.12	151.23	0.93	3.37
Power and Energy	198.71	1.49	1.30	726.29	4.46	10.22
Education	74.52	0.56	0.69	87.22	0.54	16.38
Administrative and Support Services	61.14	0.46	0.15	30.61	0.19	3.07
Human Health & Social Work Activities	43.10	0.32	0.29	42.16	0.26	6.24
Activities of Extra Territorial Organizations & Bodies	0.07	0.00	0.00	0.01	0.00	8.63
Water Supply Sewerage, Waste Management & Remediation	11.61	0.09	0.32	17.03	0.10	12.77
Arts, Entertainment & Recreation	12.20	0.09	0.06	14.44	0.09	41.60
Public Utilities	82.98	0.62	0.00	111.96	0.69	14.92
Mining and Quarrying	11.71	0.09	0.00	21.28	0.13	5.67
TOTAL	**13,328.77**	**100**	**100**	**16,258.12**	**100**	**100**

Source: NDIC
NPL = Non-Performing Loan
TC = Total Loans

CHART 11.8.
SECTORAL ALLOCATION OF CREDITS BY DMBs IN 2015 AND 2016

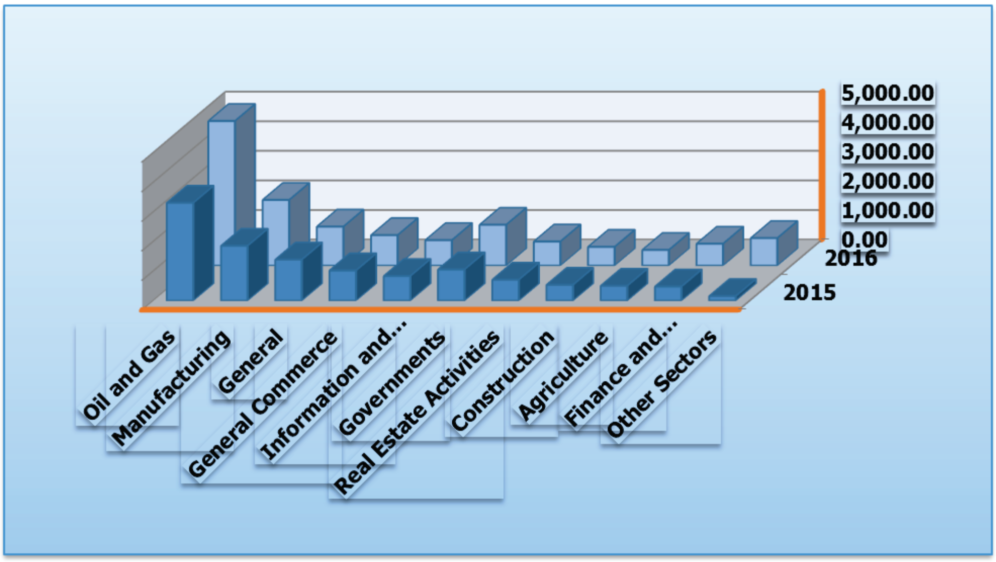
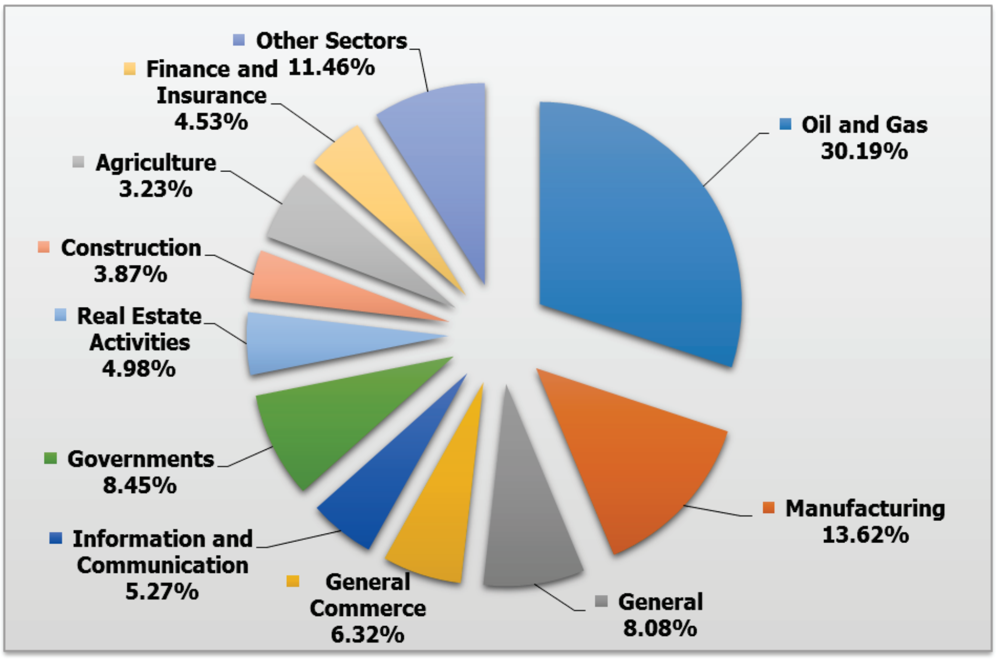


CHART 11.9.
SECTORAL ALLOCATION OF CREDITS BY DMBs AS AT 31ST DECEMBER, 2016



11.1.8 Level of Soundness of DMBs in 2016

Despite the challenges in the operating environment of DMBs in 2016, twenty-two (22) out of twenty-five (25) DMBs were rated Sound while only three (3) were rated Unsound during the year under review.

Table 11.6 and Charts 11.10 - 11.12 present the summary of some financial indicators of the DMBs during the period under review.

TABLE 11.6.
SELECTED PERFORMANCE INDICATORS OF DMBs FOR 4-YEAR PERIOD (2013-2016)

S/No	DETAILS	2013	2014	2015	2016
1	Total Assets (OBS Inclusive) (₦'Trillion)	28.79	30.97	31.39	35.40
2	Total Deposit (₦'Trillion)	16.77	18.02	17.51	18.59
3	Insured Deposit (₦'Trillion)	2.20	2.31	2.66	2.63
4	Total Loans & Advances (₦'Trillion)	10.04	12.63	13.33	16.29
5	Non-Performing Loans (₦' Trillion)	0.32	0.35	0.65	2.08
6	Profit Before Tax (₦' Trillion)	0.54	0.60	0.63	0.44
7	Adjusted Shareholders' Fund (Tier I Capital) (₦'Billion)	2.42	2.44	2.78	2.65
8	Non-Performing Loans/Total Loans (%)	3.2	2.81	4.88	12.80
9	Non-Performing Loans/Shareholders' Fund (%)	13.35	12.01	12.79	43.84
10	Capital Adequacy (%)	17.18	15.92	17.66	14.78
11	Average Liquidity Ratio (%)	50.63	53.65	48.63	43.96
12	Loans/Deposit Ratio (%)	57.95	68.11	73.76	87.69
13	Return on Assets (%)	2.33	2.29	2.34	1.48

Source: NDIC

CHART 11.10.
RATIO OF NPLs TO SHAREHOLDERS' FUNDS OF DMBs FROM 2013 TO 2016

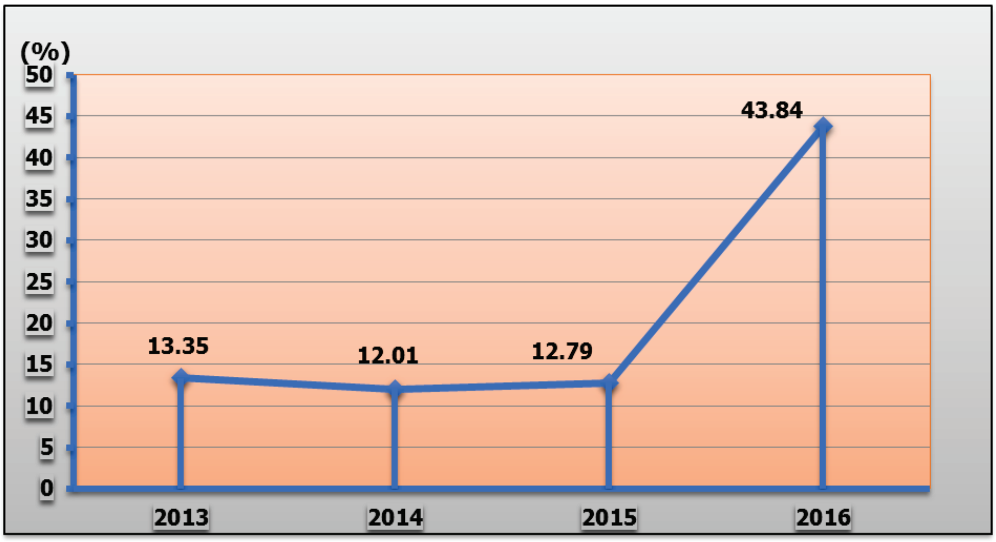


CHART 11.11.
TREND OF LOAN/DEPOSIT RATIO OF DMBs FROM 2013 T0 2016

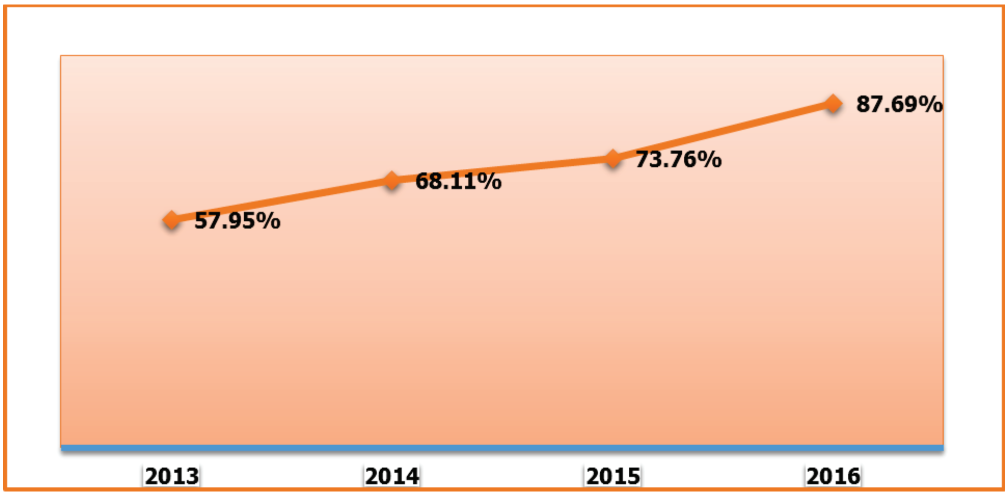
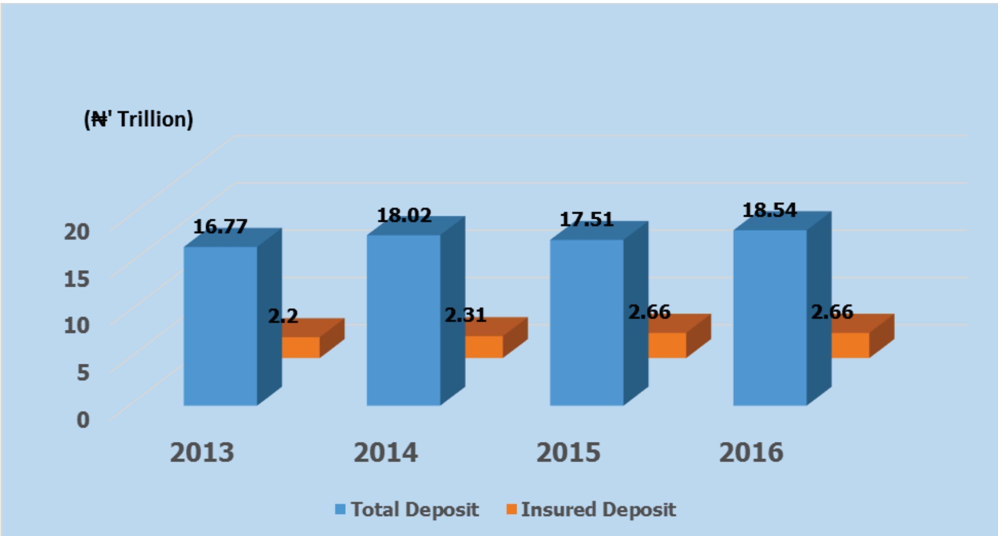


CHART 11.12.
DMBs INSURED DEPOSITS AND TOTAL DEPOSITS FROM 2013 TO 2016



11.1.9 TOTAL ASSETS AND LOANS IN DMB

Chart 11.13 shows that top eight (8) DMBs accounted for 72.40% of Total Loans extended to the domestic economy by the DMBs in 2016 which was slightly higher than the 2015 figure of 71.60%. **Chart 11.14** shows that top ten (10) DMBs out of twenty-five (25) accounted for 77.40% of the total assets of the DMBs while the rest accounted for only 22.60%, an indication of high dominance of the top few DMBs. The biggest DMB's share of assets was 14.23% while the least DMB's market share of assets was 0.06%.

CHART 11.13.
DMBs SHARE OF INDUSTRY TOTAL LOANS AS AT 31ST DECEMBER, 2016

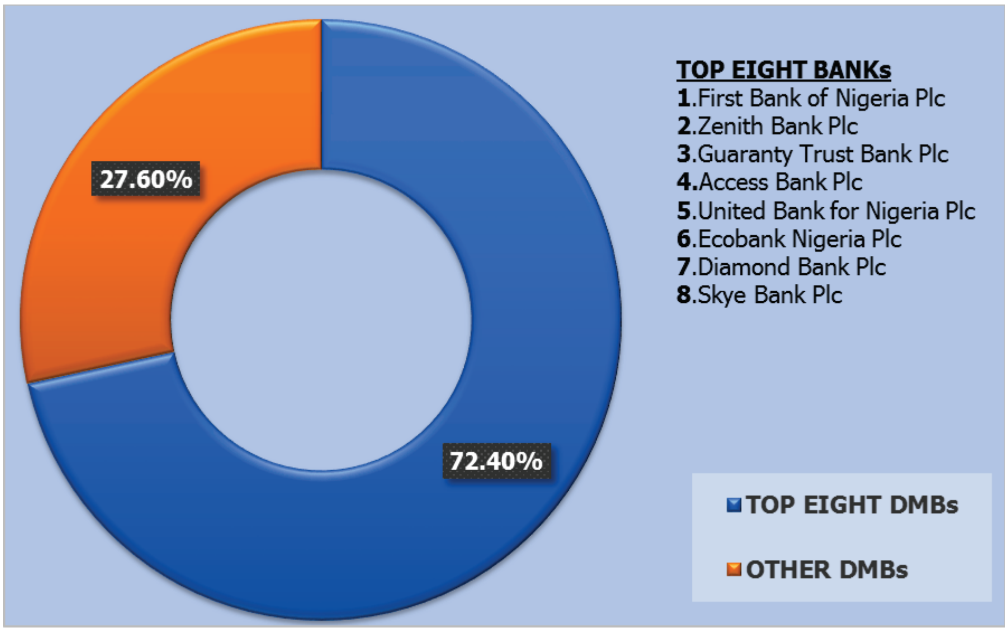
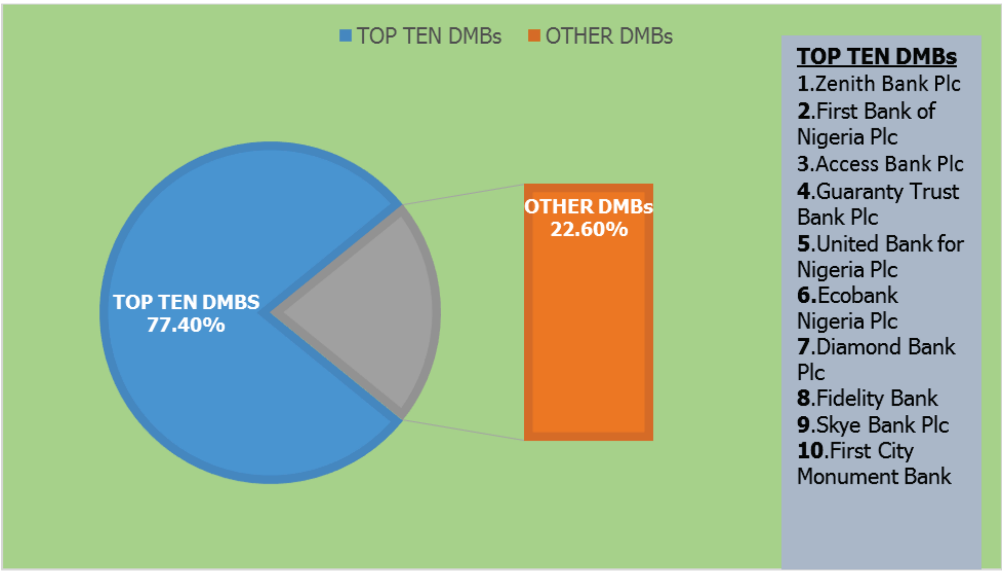


CHART 11.14.
DMBs SHARE OF INDUSTRY ASSETS AS AT 31ST DECEMBER, 2016



11.2 FINANCIAL CONDITION OF MICROFINANCE BANKS (MFBs)

The total number of MFBs in operation increased from 951 as at 31st December, 2015 to 978 as at 31st December, 2016. T**he dearth of information continues to hamper efforts to effectively report on the activities of the sub-sector in 2016.** Out of the 978 MFBs in operation only 597 rendered Statutory Returns as at 31st December, 2016 compared with 739 as at 31st December, 2015. From the returns rendered by the MFBs, the subsector recorded growth in Loans & Advances and Gross Income during the year under review. However, Total Assets, Total Deposits, and Shareholders' Funds all recorded a decrease as at 31st December, 2016 as shown in Table 11.7 below.

11.2.1 Capital Position

As at 31st December 2016, the MFBs Shareholders' Funds decreased by 17.59% from ₦93.38 billion as at 31st December, 2015 to ₦76.96 billion as at 31st December, 2016.

11.2.2 Asset Quality

Total assets decreased by 10.84% from ₦361.04 billion as at 31st December, 2015 to ₦321.92 billion as at 31st December, 2016. However, Total Loans and Advances increased by 14.98% from ₦167.85 billion as at 31st December, 2015 to ₦192.99 billion as at 31st December, 2016. Though, non-performing loans decreased from ₦38.82 billion in 2015 to ₦36.77 billion in 2016, the ratio of NPL to total loans stood at 19.05% in 2016, which exceeded the prudential maximum threshold of 5%.

11.2.3 Earnings and Profitability

The MFBs Gross Income increased by 1,016% from ₦7.84 billion in 2015 to ₦87.49 billion in 2016. Interest Income increased by 1,471% from ₦4.47 billion in 2015 to ₦70.21 billion in 2016 while Non-Interest Income increased by 411.24% from ₦3.38 billion in 2015 to ₦17.28 billion in 2016. On the other hand, Operating Expenses increased by 1,004% from ₦5.58 billion in 2015 to ₦61.61 billion in 2016. Following, Profit before tax increased by 738% from ₦1.68 billion in 2015 to ₦14.08 billion in 2016. Similarly, return on assets (ROA) and return on equity (ROE) increased from 0.47% and 13.74% in 2015 to 4.37% and 18.30% in 2016, respectively. This abnormal trends could not be unconnected with the irregular and incomplete returns by the MFBs.

11.2.4 Liquidity Position

The MFBs liquidity position was strong as at 31st December, 2016. The MFBs Total Deposits decreased by 8.41% from ₦160.81 billion as at 31st December, 2015 to ₦147.28 billion as at 31st December, 2016. The average liquidity ratio of the MFBs decreased from 119.00% in 2015 to 89.88% in 2016. Despite the decline, the figure was still above the minimum prudential threshold of 20%.

Furthermore, the subsector witnessed significant over trading, as the loans to deposit ratio increased by 26.66 percentage points from 104.38% in 2015 to 131.04% in 2016. The MFBs continued to invest in Fixed Assets as it increased by 19.20% from ₦18.39 billion in 2015 to ₦21.92 billion in 2016.

A summary of MFBs' Performance Indicators are presented in **Table 11.7.**

TABLE 11.7.
SELECTED PERFORMANCE INDICATORS OF MFBs AS AT 31ST DECEMBER, 2015 AND 2016

S/No	DETAILS	2015	2016
1	Number of MFBs in Operation	951	978
2	Number of MFBs that Rendered Returns	739	597
3	Total Assets (₦'Billion)	361.04	321.92
4	Total Deposits (₦'Billion)	160.81	147.28
5	Insured Deposits (₦'Billion)	159.80	110.46
6	Total Loans & Advances (₦'Billion)	167.85	192.99
7	Gross Income (₦'Billion)	7.84	87.49
8	Interest Income (₦'Billion)	4.47	70.21
9	Non-Interest Income (₦'Billion)	3.38	17.28
10	Non-Performing Loans (NPLs) (₦'Billion)	38.82	36.77
11	Profit Before Tax (PBT) (₦'Billion)	1.68	14.08
12	Total Operating Expenses (₦'Billion)	5.58	61.61
13	Shareholders' Fund (₦'Billion)	93.38	76.96
14	Investment in Fixed Assets (₦'Billion)	18.39	21.92
15	Non-Performing Loans/Total Loans (Portfolio-at-Risk) (%)	23.13	19.05
16	Non-Performing Loans/Shareholders Fund (%)	41.57	47.78%
17	Average Liquidity Ratio (%)	119.00	89.88%
18	Loans/Deposit Ratio (%)	104.38	131.04
19	Return on Assets (%)	0.47	4.37
20	Return on Equity (%)	13.74	18.30
21	CAR (%)	43.75	nil

Source: NDIC

Some of the selected performance indicators of MFBs are depicted in Charts 11.15 to 11.19 as follows:

CHART 11.15.
MFBs' PERFORMANCE INDICATORS AS AT 31ST DECEMBER, 2015 AND 2016

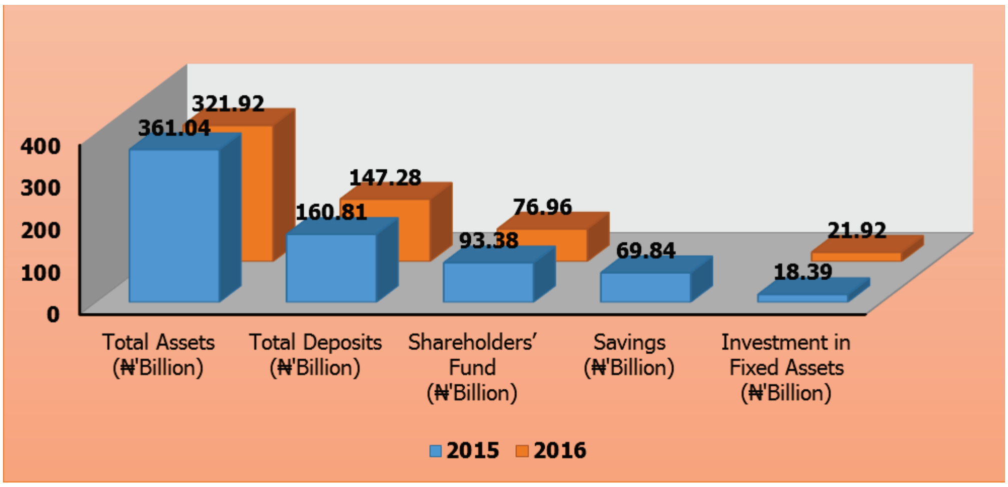


CHART 11.16.
MFBs NON-PERFORMING LOANS AND TOTAL LOANS AS AT DECEMBER 2015 AND 2016

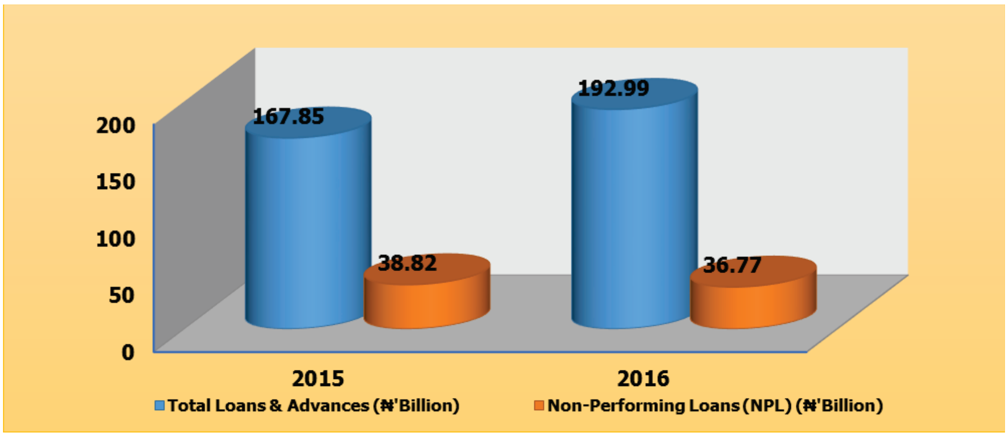


CHART 11.17.
MFBs GROSS INCOME AND PROFIT BEFORE TAX AS AT 31ST DECEMBER 2015 AND 2016

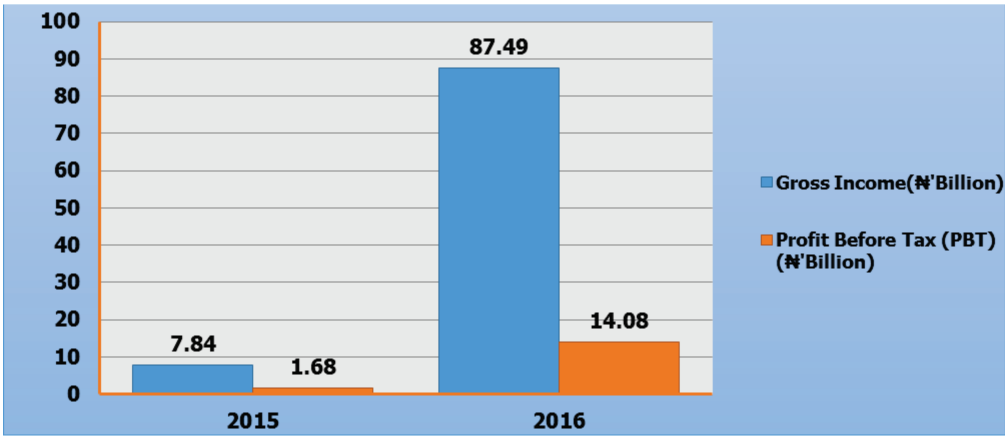


CHART 11.18.
MFBs LOAN/DEPOSIT RATIO AS AT 31ST DECEMBER 2015 AND 2016

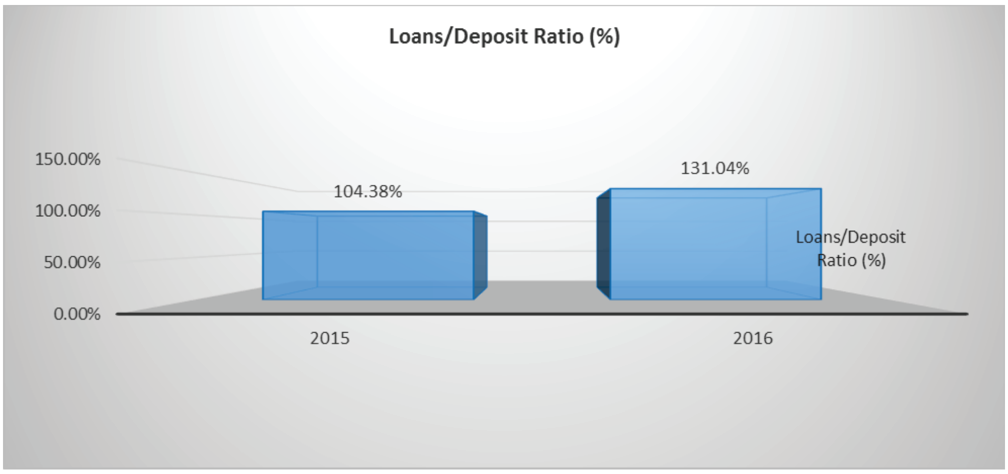
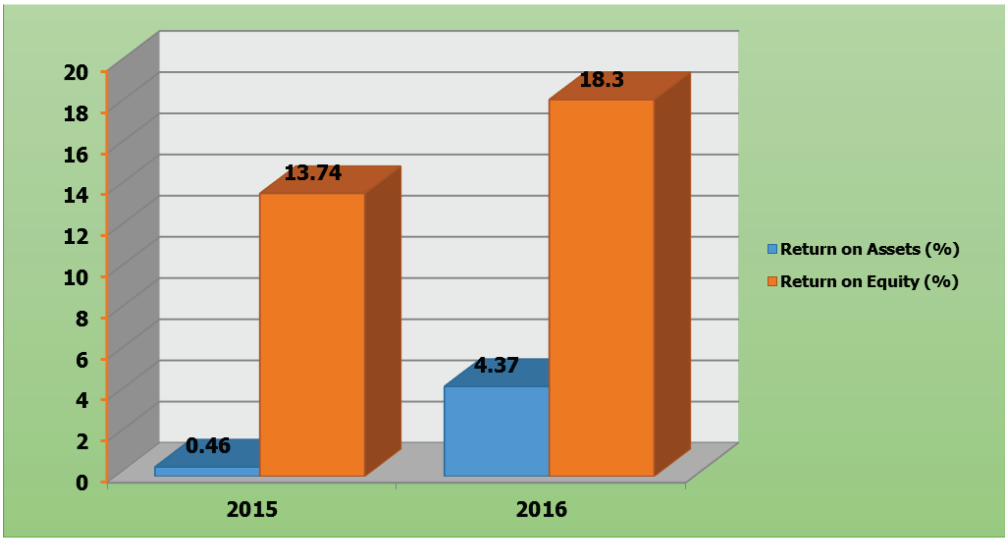


CHART 11.19.
MFBs ROA AND ROE AS AT 31ST DECEMBER 2015 AND 2016



11.3 FINANCIAL CONDITION OF PRIMARY MORTGAGE BANKS (PMBs)

The PMBs were not insulated from the economic recession and harsh operating environment during the year under review as evidenced by most of their performance indices.

11.3.1 Capital Position

The PMBs Paid-up Capital decreased by 24.73% from ₦112.40 billion as at 31st December, 2015, to ₦84.60 billion as at 31st December, 2016. Also, the Shareholders' Funds decreased by 13.88% from ₦138.92 billion as at 31st December, 2015 to ₦119.64 billion as at 31st December, 2016.

11.3.2 Asset Quality

The PMBs Total Assets decreased by 5.39% from ₦389.73 billion as at 31st December, 2015 to ₦368.13 billion as at 31st December, 2016. Also, Total Loans and Advances marginally declined by 1.53% from ₦168.96 billion in 2015 to ₦166.37 billion in 2016 while the share of loans and advances as a percentage of total assets increased to 45.12% in 2016 from 43.35% in 2015. The PMBs asset quality deteriorated as NPLs increased by 251.65% from ₦26.02 billion as at 31st December, 2015 to ₦91.50 billion as at 31st December, 2016. Similarly, the Non-Performing Loans (NPLs) to Gross Loans Ratio increased to 54.99% in 2016 from 15.40% in 2015. The NPLs ratio exceeded the maximum prudential threshold of 5%.

11.3.3 Earnings and Profitability

The PMBs' subsector operated at a loss during the period under review. It recorded a loss of ₦0.15 billion in 2016 compared with a profit of ₦3.31 billion in 2015. That fall in income could partly be attributed to the economic recession which affected the ability of obligors to service their debts and decline in non-interest income by 25.42%

during the year under review. Similarly, Return on Assets (ROA) was a negative 0.04% in 2016 as against 1.26% in 2015 and Return on Equity (ROE) was equally negative 0.13% compared with 2.99% in 2015.

11.3.4 Liquidity Position

As at 31st December, 2016, the PMBs liquidity position was strong with average liquidity ratio of 235.89% as against 72.63% as at 31st December, 2015. The average liquidity ratio of 235.89% exceeded the prudential minimum threshold of 20%. That may partly be due to preponderance of funds invested in placements with other banks and in treasury bills. Total deposits increased by 6.66% from ₦121.69 billion in 2015 to ₦129.80 billion in 2016. The Loans to Deposit ratio decreased from 138.84% in 2015 to 128.17% in 2016.

Table 11.8 shows some selected performance indicators of the PMBs as at 31st December, 2015 and 2016.

TABLE 11.8.
SELECTED PERFORMANCE INDICATORS OF PMBs AS AT 31ST DECEMBER, 2015 AND 2016

S/No	DETAILS	2015	2016
1	Number of PMBs in Operation	42	38
2	Number of Reporting PMBs	28	27
3	Total Assets (₦'Billion)	389.73	368.71
4	Total Deposit (₦'Billion)	121.69	129.80
5	Insured Deposit (₦'Billion)	55.28	97.35
6	Total Loans & Advances (₦'Billion)	168.96	166.37
7	Gross Income (₦'Billion)	24.95	26.43
8	Interest Income (₦'Billion)	17.74	21.06
9	Non-Interest Income (₦'Billion)	7.20	5.37
10	Non-Performing Loans (₦'Billion)	26.02	91.50
11	Profit Before Tax (₦'Billion)	3.31	(0.15)
12	Operating Expenses (₦'Billion)	13.35	13.11
13	Paid Up Capital (₦'Billion)	112.40	84.60
14	Shareholders' Funds (₦'Billion)	138.92	119.64
16	Non-Performing Loans/Total Loans (%)	15.40	54.99
17	Non-Performing Loans/Shareholders' Funds (%)	18.73	76.48
18	Average Liquidity Ratio (%)	72.63	235.89
19	Loans/Deposit Ratio (%)	138.84	128.17
20	Return on Assets (ROA) (%)	1.26	(0.04)
21	Return on Equity (ROE) (%)	2.99	(0.13)
22	Loans/Total Assets	43.35	45.12

Source: NDIC

Charts 11.20 to 23 provide a pictorial representation of some selected performance indicators of PMBs:

CHART 11.20.
PMBs SELECTED PERFORMANCE INDICATORS AS AT 31ST DECEMBER, 2015 AND 2016

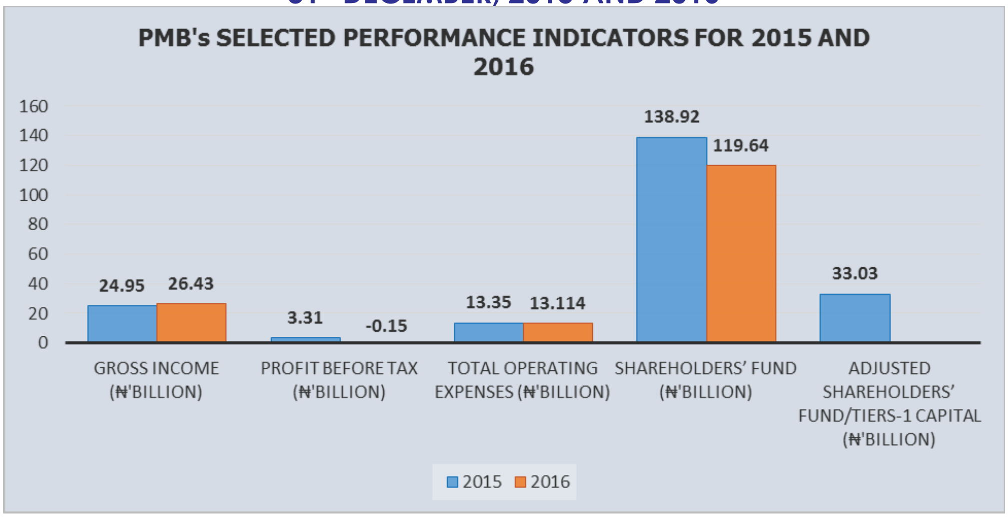


CHART 11.21.
PMBs' TOTAL ASSETS, DEPOSITS, AND LOANS AS AT 31ST DECEMBER, 2015 AND 2016

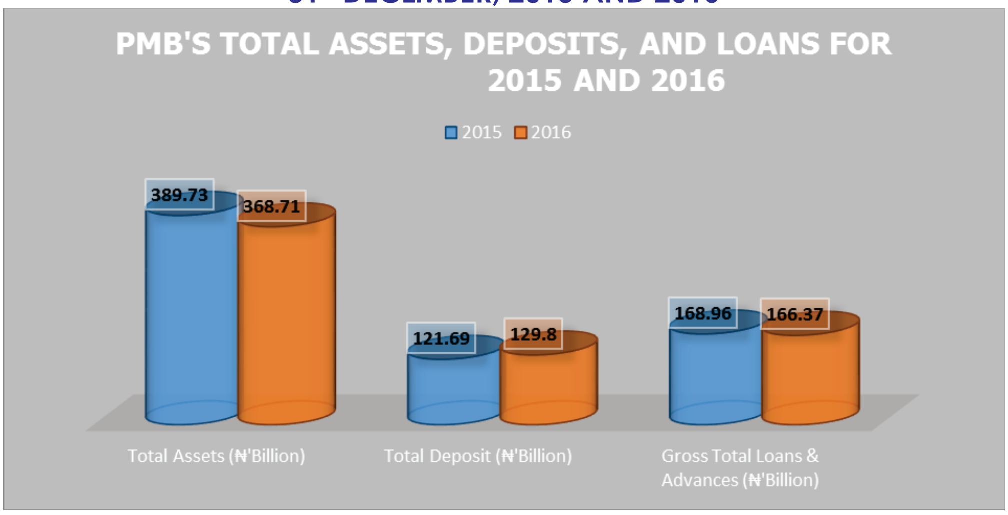


CHART 11.22.
PMBs LOAN TO DEPOSIT RATIO AS AT 31ST DECEMBER, 2015 AND 2016

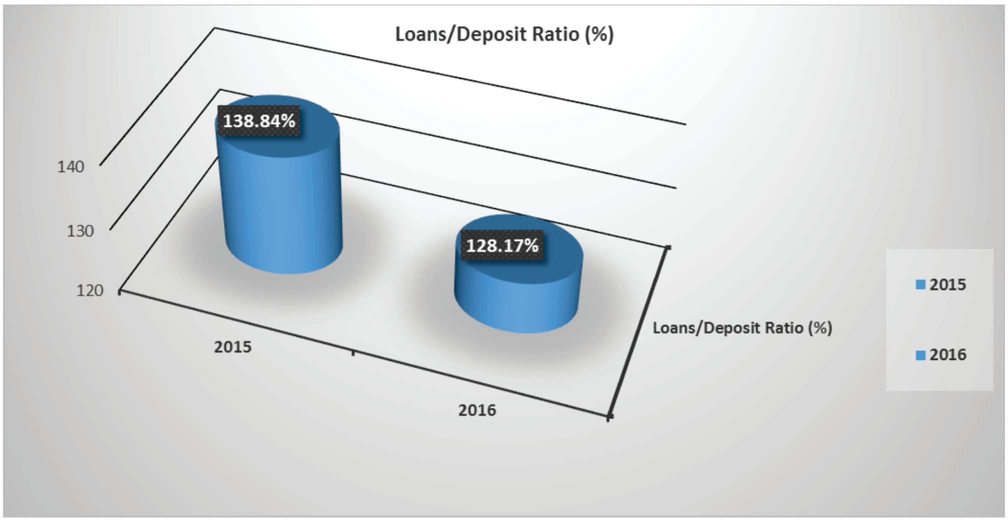
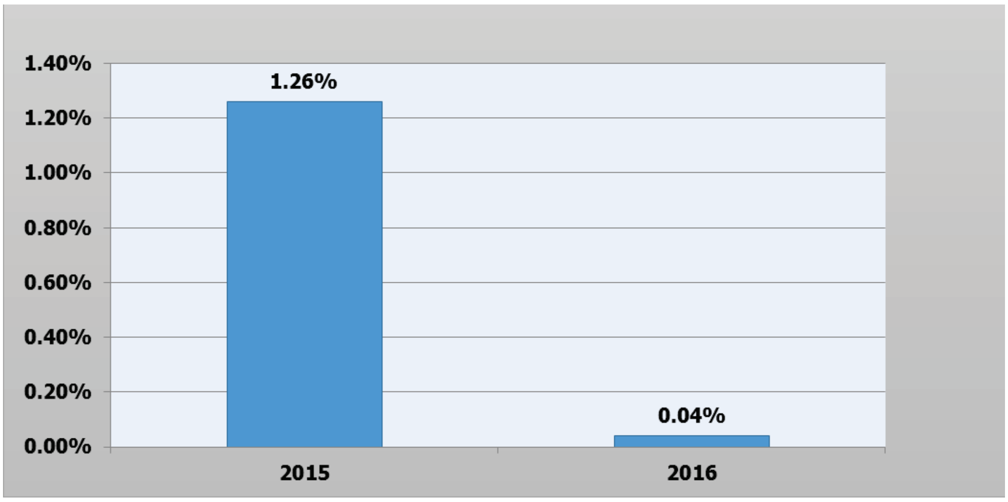


CHART 11.23.
PMBs ROA AS AT 31ST DECEMBER, 2015 AND 2016



NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

SECTION 12

STRUCTURE OF DEPOSIT MONEY BANKS' STATEMENT OF FINANCIAL POSITION

12.0 Introduction

The Statement of Financial Position (SFP), is an indispensable tool that breaks down a bank's Assets, Liabilities and Owners' Equity (Net Worth) usually at the end of an accounting period. It gives information to shareholders, investors, and other stakeholders about the financial institutions. It also provides relevant information to regulatory authorities for effective monitoring and supervision of the financial institutions towards achieving financial system stability.

This section presents the SFP of insured DMBs in 2016 compared with that of 2015 with special focus on changes in the structure of assets and liabilities, shareholders' funds, and ownership structure.

12.1 DMBs' Structure of Assets

The DMBs Structure of Assets, including Contingent Liabilities is presented in **Table 12.1**. The table reveals that total assets slightly increased by 12.77% from ₦31.39 trillion in 2015 to ₦35.40 trillion as at 31st December, 2016.

The following asset categories increased as a proportion of Total Assets: Other Assets from 3.11% in 2015 to 3.35% in 2016; Loans & Advances to Customers from 38.61% in 2015 to 41.17% in 2016. Financial Assets held for trading from 1.68% in 2015 to 2.65% in 2016; and Assets Pledged as Collateral from 1.35% in 2015 to 1.58% in 2016.

The following asset categories expressed as a proportion of total assets decreased: Cash Balances from 1.53% in 2015 to 1.52% in 2016; Balances with Banks and Central Bank from 18.09% in 2015 to 16.48% in 2016; Loans and Advances to Banks from 1.52% in 2015 to 0.97% in 2016; Investment Securities Available-for-Sale (AFS) from 9.11% in 2015 to 7.67% in 2016; Investment Securities Held-to-Maturity (HTM) from 7.32% in 2015 to 6.65% in 2016; Assets Classified as Held-for-Sale (HFS) and Discontinued Operations from 0.02% in 2015 to 0.01% in 2016; and Investment in Subsidiaries & Associates from 0.99% in 2015 to 0.92% in 2016.

Table 12.1:
DMBs STRUCTURE OF ASSETS IN 2014 AND 2015

Assets	Share of Assets as at 31st December (%)	
	2015	2016
Cash Balances	1.53	1.52
Balances with Banks & Central Bank	18.09	16.48
Loans & Advances to Banks	1.52	0.97
Loans & Advances to Customers	38.61	41.17
Financial Assets Held for Trading	1.68	2.65
Investment Securities: Available for Sale	9.11	7.67
Investment Securities: Held to Maturity	7.32	6.65
Assets Pledged as Collateral	1.35	1.58
Investment in Subsidiaries & Associates	0.99	0.92
Property, Plant and Equipment	2.75	2.40
Other Assets	3.11	3.35
Asset Classified as Held for Sale & Discontinued Operations	0.02	0.01
Contingent Liabilities	13.92	14.63
Total Assets	**100.00**	**100.00**
Total Assets (Inclusive of Contingent Liabilities) (₦ Billions)	**₦31,393.28**	**₦35,395.36***

Source: NDIC
*The Total Assets Included Jaiz Bank PLc.

12.2 Structure of Liabilities of DMBs

Table 12.2 presents the Structure of Liabilities of insured DMBs in 2016 in comparison with that of 2015. The table indicates that the following liability items expressed as a proportion of total liabilities increased during the year under review: Borrowings from 6.89% in 2015 to 7.72% in 2016; Other Liabilities from 7.98% in 2015 to 9.51% in 2016; Debt Instruments from 2.23% in 2015 to 2.85% in 2016 and Financial Liabilities Held-for-Trading (HFT) from 0.05% in 2015 to 0.12% in 2016.

The following categories of liabilities, expressed as a proportion of total liabilities, decreased: Deposits from DMBs from 2.07% in 2015 to 2.04% in 2016; Deposits from Customers from 55.78% in 2015 to 52.52% in 2016; and Shareholders' Funds from 11.08% in 2015 to 10.61% in 2016.

TABLE 12.2.
STRUCTURE OF LIABILITIES OF DMBs AS AT 31ST DECEMBER, 2015 & 2016

Liabilities	% Share	
	2015	2016
Deposit from Banks	2.07	2.04
Deposit from Customers	55.78	52.52
Financial Liabilities Held for Trading	0.05	0.12
Borrowings	6.89	7.72
Debt Instrument	2.23	2.85
Other Liabilities	7.98	9.51
Shareholders' Fund	11.08	10.61
Contingent Liabilities	13.92	14.63
Total Liabilities	100.00	100.00
Total Value of Liabilities Inclusive of Contingent Liabilities (₦' Billion)	₦31,393.28	₦35,395.36

Source: NDIC
The Total Liabilities Included Jaiz Bank PLc

12.3 DMBs' Shareholders' Funds

The Shareholders' Funds of insured DMBs as at 31st December, 2015 and 2016 are presented in Table 12.3. The table shows a decrease of 10.29% in Shareholders' Funds from ₦3,490.88 billion in 2015 to ₦3,131.72 billion in 2016. As in the previous year, the decrease in Shareholders' Funds was as a result of the state of the economy that had continued to be depressed following the headwinds which slipped the economy into recession in 2016.

TABLE 12.3.
SHAREHOLDERS' FUNDS OF DMBs IN 2015 AND 2016

S/N	BANKS	SHAREHOLDERS' FUNDS (₦' BILLION)	
		2015	2016
1	Access Bank Plc	302.83	356.71
2	Citibank Nigeria Ltd	48.36	59.14
3	Coronation Merchant Bank Ltd	17.09	17.28
4	Diamond Bank Plc	203.34	218.09
5	EcoBank Nigeria Plc	192.85	239.51
6	FSDH Merchant Bank Ltd	22.23	21.75
7	First City Monument Bank Plc	140.39	135.42
8	Fidelity Bank Plc	167.90	191.86
9	First Bank of Nigeria Ltd	441.55	459.99
10	FBN Merchant Bank Ltd	18.10	4.30
11	Guaranty Trust Bank Plc	378.67	430.98
12	Heritage Banking Company Ltd	60.85	25.52
13	Jaiz Bank Plc	11.83	14.73
14	Keystone Bank Ltd	16.41	(9.12)
15	Rand Merchant Bank Ltd	21.45	21.84
16	Skye Bank Plc	131.95	(123.50)
17	Stanbic IBTC Bank Plc	82.51	80.09
18	Standard Chartered Bank Ltd	75.84	77.89
19	Sterling Bank Plc	88.65	86.06
20	SunTrust Bank Ltd	N/A	10.47
21	United Bank for Africa Plc.	287.16	243.93
22	Union Bank of Nigeria Plc.	213.10	75.82
23	Unity Bank Plc.	76.26	(53.77)
24	Wema Bank Plc.	43.74	46.06
25	Zenith Bank Plc	447.82	500.67
	Total	**3,490.88**	**3,131.72**

Source: NDIC

12.4 Ownership Structure

During the period under review, the ownership structure of DMBs had some adjustments as against what obtained in 2015. Table 12.4 shows that the private sector continued to dominate the industry in the ownership of Nigerian banks while government ownership continued to be very minimal with a shareholding capacity of below 10% in most of the banks with the exception of Keystone Bank Ltd that had 100% government ownership as a result of its acquisition by AMCON, an agency of government.

Table 12.4 also shows that sixteen (16) out of the twenty-five (25) DMBs had some level of foreign ownership in 2016. Of that number, six (6) DMBs had substantial foreign ownership above 50%, namely: Citibank (81.9%), Ecobank (100%), Rand Merchant Bank (100%), Standard Chartered Bank (99.99%), Sterling Bank (50.35%) and Union Bank (85.89%).

TABLE 12.4.
OWNERSHIP STRUCTURE OF DMBs AS AT 31ST DECEMBER, 2016

S/N	BANKS	OWNERSHIP STRUCTURE (%)		
		GOVERNMENT	PRIVATE	
			NIGERIA	FOREIGN
1	Access Bank Plc	0.07	88.04	11.89
2	Citibank Nigeria Ltd	-	18.1	81.90
3	Coronation Merchant Bank Ltd	-	100	-
4	Diamond Bank Plc	0.04	70.37	29.59
5	Ecobank Nigeria Plc	-	-	100
6	FSDH Merchant Bank Ltd	-	67.36	32.64
7	Fidelity Bank Plc	0.01	99.89	0.1
8	First City Monument Bank Plc	-	100	-
9	First Bank of Nigeria Ltd	-	100	-
10	FBN Merchant Bank Ltd	-	100	-
11	Guaranty Trust Bank Plc	0.02	85.83	14.15
12	Jaiz Bank Plc	12.34	79.16	8.50
13	Heritage Banking Company Ltd	-	100	-
14	Keystone Bank Ltd	100	-	-
15	Rand Merchant Bank Ltd	-	-	100
16	Skye Bank Plc	0.39	97.37	2.24
17	Stanbic IBTC Bank Plc	-	100	-
18	Standard Chartered Bank Ltd	-		100
19	Sterling Bank Plc	0.13	49.52	50.35
20	SunTrust Bank Plc	-	100	-
21	United Bank for Africa Plc	1	75.6	23.4
22	Union Bank of Nigeria Plc	-	14.11	85.89
23	Unity Bank Plc	8.34	91.65	0.01
24	Wema Bank Plc	-	100	-
25	Zenith Bank Plc	1.32	97.78	0.9

Source: NDIC

12.5 Assets of DMBs by Market Share

In 2016, as in previous years, five (5) DMBs had more than 50% of the assets of the banking industry in Nigeria, indicating that only few DMBs are controlling the industry's total assets. Out of the industry total assets of ₦30.22 trillion (excluding Contingent Liabilities) as at 31st December, 2016, the top five (5) DMBs had assets of ₦16.18 trillion, representing 53.56% of the industry total assets. That proportion was, however, greater than the 52.61% recorded by the top five (5) DMBs in 2015 as shown in Table 12.5.

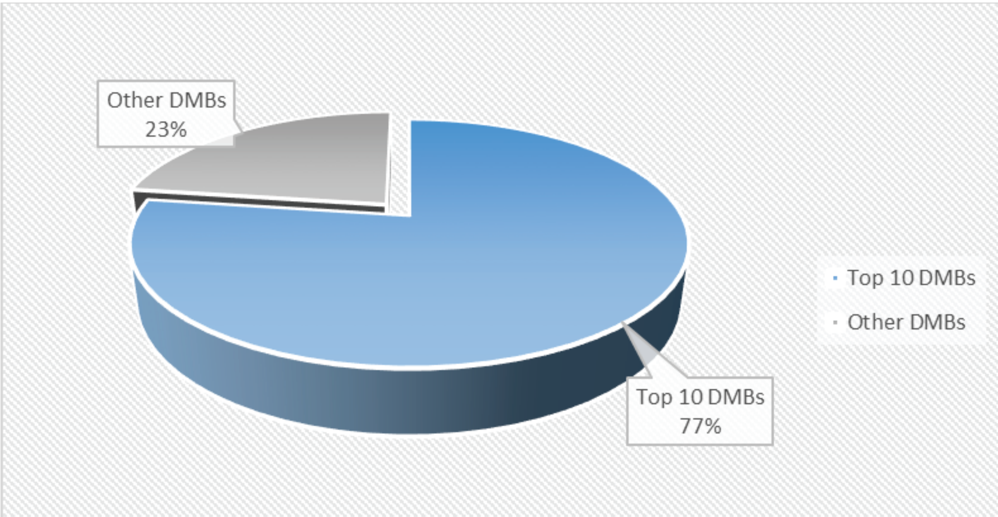
The total assets of the top ten (10) DMBs marginally increased from ₦21.11 trillion in 2015 to ₦23.34 trillion in 2016 while its proportion relative to industry total assets decreased from 78.12% in 2015 to 77.23% in 2016, as shown in Table 12.5 and Chart 12.1. The remaining fifteen (15) DMBs' total assets was ₦6.88 trillion which represented 22.77% of total assets of the banking industry as at 31st December, 2016 as against ₦5.91 trillion, representing 21.88% in 2015.

TABLE 12.5.
MARKET SHARE OF ASSETS OF TOP DMBs

DMBs	2015		2016	
	Assets (₦' Billion)	Percentage of Total	Assets (₦' Billion)	Percentage of Total
Top 5	14,217.36	52.61	16,184.93	53.56
Top10	21,112.38	78.12	23,336.98	77.23
Other DMBs	5,912.82	21.88	6,881.41	22.77

Source: NDIC

CHART 12.1.
MARKET SHARE OF ASSETS OF TOP TEN DMBs AS AT 31ST DECEMBER, 2016



Source: NDIC

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

The largest component of the liability of a DMB's Statement of Financial Position is deposit. An in-depth analysis of the type and size of deposits mobilised by DMBs reveals the relative effectiveness of asset/liability management in the financial institutions. Total deposits of insured DMBs increased from ₦17.51 trillion in 2015 to ₦18.59 trillion in 2016, representing an increase of 6.17%. **Table 12.6** and **Chart 12.2** show an analysis of the total deposit liabilities of insured DMBs as at 31st December, 2016 with comparative figures for 2015.

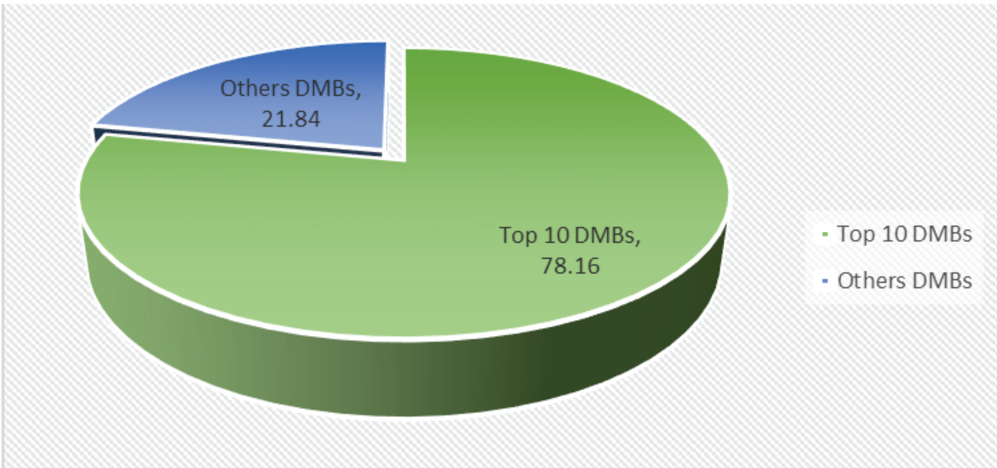
12.6.1 Deposit Liabilities by Market Share

During the year under review, there was an increase in the market share of deposits of the top five (5) DMBs and a decrease in that of the top ten (10) DMBs in the banking system as shown in **Table 12.6 and Chart 12.2.** The deposits held by the top five (5) DMBs slightly increased in absolute terms and in proportion, from ₦9.33 trillion or 53.29% in 2015 to ₦10.15 trillion or 54.57% in 2016. However, the proportion of deposit liabilities of the top ten (10) DMBs slightly decreased from 79.17% in 2015 to 78.16% in 2016. The deposit profile of the banking industry indicated that the top ten (10) DMBs held 78.16% while the remaining fifteen (15) DMBs held only 21.84% of the banking industry total deposits.

TABLE 12.6.
MARKET SHARE OF DEPOSIT LIABILITIES OF DMBs AS AT 31ST DECEMBER, 2015 AND 2016

DMBs	2015 Deposits (₦'Billion)	2015 Percentage of Total (%)	2016 Deposits (₦'Billion)	2016 Percentage of Total (%)
Top Five DMBs	9,332.80	53.29	10,145.23	54.57
Top Ten DMBs	13,863.67	79.17	14,528.95	78.16
Other DMBs	3,647.97	20.83	4,060.80	21.84

CHART 12.2.
MARKET SHARE OF DEPOSIT LIABILITIES HELD BY INSURED DMBs AS AT 31ST DECEMBER, 2016



Source: NDIC

12.6.2 Deposit Liabilities by Type

The deposit liabilities by type of DMBs are presented in **Table 12.7** and **Chart 12.3**. The table shows that savings deposits in insured DMBs increased both in absolute terms and as a proportion of total deposits from ₦3,065.48 billion or 17.51% in 2015 to ₦3,700.49 billion or 19.91% in 2016. Demand deposits, also, increased in absolute terms and as a proportion of the total deposit liabilities from ₦9,760.72 billion or 55.74% in 2015 to ₦10,869.11 billion or 58.47% as at 31st December, 2016. Time/Term deposits declined both in absolute terms and as a proportion to total deposits from ₦4,685.44 billion or

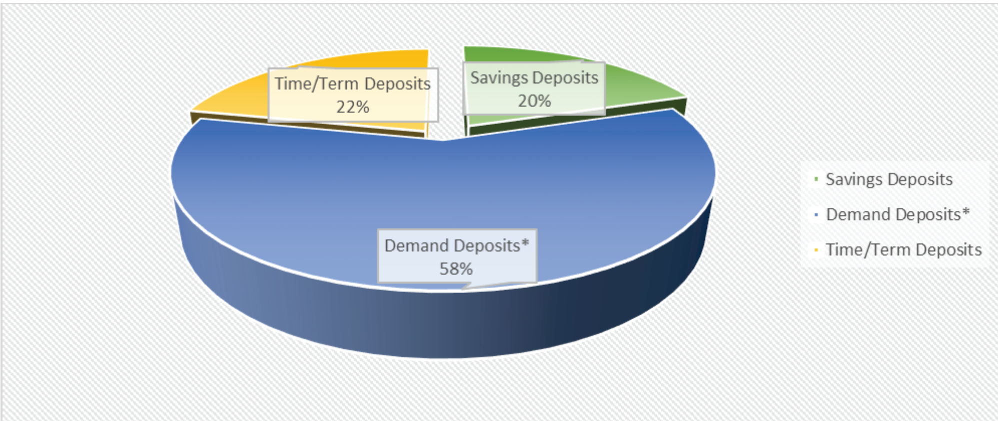
26.76% in 2015 to ₦4,020.15 billion or 21.63% as at 31st December, 2016. The increase in deposits could partly be attributed to the financial inclusion drive of NDIC and CBN as well as increase in diaspora remittances

TABLE 12.7.
COMPOSITION OF DEPOSIT LIABILITIES OF DMBs IN 2015 AND 2016

Types of Deposit Liabilities	2015		2016	
	Amount (₦'B)	% of Total	Amount (₦'B)	% of Total
Savings Deposits	3,065.48	17.50	3,700.49	19.91
Demand Deposits*	9,760.72	55.74	10,869.11	58.47
Time/Term Deposits	4,685.44	26.76	4,020.15	21.62
TOTAL	**17,511.64**	**100.00**	**18,589.75**	**100.00**

Source: NDIC
* Demand Deposits include Electronic Purse, Domiciliary Accounts, Other Deposits, Certificates and Notes

CHART 12.3.
COMPOSITION OF DMBs DEPOSIT LIABILITIES BY TYPE AS AT 31ST DECEMBER, 2016



Source: NDIC

12.6.3 Deposit Liabilities by Tenor

Table 12.8 and **Chart 12.4** present the total deposit liabilities of DMBs by tenor for 2015 and 2016. An analysis of the table revealed that short term deposits of below 30 days increased from ₦12.03 trillion in 2015 to ₦13.79 trillion in 2016, representing an increase of 14.63% and also increased as a proportion of total deposits from 71.72% in 2015 to 75.91% in 2016. Deposits with tenor of between 31 and 90 days declined in absolute terms and as a percentage of total deposit liabilities from ₦2.52 trillion or 15.03% in 2015 to ₦2.15 trillion or 11.83% in 2016. Deposits with tenor of between 91 and 180 days increased in both absolute terms and as a percentage of total deposit liabilities from ₦649.58 billion or 3.87% in 2015 to ₦795.43 billion or 4.38% in 2016. Deposits with tenor of between 181 and 365 days decreased from ₦801.67 billion or 4.78% in 2015 to ₦636.69

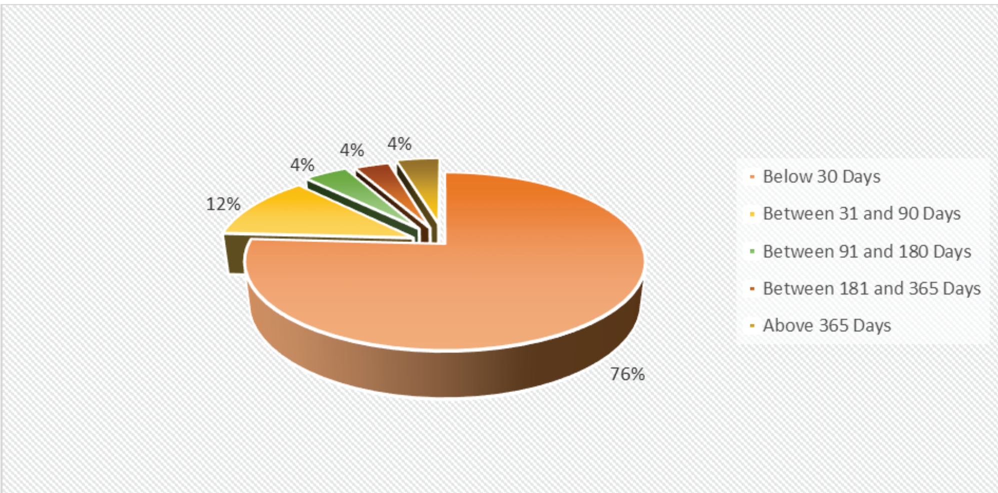
billion or 3.51% in 2016. Long-term funds of more than 365 days duration also increased in absolute terms from ₦771.08 billion in 2015 to ₦794.67 billion in 2016 while it decreased as a proportion of total deposit liabilities from 4.60% in 2015 to 4.38% as at 31st December, 2016.

TABLE 12.8.
MATURITY PROFILE OF DMBs' DEPOSIT LIABILITIES AS AT 31ST DECEMBER, 2016

Types of Deposits	2015		2016	
	Amount (₦' B)	% of Total	Amount (₦' B)	% of Total
Below 30 Days	12,032.77	71.72	13,786.68	75.91
Between 31 and 90 Days	2,521.53	15.03	2,149.29	11.83
Between 91 and 180 Days	649.58	3.87	795.43	4.38
Between 181 and 365 Days	801.67	4.78	636.69	3.51
Above 365 Days	771.08	4.60	794.67	4.38
TOTAL	**16,776.63**	**100.00**	**18,162.76**	**100.00**

Source: NDIC
(Note: Jaiz Bank deposits excluded).

CHART 12.4.
MATURITY PROFILE OF DMBs' DEPOSIT LIABILITIES AS AT 31ST DECEMBER, 2016



Source: NDIC

NDIC

Nigeria Deposit Insurance Corporation

Protecting your bank deposits

SECTION 13

FRAUDS, FORGERIES AND FIDELITY BOND INSURANCE COVER

13.0 Introduction

In 2016, DMBs in the industry made submissions to the NDIC on frauds and forgeries. These submissions were in compliance with the relevant sections of the NDIC Act No. 16 of 2006 (as amended). However, the composition and completeness of the submissions varied between the DMBs. Two (2) DMBs were in default of reporting Dismissed/Terminated Staff as a result of frauds and forgeries, while three (3) DMBs rendered nil reports as in previous years.

During the year, a total of 276 responses were received from the 25 DMBs in operation. The type of frauds committed were usual but with increasing levels of sophistication.

This section presents report on frauds and forgeries in the banking industry, their type, nature and other vital statistics as recorded in 2016. The section also provides information on insured DMBs' compliance with Fidelity Bond Insurance cover in 2016.

13.1 Frauds and Forgeries in DMBs in 2016 (Volume and Value)

An analysis of returns from the DMBs shows that in 2016, 16,751 fraud cases were reported compared with 12,279 recorded in 2015, representing an increase of 36.42% in reported cases. It is worthy of note that within the last three (3) reporting years, the amount involved continued to decrease significantly.

The significant reduction in the losses incurred from frauds despite the rising incidences of occurrence in 2016 could be attributed to increased vigilance by the DMBs, deployment of improved security architecture as well as improved risk management practices especially in operational risk management and improved Regulatory/Supervisory oversight. The frequency of trials could be attributable to prevailing economic hardship and eroding value system experienced in the country.

Table 13.1 and **Charts 13.1 and 13.2** present a summary of returns on Frauds and Forgeries from **2014** to **2016.**

TABLE 13.1.
FRAUDS AND FORGERIES IN DMBs FROM 2014 To 2016

Quarter	Year	Total No. of Fraud Cases	Total Amount Involved (₦'m)	Total Expected Loss (₦'m)	Proportion of Expected Loss to Amount Involved (%)
1st	2016	4,413	2,211	538	24.33
	2015	3,702	2,444	907	37.11
	2014	1,897	3,552	1,221	34.38
2nd	2016	4,611	2,054	787	38.31
	2015	2,219	9,584	1,008	10.52
	2014	2,357	12,915	473	3.66
3rd	2016	3,946	1,210	446	36.85
	2015	3,550	2,119	479	22.61
	2014	2,173	4,002	1,538	38.43
4th	2016	3,781	3,207	626	19.5
	2015	2,808	3,874	776	20.03
	2014	4,194	5,139	2,960	57.60
Total	**2016**	**16,751**	**8,683**	**2,396**	**27.6**
	2015	**12,279**	**18,021**	**3,173**	**17.61**
	2014	**10,621**	**25,608**	**6,192**	**24.18**

Source: NDIC

CHART 13.1.
AMOUNT INVOLVED IN FRAUDS AND FORGERIES IN DMBs FROM 2014 TO 2016

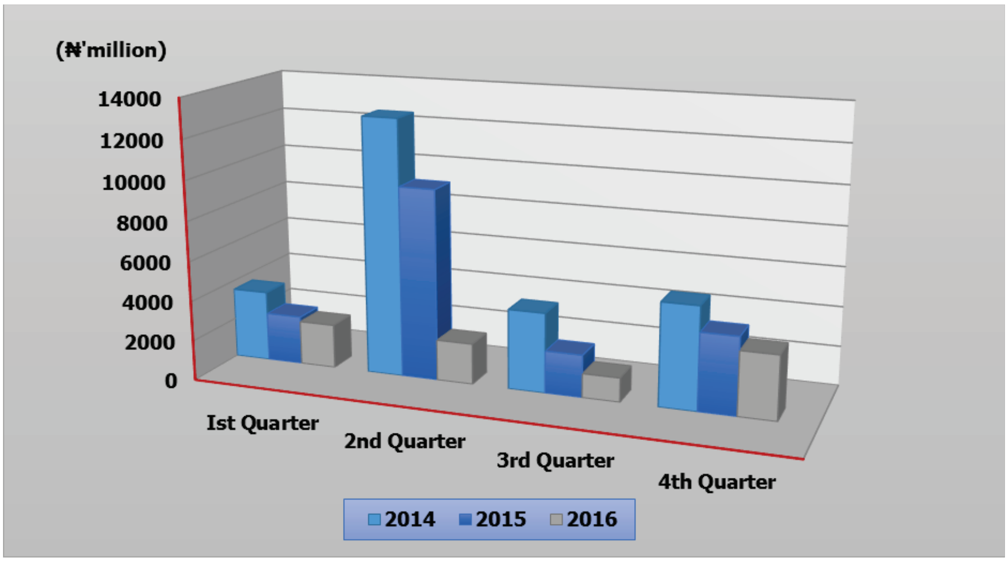
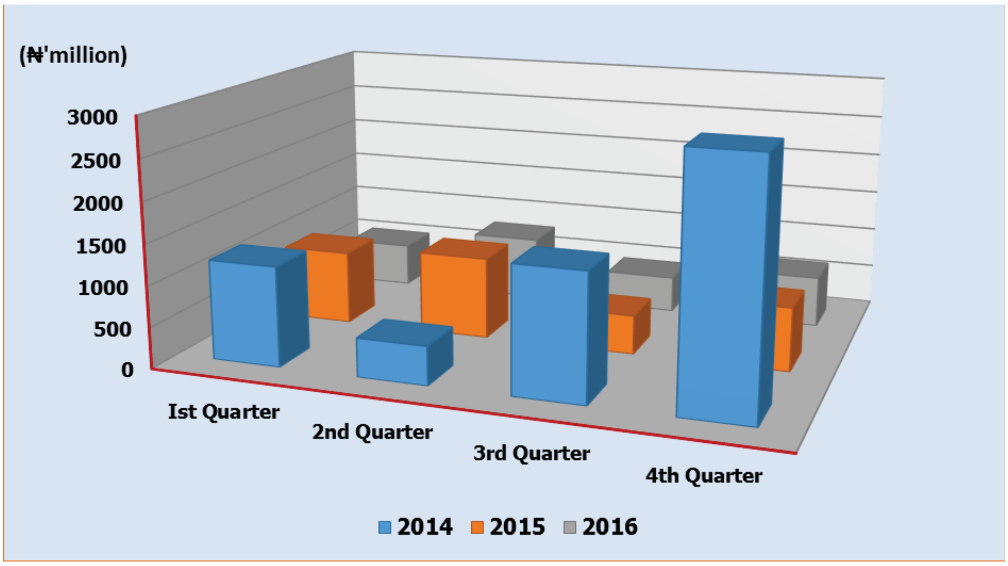


CHART 13.2.
EXPECTED LOSSES ON FRAUDS AND FORGERIES IN DMBs FROM 2014 TO 2016



13.2 Incidence and Types of Frauds and Forgeries Reported

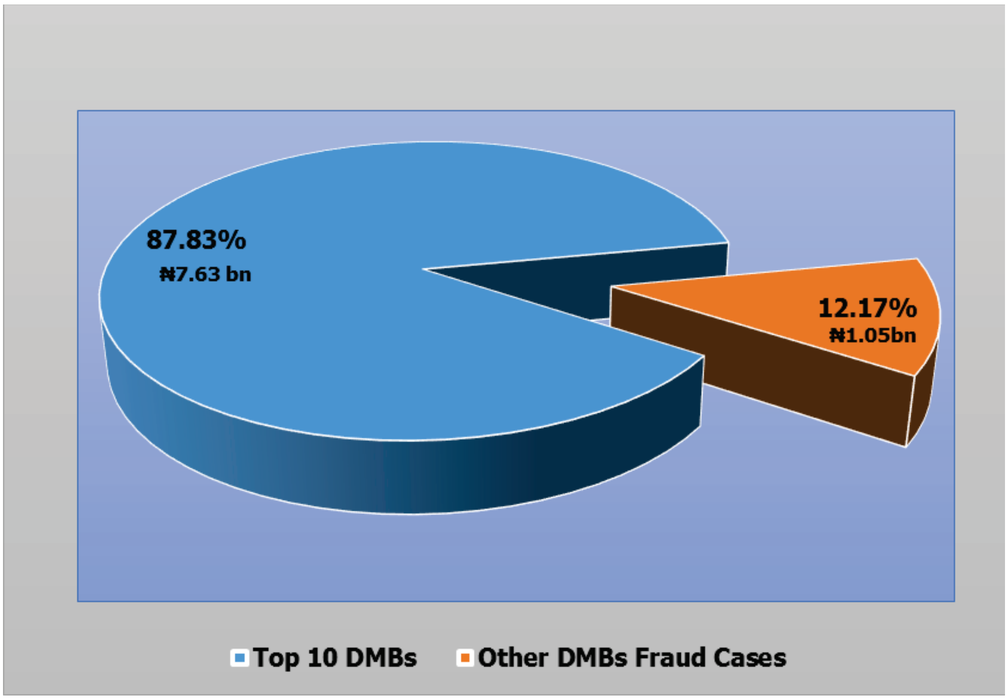
Table 13.2 and **Chart 13.3** show that the top ten (10) DMBs with the highest amount of reported fraud cases accounted for 87.83% of the fraud cases in 2016 as against 90.23% in 2015. The fraud cases from the top ten (10) DMBs amounted to ₦7.63 billion in 2016 as against ₦16.26 billion in 2015. The share of frauds by these DMBs decreased from 90.23% in 2015 to 87.83% in 2016. The reported loss which dropped by ₦9 billion shows a huge improvement in the banks' ability to stem fraud losses in 2016 as compared with the previous years.

TABLE 13.2:
TOP 10 DMBs WITH THE HIGHEST FRAUD CASES FROM 2014 TO 2016

GROUP	2014		2015		2016	
	Amount Involved (₦' M)	% Share	Amount Involved (₦' M)	% Share	Amount Involved (₦' M)	% Share
Top 10 DMBs	21,904.45	85.54	16,261.64	90.23	7,625.90	87.83
Total For All DMBs	25,608.06	100.00	18,022.49	100.00	8,682.66	100.0

Source: NDIC

CHART 13.3.
TOP 10 DMBs WITH THE HIGHEST FRAUD CASES IN 2016



The type and nature of frauds and forgeries committed during the year under review portrayed a usual pattern as in the preceding year. The most common cases reported are listed in **Table 13.3.**

TABLE 13.3:
TYPE AND FREQUENCY OF FRAUDS AND FORGERIES WITH ACTUAL LOSSES SUSTAINED IN DMBs IN 2015 AND 2016

		2015		2016	
S/N	**NATURE OF FRAUD**	**FREQUENCY**	**ACTUAL LOSS SUSTAINED (₦ 'B)**	**FREQUENCY**	**ACTUAL LOSS SUSTAINED (₦ 'B)**
1	ATM/Card-Related Fraud	8,039	0.504	11,244	0.476
2	Web-Based (Internet Banking) Fraud	1,471	0.857	3,689	0.582
3	Fraudulent Transfers/ Withdrawal of Deposits	1,396	0.562	836	0.626
4	Suppression of Customer Deposits	602	0.218	357	0.224
5	Fraudulent Conversion Of Cheques	71	0.049	48	0.002
6	Presentation of Stolen Cheques	132	0.054	17	0.014

		2015		2016	
S/N	NATURE OF FRAUD	FREQUENCY	ACTUAL LOSS SUSTAINED (₦ 'B)	FREQUENCY	ACTUAL LOSS SUSTAINED (₦ 'B)
7	Presentation of Forged Cheques	69	0.067	59	0.021
8	Outright Theft by Staff(cash defalcation)	213	0.146	182	0.179
9	Unauthorized Credits	143	0.587	172	0.198
10	Outright Theft by Outsiders/Customers	33	0.021	24	0.021
11	Foreign Currencies Theft	18	0.033	26	0.033
12	Diversion of Bank Charges (Commissions & Fees)	92	0.075	83	0.036
13	Lodgement of stolen warrants			14	0.034
	TOTAL	12,279	3.173	16, 751	2.446

Source: NDIC

Table 13.3 presents the reported types of frauds and forgeries, frequency of occurrence and actual losses incurred in 2016. From the table, it can be deduced that the frequency of ATM/Card-Related fraud recorded the highest frequency of 11,244 or 67.12% of fraud cases in 2016. Web-Based fraud (internet banking) and Fraudulent Transfers/Withdrawal of deposits ranked second and third with 3,689 or 22.02% and 836 or 4.99% of fraud cases, respectively. However, Fraudulent Transfers/Withdrawal of Deposits had the largest actual loss of ₦0.63 billion or 25.59%, Web-Based Fraud (internet banking) had ₦0.58 billion or 23.79% and ATM/Card Related fraud had actual loss ₦0.48 billion or 19.46% of the DMBs total actual loss as at 31st December, 2016.

It is instructive to note that losses incurred through Web-Based Fraud had declined considerably from ₦0.857 in 2015 to ₦0.582 in 2016, while the frequency of occurrence had doubled.

Although, the incidence of fraudulent transfers, suppression of customer deposits and fraudulent conversion of cheques actually decreased, the actual losses remained high.

It is of concern that the frequency of occurrence of frauds and forgeries rose significantly by 36.42% from 12,279 in 2015 to 16,750 in 2016. However, losses suffered by the industry due to frauds and forgeries had declined in the review period by 23%. The rising frequency rates could be explained with the economic downturn, youth unemployment and unfavourable exchange rate against the Naira.

13.3 Staff Involved in Frauds and Forgeries

Out of the 16,751 fraud cases reported by the DMBs, 231 cases or 1.38% were staff related. The number of fraud cases perpetrated by staff decreased by 46% from 425 in 2015 to 231 in 2016. That was an indication of improvement in DMBs internal control systems and risk management.

However, despite the fidelity bond insurance cover taken by DMBs to address frauds perpetuated by staff, there is still the need for DMBs to further enhance their control/security measures. It is worrisome that Officers, Accountants and Executive Assistants accounted for 98 out of 231 fraud cases during the period. The DMBs need to address the issue of casualization of staff as shown in the **table 14.4** that temporary staff represented the second largest group of staff (59 out of 231) involved in bank frauds.

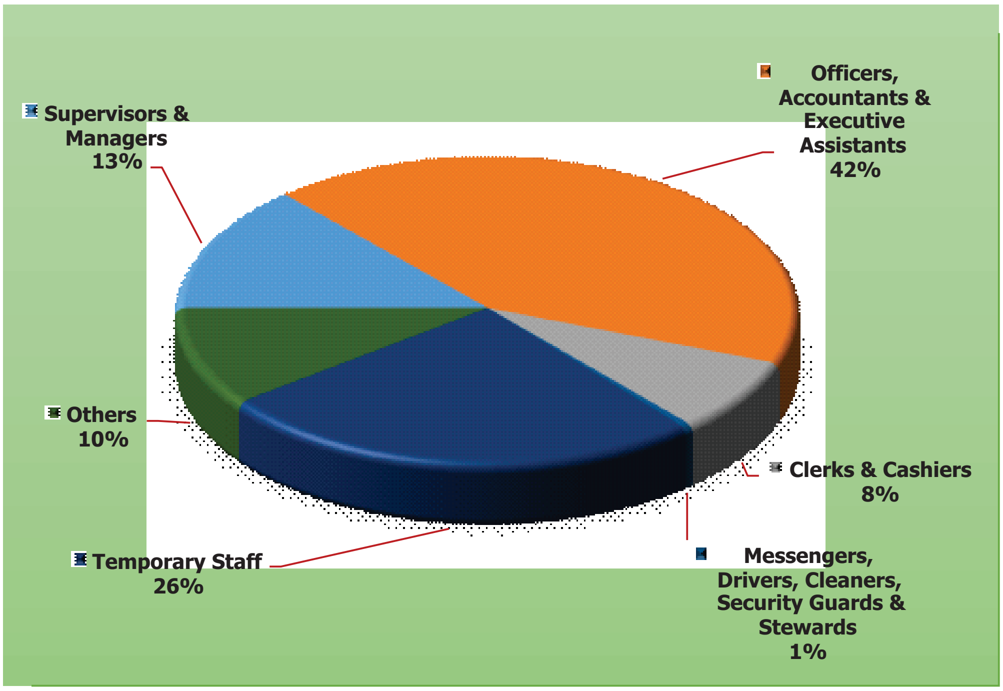
Table 13.4 and **Chart 13.4** show the number of staff involved in frauds and forgeries in the last three years with their status.

TABLE 13.4.
CATEGORIES OF STAFF INVOLVED IN FRAUDS AND FORGERIES FROM 2014 TO 2016.

Status	2014		2015		2016	
	Number	%	Number	%	Number	%
Supervisors & Managers	58	12.47	62	14.59	31	13.42
Officers, Accountants & Executive Assistants	176	37.85	119	28.00	98	42.42
Clerks & Cashiers	78	16.77	69	16.24	18	7.79
Messengers, Drivers, Cleaners, Security Guards & Stewards	2	0.43	11	2.59	1	0.43
Temporary Staff	126	27.10	164	38.59	59	25.54
Others	25	5.38	-	-	24	10.39
Total	**465**	**100**	**425**	**100**	**231**	**100**

Source: NDIC

CHART 13.4.
CATEGORIES OF STAFF INVOLVED IN FRAUDS AND FORGERIES IN DMBs IN 2016



13.4 DMBs Fidelity Bond Insurance Cover

Fidelity Bond Insurance cover is a regulatory requirement for all DMBs in the system for the purpose of cushioning losses that may result from frauds and forgeries committed by staff in accordance with the provisions of Section 33 of the NDIC Act 2006. Accordingly, it is mandatory for all insured institutions to have fidelity insurance cover as may be prescribed from time to time by the NDIC, which should be at minimum of 15% of their paid-up capital as at 31st December of the preceding year.

Table 13.5 presents DMBs' compliance with Fidelity Bond Insurance cover in 2016.

TABLE 13.5.
COMPLIANCE WITH FIDELITY BOND INSURANCE COVER REQUIREMENT FROM 2013 TO 2016

Year	No. of DMBs in Operation (a)	No. of DMBs that Rendered Returns (b)	No. of DMBs that Complied (c)	% (d=c/a*100) (d)
2016	25	25	17	60
2015	24	22	12	50
2014	24	24	21	88
2013	24	24	6	25

Source: NDIC

An analysis of the returns for the year ended 31st December, 2016 showed that all the twenty-five (25) DMBs submitted their Fidelity Bond Insurance cover.

However, out of the twenty-five (25) DMBs that rendered returns, eight (8) or 40% had inadequate Fidelity Bond Insurance cover.

SECTION 14

MAJOR DEVELOPMENTS IN OTHER INSURED FINANCIAL INSTITUTIONS

14.0 Introduction

Microfinance Banks (MFBs) and Primary Mortgage Banks (PMBs) constitute the two (2) categories of banks referred to as Other Insured Deposit-Taking Financial Institutions under the supervisory purview of the NDIC. As in previous years, all licensed MFBs and PMBs remained members of the Deposit Insurance System (DIS) in line with the provisions of the NDIC Act No.16 of 2006.

The MFB initiative was introduced in response to the need to assist the economically active poor individuals or households to have access to credit facilities and other formal financial services. Similarly, the PMBs were established under the Federal Government's National Housing Policy to address the housing deficit in the nation's housing sector. As at 2015, the housing deficit in Nigeria was estimated at 17 million units which needed a funding of N9.6 trillion (World Bank, 2015).

The major developments, in the MFBs and PMBs subsector in 2016 are presented in this section.

14.1 Microfinance Banks (MFBs) Operations in 2016

The Microfinance Policy was launched on the 15th December, 2005 by the CBN to strengthen the banking sector reforms and enhance financial inclusion, by bringing the rural under banked public into the mainstream financial system, thereby improving the capacity of Micro, Small and Medium Enterprises (MSMEs). The CBN issued a revised Guidelines in September, 2013 to enhance the provision of diversified microfinance services on a sustainable basis for the economically active poor and low income earners.

The main objectives of the MFB policy include the following:

i. Making financial services accessible to a large segment of the potentially productive Nigerian populace that would otherwise have had little or no access to financial services;
ii. Promote synergy and mainstreaming of the sub-sector of the economy into the National financial system;
iii. Enhance service delivery by Microfinance institutions through micro, small and medium entrepreneurs;
iv. Contribute to rural transformation; and
v. Promote linkage programmes amongst DMBs, Development Banks, Specialized Institutions and MFBs.

The Microfinance Policy was revised by the CBN in 2013 to enhance the provision of diversified microfinance services on a sustainable basis for the economically active poor and financially inactive.

The revised policy identified three categories of MFBs as follows:

a) MFB licensed to operate as a Unit bank would be required to have a minimum capital of ₦20 million, and operate within a Local Government Area (L.G.A.).
b) MFB licensed to operate in a State and open branches within the state would be required to have a minimum capital of ₦100 million.
c) MFB licensed to operate and open branches in all states of the Federation/Federal Capital Territory would be required to raise a minimum capital of ₦2 billion.

The policy also established other models of Microfinance Bank namely: Fully-Owned Government Microfinance Bank; Public Private Partnership Microfinance Model and Government-Supported Cooperative Model. The fully-owned government MFB is of two variants namely: Government Fully-Owned State Microfinance Bank and Government Fully-Owned Unit Microfinance Bank.

As at 31st December, 2016, there were 978 MFBs in operation compared with 951 in 2015. **Table 14.1** and **Chart 14.1** show the distribution of the MFBs by Geo-Political Zones in 2015 and 2016.

In 2016, there was a consensus for the Microfinance Banks to consolidate so as to sustain growth. In the light of that, Gombe State Government consolidated all its eleven (11) into one, Bubayero MFB.

TABLE 14.1.
MFBs BY GEO-POLITICAL ZONES AS AT 31ST DECEMBER 2015 AND 2016

	2015		2016	
Geo-Political Zone	**No. of MFBs**	**%**	**No. of MFBs**	**%**
South-West	334	35.12	341	34.86
South-South	108	11.36	110	11.25
South-East	172	18.09	173	17.69
North-West	123	12.93	114	11.66
North-East	49	5.15	46	4.70
North-Central	165	17.35	194	19.84
Total	**951**	**100.00**	**978**	**100.00**

Source: NDIC

CHART 14.1.
MFBs BY GEO-POLITICAL ZONES AS AT 31ST DECEMBER, 2016

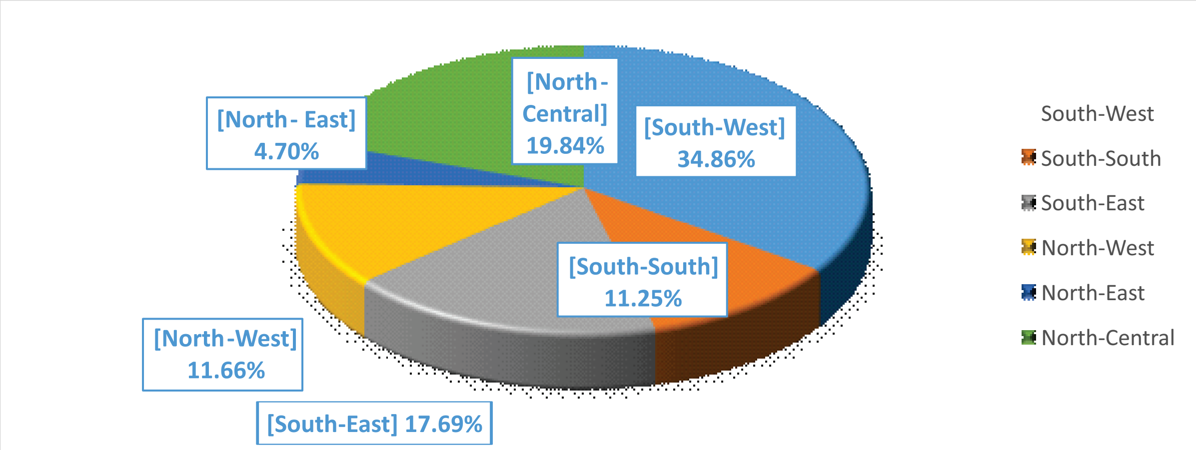


Table 14.1 and **Chart 14.1** show that the South-West Zone had the highest concentration with 341 MFBs or 34.86%, North-Central had 194 MFBs or 19.84% and South-East had 173 MFBs or 17.69%. The North-East Zone had the lowest with only 46 MFBs or 4.70% of the total 978 MFBs as at 31st December, 2016. That shows an increase of 27 MFBs from 951 in 2015 to 978 in 2016.

14.1.2 Participation of MFBs in the Disbursement of Micro, Small and Medium Enterprises Development Fund (MSMEDF)

In line with its developmental functions and mandate of promoting a sound financial system in Nigeria, the CBN launched a ₦220 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) on 15th August, 2013. That was in recognition of the invaluable contributions of the Micro, Small and Medium Enterprises (MSME) sub-sector to the economy. It is crucial to note that 60% of the Fund was earmarked for providing financial services to women. Also the funding was increased annually by 15% to eliminate Gender disparity.

Under the framework, provision had been made for each of the 36 states and the FCT to be entitled to access, as much as ₦2 billion from the fund. Under the programme, the funds are not disbursed to the states directly but through Participating Financial Institutions (PFIs) in the States, which were expected to effect the disbursements directly to the beneficiaries. Also, the fund is sourced at 3% and disbursed at 9%.

As at 31st December, 2016, the sum of ₦52.34 billion had been disbursed to various institutions as shown in **Table 14.2.**

TABLE 14.2:
MSMEDF DISBURSEMENTS AS AT 31ST DECEMBER, 2016

S/N	CATEGORY OF INSTITUTIONS	AMOUNT APPROVED **(₦' Million)**
1	Financial Cooperatives	65.70
2	Microfinance Banks	4,527.25
3	NGO-MFIs	141.00
4	State Governments	42,652.88
5	Deposit Money Banks	4,954.01
6	Development Finance Institutions	0.0
	TOTAL	**52,340.83**

Source: NDIC

14.1.3. Challenges faced by the Microfinance Sub-Sector

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

i. Weak Capital Base

The Shareholders' Funds of some of the MFBs had been weakened by losses/ loan loss provisions. The poor quality of loan assets and the compelling need to make adequate provision for loan losses had a negative impact on the MFBs' capital base. This observed condition was further worsened by declining earnings, which greatly constrained the institutions' capacity to naturally generate additional equity.

ii. Poor Asset Quality

As revealed by examination reports, some of the MFBs' level of classified credits/portfolio-at-risk (PAR) was found to be worrisome. Some of the MFBs had PAR ratios above 50% as against the prudential threshold of 5%. The "Know Your Customer" (KYC) rule which should have been the prime driver in lending decisions had been overtaken by the need for immediate profit. Also, slow and cumbersome legal and judicial process made it difficult for the MFBs to realize their non-performing loans or foreclose on the collaterals in the event of default.

iii. Dearth of Experienced and Skilled Staff in Microfinance

Most of the staff of MFBs do not have the required knowledge, skills and experience in microfinance banking. A number of the personnel were products of the right-sizing exercise that trailed the banking industry consolidation reforms. That explained why many of them focused on conventional banking products and engaged in commercial lending to high net-worth individuals.

Meanwhile, the CIBN's effort in certifying the MFBs Operators was quite commendable. In addition, NDIC's annual workshop in addressing selected skill gaps had proved invaluable in this regard.

iv. Poor Corporate Governance Practices

A sound and focused Board is responsible for establishing strategic objectives, policies and procedures that would guide and direct the activities of MFBs. Such were lacking in the Boards of some MFBs examined. Also, there were series of incidences of self-serving practices and insider abuse.

v. Management Information System Challenges

Many of the MFBs' operations were manual as their operations were yet to be computerized. Such manual operations had implications for the full adoption of IFRS/FinA regulating/supervisory application, for the electronic rendition of Statutory Returns.

vi. High Operating Costs

The operating expenses of the MFBs remained high during the period under review because of the poor state of infrastructure in the country. As observed in the previous period, the cost of office accommodation mostly in the urban areas and unsustainable salaries and wage bills resulted in high overheads.

vii. Scarcity of Loanable Funds

The MFBs relied mainly on deposits for creating loans and advances and for funding their operations. However, many of the MFBs had limited funds to grant credits to their customers due to their inability to access wholesale funding.

viii. Low Financial Literacy Levels

The low level of financial literacy especially in the rural areas has continued to constitute a major barrier to the promotion of microfinance practice and thus inhibiting financial inclusion. The incidence of the financially uninformed having habit of keeping their funds in their homes still persists.

14.1.4. Rendition of Returns by MFBs

One of the major challenges faced by the NDIC in the supervision of MFBs during the year under review was the non-rendition of Returns by some of the institutions. In 2016, only 851 MFBs out of 978 rendered returns. That was about 85% of the total MFBs.

14.1.5. Sensitisation Workshops and Certification programmes

In the area of capacity building, a one-day sensitisation training was held in Lagos, Enugu and Abuja for the External Auditors and other stakeholders in Microfinance Banking. Four hundred and fifty (450) MFBs and one hundred (100) External Auditors participated in the training.

The third phase of the Microfinance Certification Programme (MCP) continued during the period under review. Also, joint peer review sponsored by RUFIN/CBN was embarked upon and feedback from the forum proved beneficial to the needs of stakeholders and the need to strengthen regulatory oversight.

14.2 Operations of Primary Mortgage Banks (PMBs) in Nigeria

In order to strengthen the PMBs, the CBN had prescribed a statutory Capital requirement of ₦5 billion for national PMBs and ₦2.5 billion for state PMBs with 30th June, 2014 deadline. During the year under review, two (2) PMBs, namely: Suntrust Mortgage Bank Ltd and United Mortgage Bank Ltd converted to DMBs as Suntrust Bank Ltd and Providus Bank, respectively. It was important to note that Providus Bank was yet to commence operation or render returns to NDIC as a DMB as at 31st December, 2016. Also, three (3) MFBs, namely: Trinity Savings and Loans; Integrated Homes Savings & Loans; and Yankari Saving & Loans that failed to recapitalize by the deadline converted to microfinance banks. Trans-Atlantic Mortgages Ltd voluntarily closed shop during the year.

Following from the above developments, there were 38 PMBs in operation during the year under review.

Table 14.3 and **Chart 14.2** show the distribution of PMBs by Geo-Political Zones as at 31st December, 2016.

TABLE 14.3.
DISTRIBUTION OF PMBs BY GEO-POLITICAL ZONES
AS AT DECEMBER 31, 2016

Geo-Political Zone	No. of PMBs	% Per Zone
North-West	2	5.26
North-Central	9	23.69
North-East	2	5.26
South-West	21	55.26
South-East	1	2.63
South-South	3	7.90
Total	**38**	**100**

Source: NDIC

**CHART I4.2:
DISTRIBUTION OF PMBs BY GEO-POLITICAL
ZONES AS AT 31ST DECEMBER, 2016**

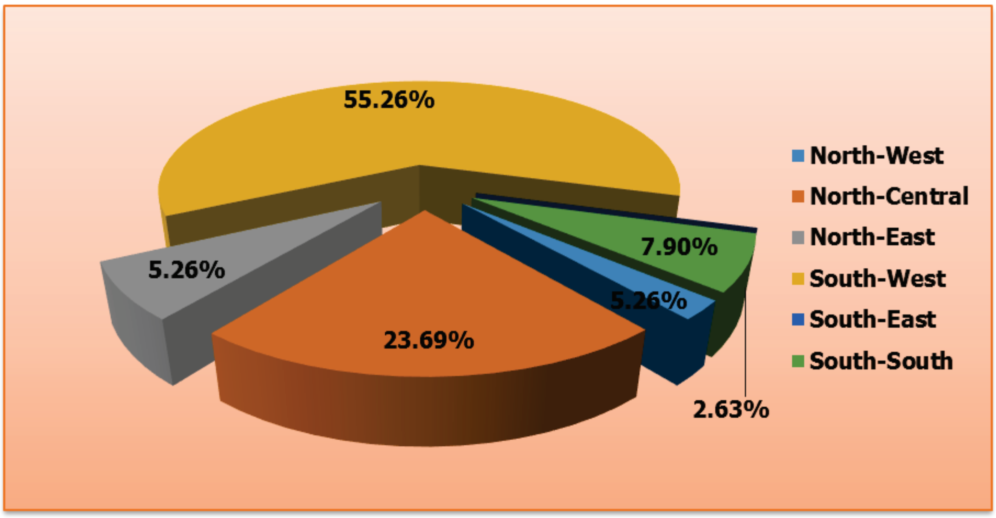


Table 14.3 shows that the South-West Zone had the highest concentration of PMBs with a total of twenty-one (21) PMBs, thereby representing 55.26% of the total PMBs, while the South East Zone had the least with one (1) PMB. The North-West and North-East zones had two (2) PMBs each.

To further strengthen the PMB subsector, two (2) of the PMBs commenced Merger and Acquisitions (M&A). Following the CBN's approval, Aso Savings and Loans Plc. commenced the process of acquisition of Union Homes Savings and Loans Plc. However as at 31st December, 2016, the M&A remained inconclusive as the affected institutions were yet to fulfil the CBN's requirements.

14.2.1 Challenges Faced by the PMBs

During the year under review, the PMBs encountered many challenges that affected the attainment of the policy objectives. Some of the challenges included:

i. Delay in Accessing NHF Funds/Dearth of Long Term Funds

The PMBs encountered delays before the NHF are disbursed to a few of them. Some PMBs had the challenge of providing the required Bank Guarantees to access the Funds. Only two (2) out of the thirty-seven (37) PMBs in operation were listed on the Nigerian Stock Exchange (NSE), which meant that many others did not have access to long term funds through the Stock Exchange Window.

ii. Difficulties in Deposit Mobilization

The banking public prefer opening savings/current accounts with the DMBs rather than with PMBs. The associated huge interest payable on mortgage loans accounted for the low patronage. It is expected that the upward review of Maximum Deposit Insurance

Cover (MDIC) from Two Hundred Thousand Naira (N200,000) to Five Hundred Thousand Naira (N500,000), will increase the patronage of PMBs.

iii. Land Use Act

The Land Use Act had made the process of perfecting title to landed property cumbersome, slow and costly. It negatively affected foreclosure procedures on those properties pledged as collateral. The observed statutory impediment had affected PMBs' appetite to create mortgage.

iv. Under-developed Mortgage-Backed Securities Market

In advanced economies, there exist ample opportunities in Mortgage-Backed Securities (MBS) freely traded on recognized Stock Exchanges. In Nigeria, Mortgage-Backed Securities (MBS) do not exist, thus depriving the PMBs of trading freely on the Stock Exchange. Securitization of mortgage assets would enhance their marketability.

v. High Cost of Building Construction

Several factors had contributed to the high cost of building construction in Nigeria which had made affordable housing a mirage to low income earners. Such factors included the appalling state of physical infrastructure such as roads, electricity, high foreign exchange content of imported building materials like tiles and ceramic wares, etc.

vi Poor Corporate Governance and Risk Management Practices

Some PMBs were yet to imbibe the culture of good corporate governance and sound risk management practices. Some of the institutions were yet to establish procedures of identifying, monitoring, managing and controlling the inherent risks associated with mortgage lending. Besides, PMBs' operating performance had been affected by weak Board oversight, inexperienced staff members as well as poor internal control measures.

SECTION 15

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

15.1 DMBs' Offices and Branches

During the year, two (2) DMBs, namely: Sun Trust Bank and Providus Bank Ltd were licenced. Sun Trust Bank had commenced operations and rendered returns to NDIC as at 31st December, 2016. Thus there were 25 DMBs in operation as against 24 in 2015. However, the total number of branches decreased by 183 or 3.49% from 5,251 in 2015 to 5,061 in 2016. The reduction in branch offices could be attributed to technological revolution that brought about access to financial services without necessarily operating through brick and mortar branches as well as restructuring by some DMBs.

Table 15.1 shows the distribution of branches/offices of the 25 DMBs.

TABLE 15.1.
DMBs' OFFICES AND BRANCHES AS AT 31ST DECEMBER, 2016

S/N	States (including FCT)	Number of Branches	Percentage Share (%)
1	Abia	127	2.51
2	FCT	388	7.67
3	Adamawa	50	0.99
4	Akwa-Ibom	89	1.76
5	Anambra	208	4.11
6	Bauchi	47	0.93
7	Bayelsa	36	0.71
8	Benue	61	1.21
9	Borno	51	1.01
10	Cross-Rivers	71	1.40
11	Delta	184	3.64
12	Edo	163	3.22
13	Ebonyi	34	0.67
14	Enugu	120	2.37
15	Ekiti	64	1.26
16	Gombe	34	0.67
17	Imo	97	1.92
18	Jigawa	36	0.71
19	Kaduna	153	3.02
20	Kano	163	3.22

S/N	States (including FCT)	Number of Branches	Percentage Share (%)
21	Katsina	51	1.01
22	Kebbi	37	0.73
23	Kogi	73	1.44
24	Kwara	70	1.38
25	Nassarawa	47	0.93
26	Niger	71	1.40
27	Lagos	1,503	29.70
28	Ogun	145	2.87
29	Ondo	103	2.04
30	Osun	87	1.72
31	Oyo	207	4.09
32	Plateau	66	1.30
33	Rivers	278	5.49
34	Sokoto	48	0.95
35	Taraba	32	0.63
36	Yobe	35	0.69
37	Zamfara	32	0.63
	Total	**5,061**	**100**

Source: NDIC

Table 15.1 shows that Lagos State had the highest number of DMB branches with 1,503 branches or 29.70% of total DMB branches. The FCT had 388 branches or 7.67%, followed by Rivers State with 278 or 5.49%. Other leading States with high number of DMB branches were Oyo, Anambra, Delta and Edo States with 207 or 4.09%, 208 or 4.11%, 184 or 3.64% and 163 or 3.22% branches respectively.

The states with the least number of branches were Taraba and Zamfara, both having 32 branches or 0.63%, Ebonyi with 34 or 0.67 and Yobe State with 35 or 0.69%.

15.1.1 DMBs Overseas Branches and Subsidiaries

Table 15.2 shows that GTBank had the highest number of overseas branches/subsidiaries in 117 locations or 46.25% of the total. Diamond, Zenith and Access banks were next with 46 or (18.18%), 41 or (16.21%) and 38 or (15.02%) overseas branches/subsidiaries, respectively. Skye bank had 6 overseas branches/subsidiaries or 2.37% of the total as at 31st December, 2016. Both Keystone and United Bank for Africa had two (2) overseas branches/subsidiaries each, representing 0.79% of the total. Union bank had least overseas branch/subsidiary in one location, representing 0.40% of the total during the period under review

TABLE 15.2.
DMBs' OVERSEAS BRANCHES/SUBSIDIARIES
AS AT 31ST DECEMBER, 2016

S/N	BANK NAME	No. OF BRANCHES OVERSEAS	Percentage Share (%)
1	Zenith Bank Plc	41	16.21
2	Access Bank Plc	38	15.02
3	Union Bank Of Nigeria Plc	1	0.40
4	Skye Bank Plc	6	2.37
5	United Bank For Africa	2	0.79
6	Guaranty Trust Bank Plc	117	46.25
7	Diamond Bank Plc	46	18.18
8	Keystone Bank Plc	2	0.79
	TOTAL	**253**	**100**

15.1.2 Head Office Addresses and Branches of DMBs

During the period under review, First Bank of Nigeria Ltd had the highest number of branches/offices with 758 branches or 14.97% of the total, while United Bank for Africa Plc and Ecobank Plc came second and third with 530 or 10.49% and 479 or 9.46% branches/offices, respectively. The top three (3) DMBs accounted for a total of 1,765 or 34.87% of the total number of branches/offices in the system.

Other leading DMBs in terms of number of branches/offices were Zenith Bank Plc with 367 or 7.25%, Access Bank Plc with 317 or 6.26%, and Skye Bank Plc with 278 or 5.49%. **Table 15.3** presents the distribution of Head Office, branch/office addresses of DMBs in Nigeria as at 31st December, 2016.

15.1.3 Banks and Their Board of Directors

In 2016, a bank appointed a new Executive Director (ED) because the tenure of the erstwhile ED had expired and had to be replaced in line with CBN directive which stipulated a maximum of two terms not exceeding 10 years in office.

During the year under review, most DMBs complied with **Section 5.3.6 of the Code of Corporate Governance for Banks operating in Nigeria** in the appointment of Independent Directors, which states that "at least (2) non-executive board members described as Independent Directors (who do not represent any particular shareholders' interest and hold no special business interest in the bank)" be appointed by the bank on merit.

Table 15.3 presents the list of DMBs' directors as at 31st December, 2016. As shown in the table, there were 300 Directors serving on the Boards of the twenty six (26) DMBs. Out of these 300, 56 were Independent Directors.

15.1.4 External Auditors of DMBs

Auditors improve the corporate governance process of organizations and complement the activities of the regulators/supervisors by examining evidence relevant to amounts and disclosures in the financial statements of DMBs. Auditors are appointed and authorized to examine accounts and accounting records, compare the charges with the vouchers, verify balance sheet and income items, and state their findings. In order to guarantee the independence of the External Auditor, the regulatory authorities approve their appointment and disengagement. That helps to promote confidence and transparency in the banking system. The statutory reporting requirements of insured institutions' External Auditors are stipulated under **Section 54 of the NDIC Act No. 16 of 2006.**

Table 15.3 reveals that seven (7) Chartered Accounting firms were approved as auditors of the twenty-five (25) DMBs in operation as at 31st December, 2016. From the table, it can also be seen that PriceWaterhouse Coopers (PwC) were auditors of eleven (11) out of the 25 DMBs in 2016. KPMG Professional Services and Akintola Williams Deloitte were auditors of six (6) and four (4) DMBs, respectively. Ernst and Young and Ahmed Zakari audited two (2) DMBs each. Other audit firms included PKF Professional Services, Aminu Ibrahim & Co. and Horwath Dafinone.

The DMBs were audited wholly with the exception of Fidelity Bank and Heritage Bank which were audited jointly by Ernst and Young and PKF Professional Services, Horwath Dafinone and PriceWaterhouse Coopers, respectively.

TABLE 15.3.
DMBs' ADDRESSES, BRANCHES, DIRECTORS AND APPROVED AUDITORS AS AT 31ST DECEMBER, 2016

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
1.	Access Bank Plc Plot 999c, Danmole Street, P.M.B. 80150, Victoria Island, Lagos. www.accessbankplc.com	317	Mrs. Belo-Olusoga T. Mosunmola Mr. Wigwe Herbert Onyewumbu Mr. Nwosu Obinna David Mr. Usoro Paul Mrs. Ogunmefun A. Olufeyikemi Mr. Habib A. Mamman Tor Mr. Wigwe Herbert Onyewumbu Mrs. Olaghere O. Nkechinyelu Mr. Igbinakenzua E. Eboigbe Mr. Ogbonna R. Micheal Mrs Osuntoki T. Grace Mr. Etuokwu V. Okenyenbunor Mr. Ndukwe E. Chukwuka Anene Mrs. Awosika A. Josephine (14)	Chairperson GMD/CEO DMD ED ED ED ED ED ED ED ED ED IND IND	**Price Waterhouse Coopers**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
2.	Citibank Nigeria Ltd Charles E. Sankey House, 27, Kofo Abayomi Street, P.O. Box 6391, Victoria Island, Lagos. www.citi.com/Nigeria	11	Mr. Olayemi Cardoso Mr. Akinsowon Dawodu Mrs. Nneka Enwereji Mrs. Funmi Ogunlesi Mr. Fatai Karim Mr. Chinedu Ikwudinma Mrs I. Samuel -Ogbu Dr. Hilary Onyiuke Mrs. I. S. Ogbu Mr. Philip Culli ngworth Mr. Peter McCarthy Mr. Daphne Dafinone (11)	Chairman MD/CEO ED ED ED ED NED NED NED NED NED IND	**Price Waterhouse Coopers**
3	Coronation Merchant Bank Coronation house, 10, Amodu Ojikutu Street, Victoria Island, Lagos www.coronationmb.com	3	Mr. Babatunde Folawiyo Mr. Abubakar Jimoh Mr. Larry Ettah Ms Evelyn Oputu Mr. Adamu Atta Mr. Babatunde Dabiri Mrs. Suzanne Iroche (7)	Chairman MD/CEO NED NED NED IND IND	**Price Waterhou se Coopers**
4.	Diamond Bank Plc PGD's Place, plot 4,Block V, B.I.S Way, Oniru Estate, Lekki, Victoria Island. Lagos. www.diamondbank.com	320	Mr. Chris Ogbechie Mr. Uzoma Dozie Mrs. Caroline Anyanwu Mrs Chizoma Okoli Mr. Chigo Ndubuisi Ms. Genevieve Sangudi Dr. Olubola Hassan Mr. Rotimi Oyekanmi Chief John Edozien Mr. Kabir Mohammed Mr. Damien Dolland Mr. Ian Greenstreet (12)	Chairman MD/CEO DMD ED ED NED NED NED NED NED NED IND	**KPMG Profession al Services**
5.	Ecobank Nig. Plc Plot 21, Ahmad u Bello Way, P.O. Box 72688, Victoria Island, Lagos www.ecobank.com	477	Mr. John Aboh Charles kie Anthony Okpanachi Ms. Foluke Aboderin Mrs. Foluke Aboderin Mr. Oladele Alabi Alh.Garba Imam Mrs. Funmi Oyetunji Ovadje Franca Oduwole Olajumoke Mr. E. V. Dossou –Yovo Mr. Olufemi Ayeni (11)	Chairman MD/CEO GMD DMD ED ED NED NED NED IND IND IND	**Akintola Williams Deloitte**
6.	FBN Merchant Bank Limited, No 10, Keffi Street, Ikoyi, Lagos www.fbnmerchantbank.c om	I	Mallam Bello Maccido Mr. Kayode Akinkugbe Mr. Taiwo Okeowo Mr. Urum K. Eke, MFR. Mrs. Mobolaji Johnson Mr. Oluyele Delano, SAN Mr. Andrew Reicher	Chairman MD/CEO ED ED ED IND IND	**Price Waterhou se Coopers**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
7.	Fidelity Bank Plc, Fidelity Place, 2, Fidelity Bank Close Off Kofo Abayomi Street, P.O.BOX. 72439, Victoria Island, Lagos. www.fidelitybankplc.com	228	Mr. Ernest Ebi, MFR Mr. Nnamdi Okonkwo Mr. Mohammed Bal arabe Mr. Adeyeye Adepegba Mrs. Nneka Onyeali -Ikpe Mr. Chijoke Ugochukwu Mrs. Aku Odinkemelu Mallam. Umar Yahaya Mr. Kayode Olowoniyi Dr. Naeto I. Orazulike Mr. Robert Nnana Kalu Mr. Alex Chinele Ojukwu Mr. Ezechukwu M. Okeke Pastor Kings C. Akuma Chief Ch arles C. Umolu Alh. Bashari Gumel Otunba Seni Adetu **(17)**	Chairman MD/CEO DMD ED ED ED ED NED NED NED NED NED NED NED NED IND IND	**Ernest & Young** **PKF-Professional Services**
8.	First Bank of Nigeria Plc Samuel Asabia House, 35, Marina, P. O. Box 5216, Lagos firstcontact@firstbanknigeria.com	758	Mrs. Ibukun A. Awosika Dr. Adesola K. Adedutan Mr. Gbenga Shobo Dr. Remi Oni Mr. Dauda Lawal Mr. Urum K. Eke Mallam Ibrahim Waziri Mr. Tunde Hassan - Odukole Mr. Ambrose Feese Mr. Obafemi Otudeko Alh. Lawal K. Ibrahim Mr. Adewale E. Jolaoso Dr. Mrs. Ijeoma Jidenma Mr. Olushola Oworu (14)	Chairman MD/CEO DMD ED ED NED NED NED NED NED NED NED IND IND	**Pricewater Coopers**
9.	First City Monument Bank Plc Primrose Tower, 17A, Tinubu Street, Marina P. O. Box 9117, Lagos. www.firstcitygroup.com customersolution@firstcitygroup.com	204	Mr. Otunba O. Senbore Mr. Ladi Balogun Mr. Nath Ude Mr. Adam Nuru Mr. Olufemi Bakre Mrs. Yemisi Edun Dr. John Udofa Mr. Olusegun Odubogun Mr. Olutola o. Mobolurin Mrs. Tokunboh Ismael Mrs. Mfon Usoro Mr. Bismarck Rewane (12)	Chairman GMD ED ED ED ED NED NED NED NED IND IND	**KPMG Professional Services**
10.	FSDH Merchant Bank Ltd UAC House (5th -8th Floors) 1/5 Odunlami Street, P.M.B 12913. Lagos. www.fsdhgroup.com	3	Mr.Osaro Isokpan Mr. Rilwan Belo-Osagie Mrs. Hamda Ambah Mr. Daniel Ag bor Mrs. Muhibat Abbas Mr. Bello Garba Mr. Sobandele Sobanjo Mr. Olufemi Agbaje	Chairman MD/CEO ED NED NED NED NED NED	**Price Waterhouse Coopers**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
11.	GT Bank Plc Plural House, Plot 635, Akin Adesola Street, P.O.Box 75455, Victoria Island, Lagos. www.gtbank.com	337	Mrs. O.A. Demuren Mr. Olusegun Agbaje Mrs. C. N. Echeozo Mr. A. A. Odeyemi Mr. A. A. Oyedeji Mrs. O.O. Omotola Mr. H. Musa Mr. O. M. Agusto Mr. K. A. Adeola Mr. I. Hassan MR. H. A. Oyinlola Ms I. L. Akpofure Mr. B.T. Soyoye **(13)**	Chairman MD/CEO DMD ED ED ED ED NED NED NED NED IND IND	**Price Waterhouse Cooper**
12.	Heritage Bank Ltd Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos. www.hbng.com	159	Mr. Akinsola Akinfemiwa Mr. Ifie Sekibo Precious Mr. Adeniyi Adeseun Mrs. Mary Akpobome Mr. Olabinjo Olasunkanmi Mrs. U. A. Nwagboluwe Mr. Monye J. Chucks Mr. Atekoja Adetola Abiodun Mr. Madojemu Anthony Obiyeze Mr. Oyelola Oladele Mr. O. A. Adedeji Mr. Omorogbe O. Osayeme Mr. I. J. Abdulganiyu (13)	Chairman MD/CEO ED ED ED ED ED NED NED NED NED IND IND	**Horwath Dafinone & Price Waterhouse Cooper (PWC)**
13	Jaiz Bank Plc Kano House, No 73 Ralph Shodiende Street, Central Business District, Abuja. www.jaizbankplc.com	27	Alh. (Dr) U. A. Mutallab CON. Mr. Hassan Usman Mr. Mahe Mahmud Abubakar Dr. Aminu A. Dantata, CON Alh. (Dr) M. Indimi, OFR Mallam Falalu Bello, OFR HRH. Engr. B. Mohammed, OON Alh. Musbahu Mohammed Bashir Alh. Umar Kwairanga Mr. Mukthar Sani Hanga Dr. Mohammed Ali Chatti Prof. Tajudeen Adebiyi Mr. Nafiu Baba Ahmed, MNI (13)	Chairman MD/CEO ED ED NED NED NED NED NED NED NED IND IND	**Ahmed Zakari & Co.**
14.	Keystone Bank Nig. Ltd No. 1 Keystone Bank Crescent Off Adeyemo Alakija Street, P.M.B. 80054 Victoria Island, Lagos. www.keystonebankng.com	152	Mr. Ajekigbe Jacob Moyo Mr. Philip Chukwuemeka Ikeazor Mr. Shehu Abubakar Mr. Shehu Kuranga Muhammad Mrs. Yvonne Isichei Mr. Hafiz Bakare Prince. Niyi Akenzua Brig. Gen. M. Aminu-kano (Rtd) Mr. Mustapha Ibrahim Mr. Jacob Olusegun Olusanya Mr. Yusufu Pam	Chairman MD/CEO ED ED ED ED ED IND IND IND IND	**KPMG Professional Services**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
15.	Rand Merchant Bank Ltd . 12th Floor, Churchgate Towers, Plot PC 31, Churchgate Street, Off Adeola –Hopewell Street, Victoria Island. Lagos www.rmb.com.ng	**1**	Mr. Jordan Louis Mr. Micheal Larbie Mr. Peter Blenkinsop Mr. Spangenberg Philip Mr. Davias Marcus Mr. Motala Ebrahim Mr. Kruger Gert Mr. Vosloo Carel Mr. Savage Babatunde Mr Remilekun Odunlami Mr. Okenedo Enase **(11)**	Chairman MD/CEO ED NED NED NED NED NED IND IND IND	**Price Waterhouse Coopers**
16.	SKYE Bank Plc. 3, Akin Adesola street Victoria Island Lagos www.skyebankng.com	456	Mr. Muhammad K. Ahmad, OON Mr. Adetokunbo M. Abiru Mr. Bayo Sanni Mr. Idris Yakubu Mrs. Abimbola Izu Mrs. Markie Idowu Mr. Innocent Ike Mr. Mohammed A. Sarki Mr. Olu Odugbemi Mr. Austin Jo- Madugu Alh. Abdullahi Umar Mr. Bata Garba Wakawa (12)	Chairman GMD/CEO ED ED ED ED ED ED NED NED NED NED	**Price Waterhouse Coopers**
17.	Stanbic-IBTC Bank Plc . Stanbic IBTC Place, Walter Carrington Crescent, P.O. Box 71707, Victoria Island, Lagos. www.stanbicibtcbank.com	178	Mr. Simpiwe Tshabalala Mr. Yinka Sanni Dr. Demola Sogunle Mr. Babatunde Macaulay Mr. Wole Adeniyi Mrs. Sola David Borha Mr. Moses Adedoyin Mr. Arnold Gain Mr. Zweli Manyathi Mr. Sam Cookey (10)	Chairman MD/CEO DMD ED ED NED NED NED NED IND	**KPMG Professional Services**
18.	Standard Chartered Bank Nigeria Ltd. 142 Ahmadu Bello Way Victoria Island Lagos www.standaredcharterd.com	42	Sir Oluremi Omotoso Mrs. Bola Adesola Mrs. Yemi Owolabi Mr. Mansa Nettey Mrs. Louise Vogler Alh. Muhammed Yahaya Mr. Adesola Adepetun (7)	Chairman MD/CEO ED NED NED IND IND	**Akintola Williams Deloitte**
19.	Sterling Bank Plc 20, Marina P.M.B. 12735 Lagos, Nigeria www.sterlingbankng.com	189	Mr. Asue Ighodalo Mr. Yemi Adeola Mr. Lanre Adesanya Mr. Kayo de Lawal Mr. Abubakar Suleiman Mr. Grama Narasimhan Mr. Yemi Odubiyi Mrs. Egbichi Akinsanya Mr. Micheal Jituboh Mr. Olaitan Kajero	Chairman MD/CEO ED ED ED ED ED NED NED NED	**Ernst & Young**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
20.	SUNTRUST BANK	**2**	Chief Charles Ugboko Mr. Muhammad Jibrin Mr. Usman Abdulqadir Mr. Abubakar S. Muhammed Engr. Nasiru Dantata Mr. Augustine Alegeh (SAN) Mr. Richard Howarth Ms. Amal Pepple (8)	Chai rman MD ED NED NED IND IND IND	**Aminu Ibrahim & Co., Chartered Accountants**
21.	Union Bank of Nigeria Plc 36, Stallion Plaza, Marina, P.M.B. 2027, Lagos. www.unionbankng.com	277	Mr. Odu Cyril Mr. Emeka Emuwa Mr. Sonola Adekunle Mrs. Oyinkansade Adewale Mr. Ibrahim Kwaargana Mr. Kandolo Kasongo Mr. Emeka Okonkwo Mr. Ahmed Mansur Dr. Onikepo Akande Mr. John Botts Mr. Richard Burret Mr. Ian Clyne Mrs. Hamza B. Beatrice Mr. Kramer Richard Mr. McDonald Arina Mr. Vitalo John (16)	Chairman GMD/CEO ED ED ED ED ED NED NED NED NED NED NED NED NED NED	**KPMG Professional Services**
22.	United Bank for Africa Plc UBA House, 57, Marina, P. O. Box 2406, Lagos www.ubagroup.com	532	Mr. Tony Elumelu Amb. Joe Keshi, OON Mr. Kennedy Uzoka Mr. Victor Osadolor Mr. Chukwuma Nweke Mr. Uche Ike Mr. Dan Okeke Mr. Ibrahim Puri Mr. Emeka Iweriebor Mr. Ayoku Liadi Mr. Oliver Alawuba Mrs. Rose Okwechime Chief. Kolawole Jamodu, OFR Mrs. Foluke Abdulrazaq Mr. Yahaya Zekeri Mrs. Owanari Duke Mr. Olumide Adekunle Alh. Ja'afaru Paki High Chief Samuel Oni, FCA (19)	Chairman VC MD DMD ED ED ED ED ED ED ED NED NED NED NED NED IND IND IND	**Price Waterhouse Coopers**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
23.	Unity Bank Plc, Unity Bank Towers, Plo t 42, Ahmed Onibudo Street, Victoria Island Lagos. www.unitybanking.co m	222	Mr. Thomas Etuh Mr. Aminu Babangida Mr. Oluwatomi Somefun Mrs. Aisha Abraham Mr. Abubakar Abba Bello Mr. Dahiru Chadi Mr. Temisan Tue dor Mr. Ibrahim Muhammad A. Dr. Oluwafunsho Obasanjo Mrs. Priya Heal Mr. Hakeem Shagaya Mr. Dauda Iliya Mrs. Yabawa Lawan Wabi Mr. Richard Gboyega Asabia Mr. Sam Okagbue (15)	Chairman V/ Chairm an MD/ CEO ED ED ED ED NED NED NED NED NED NED IND IND	**Ahmed Zakari & Co.**
24.	Wema Bank Plc Wema Towers, 4th Floor, 54, Marina, P.M.B. 12862, Lagos. www.wemebank.com	141	Mr. Adeyinka Asekun Mr. Segun Oloketuyi Mr. Ademola Adebise Mr. Moruf Oseni Mr. Wole Akinleye Mrs. Folake Sanu Mr. Adebode Adefioye Mr. Abubakar Lawal Mr. Samuel Durojaye Mrs. Abolanle Matel Okoh Mrs. Tina Vukor-Quarshie Mrs. Omobusola Ojo (12)	Chairman MD/CEO ED ED ED ED NED NED NED NED IND IND	**Akintola Williams Deloitte**
25.	Zenith Bank Plc Plot 87, Ajose Adeogun Street, P. O. Box 75315, Victoria Island, Lagos. www.zenithbank.com	367	Mr. Jim Ovia CON Mr. Peter Amangbo Mr. Umar Ahmed Mr. Olusola Oladipo Mr. Ebenezer Onyeagwu Mr. Babatunde Adejuwon Prof. Chukuka Enwemeka Mr. Jeffrey Efeyini Mr. Gabriel Okpeh Alh. Baba Tela Prof. Oyewusi Ibidapo- Obe (11)	Chairman GMD/CEO ED ED NED NED NED NED IND IND IND	**KPMG Profession al Services**

Source: Bank Returns

15.2 PMBs' OFFICES AND BRANCHES

During the period under review, there were thirty-eight (38) Primary Mortgage Banks (PMBs) in operation. The thirty eight (38) PMBs rendered returns on Head Office addresses, Number of branches, Directors and External Auditors for publication in this report. The thirty-eight (38) PMBs had one hundred and ninety one (191) branches spread across the country as at 31st December, 2016.

Table 15.4 shows the distribution of offices and branches of the 38 PMBs across all states and FCT as at 31st December, 2016.

15.2.1: Head Office Addresses and Branches of PMBs

As at 31st December, 2016, four (4) PMBs, namely: Union Homes; Mayfresh Mortgage; Platinum and Aso Savings & Loans had the highest number of branches with 24, 20, 15 and 14 branches, respectively. The four (4) PMBs collectively held 32.98% of PMBs' branches.

Table 15.4 presents the distribution of Head Office addresses, number of branches, Board of Directors and approved Auditors of the 38 PMBs that rendered returns, during the period under review. The table also indicates that a total of 241 Directors served on the Board of the 38 PMBs.

TABLE 15.4.
PMBs' OFFICES AND BRANCHES AS AT 31ST DECEMBER, 2016

Abia	6	3.14
Adamawa	2	1.05
Akwa-Ibom	8	4.19
Anambra	8	4.19
Bauchi	0	0.00
Bayelsa	1	0.52
Benue	1	0.52
Borno	0	0.00
Cross-Rivers	0	0.00
Delta	4	2.09
Edo	2	1.05
Ebonyi	1	0.52
Enugu	5	2.62
Ekiti	1	0.52
FCT	44	23.04
Gombe	0	0.00
Imo	1	0.52
Jigawa	4	2.09
Kaduna	2	1.05
Kano	2	1.05
Katsina	0	0.00
Kebbi	4	2.09
Kogi	7	3.66
Kwara	1	0.52

Nassarawa	2	1.05
Niger	1	0.52
Lagos	60	31.41
Ogun	5	2.62
Ondo	**3**	1.57
Osun	3	1.57
Oyo	3	1.57
Plateau	0	0.00
Rivers	8	4.19
Sokoto	0	0.00
Taraba	2	1.05
Yobe	0	0.00
Zamfara	0	0.00
Total	**191**	**100**

Source: NDIC

Table 15.4 shows that 104 branches or (54.45%) of the PMBs branch network were located in the FCT and Lagos State. Lagos State had sixty (60) branches or 31.41% of the total number of branches and FCT had 44 branches or 23.04%. The other States with high number of branches were Akwa-Ibom, Anambra and Rivers States with 8 branches each or 4.19% of the total branch network during the period under review.

15.2.2. Approved External Auditors of PMBs

Out of the thirty-eight (38) PMBs that rendered returns, thirty-five (35) had single External Auditors. Aso Savings and Loans and Resort Savings & Loans had dual External Auditors. Kogi Savings and Loans Ltd was awaiting the approval of CBN for their External Auditor. Thirty-one (31) External Auditors audited the thirty-eight (38) PMBs which were in operation during the period under review.

TABLE 15.5.
INSURED PMBs' ADDRESSES, BRANCHES, DIRECTORS AND APPROVED AUDITORS AS AT 31ST DECEMBER, 2016

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
1	Abbey Mortgage Bank 23Karimu Kotun Street, Victiria Island Lagos www.abbeymortgagebank.com	10	Chief I.B. Ochonogor Mrs. R.A.Okwechime Mr. M.Hamman Mazi E. K. O. Ivi AVM. O. Soewu Mr. B. Okumagba High Chief S. Oni Mr. U. Odunukwe (8)	Chairman MD/CEO ED ED ED ED IND IND	**Ernst & Young**
2	Adamawa Homes & Savings Ltd No 1 Bishop Street, Jimeta- Yola Adamawa State admawahomes@yahoo.co.uk	1	Mr. A. B.Barkindo (1)	MD/CEO	**Solanke and Sulaiman & Co.**
3	AG Homes Savings and Loans 96 Opebi Road, Ikeja Lagos State www.aghomes.com.ng	5	Rev. Chidi Okoroafor Mr. A. O. Ewelike Rev. Vincent Alaje Mrs. N. Anyogu Barr. Patrick Chinweike Barr. Danjuma Suleman Mr. Sally Biose Rev. Ejikeme Ejim (8)	Chairman MD/CEO ED ED ED ED ED ED	**Baker Lilly Chartered Accountants**
4	Akwa Savings and Loan Ltd 42 Oron Road, Uyo Akwaibom State www.akwasavings.com	5	Mr. Uduak Ewitat Mr. Ebong Bassey Chief Patrick Ifon Mr. P. E. Udo HON. A. E. Udo Mr. Akan Okon Hon. Asuquo Odiong (7)	Chairman MD/CEO ED ED ED ED ED	**J. Walter Udoeyop & Co**
5	Aso Savings and Loans Plc Plot 266 FMBN Building, Cadastral Zone AO Central Business District Abuja www.asoplc.com	14	Alh. Ali Magashi Mr. Adekunle Adedigba Dr M. A. Musa Mr. J. A. Maikori Mr. Olutoyin Okeowo Mrs. R. L. Ahmed (6)	Chairman MD ED ED ED IND	**Ernst & Young and Aminu Ibrahim & Co**
6	Brent Mortgage Bank Ltd 192A Jide Oki Street, Off Ligali ayorinde Street, Victoria Island. Lagos www.brentng.com	3	Alh. Muri Salami Mr. Kola Abdul Alh. Umar Abdu Alh. S. A. Awosanya Mr. Gabriel Kembi Mr. Lanre Obisesan Mr. Bola Oyebamiji (7)	Chairman MD/ CEO NED NED NED NED NED	**M.A Alawode & Co**
7	Centage Savings and Loans Limited. 48 Libreville Street, Off Aminu Kano Cresent, Wuse 2, FCT, Abuja. Email: centagemortagagebank.com	**1**	Mr. J. G. Nduke Mr. Agbadi Abdul Mr. Victor Oyedu Mr. John Nwosu Mr. Ayotunde Ayotade Mr. Philip Onyeiruka Mr. U. D. Onuoha (7)	Chairman MD/ CEO ED ED ED ED ED	**Abdulmalik Ahmed & Co.**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
8	Citycode Mortgage Bank Ltd. 21/25 Broad Street, Investment House, 1st floor, Marina, Lagos www.citycodemortgagebank.com	**1**	Mrs O. Mudasiru Mr. E. Mac -Yoroki Mrs C. O. Egharevba Mr. Oyatoye Moses Mr. Adekunle Osibodu Mr. E. Doyah -Tiemo (7)	Chairman MD ED NED NED NED	**Abayomi Dosunmu & Co.**
9	Cooperative Savings and Loans Ltd. 11, University Cresent, Ui - Secretariat road, Bodija, Ibadan, Oyo State. info@coopmortagageng.com	6	Mr. N. A. Abdullahi Mr. K. A. Tukur Chief Oluwole Okunnuga Mrs. Kudi Badmus Avm. Walter Ogujiofor (Rtd) Mr. Ayo Abina Barr. Ahmed Akanbi Mr. Abubakar Sule M. Mrs Fatima Ibrahim (9)	Chairman MD NED NED NED NED NED NED NED	**Baker Tilly Nigeria.**
10	Delta Trust Mortgage Finance Ltd. 126 Nnebisi Road, Asaba, Delta State. www.deltatrustmortgagefinance.net	2	Dr. F. F. Abudu Mrs. Ruby Okoro Barr. J. O. Muwhen Engr. John Agori Mrs. Maria Adaigbe Mr. George Ugen Mr. Meggison Andrew Chief H. C. Nzekwue Mr. Edward Mekwuye Mr. Isichei Emmanuel Mrs. F. N. Nwaka (12)	Chairman MD/CEO ED NED NED NED NED NED NED NED NED	**Mathew Iyeke & Co.**
11	FBN Mortgages Ltd. 76 Awolowo Road, Ikoyi Lagos www.fbnmortgages.com	2	Mr. F. B. Odunayo Mrs. Shade Omoniyi Mr. Ibrahim Abdullahi Mr. Ahmadu Titilayo Mr. Ashiru Olatubosun Mrs. Olufunmilayo Roberts Dr. Umaru Kwairanga (7)	Chairman MD/CEO ED ED ED ED ED	**Price Waterhouse Coopers**
12	FHA Homes Ltd. Asande House, Plot 2087, Herbert Macaulay Way, Wuse Zone 5 Abuja www.fhamortgage.gov.ng	5	Prof. Mohammed Al- Amin Mr. Roland Egbnoba Barr. Aniedi Akpabio Col. A.R. Adejoro (Rtd) Mr. Effiong Akwa Dr. Vincent Akpatoire Barr. Umar S. Gonto Mr. J. S. Saidu (8)	Chairman MD/CEO ED ED ED ED ED ED	**Iyornumbe Ime & Co**
13	First Generation Mortgage Bank Ltd. No. 86 Aminu Kano Crescent, Wuse 11, Abuja www.fgmb -ng.com	7	Chief Fabian Nwaora Mr. Felix N. Daniel Mrs. G. O. Segun -Lean Chief. Bernard Nwaora Dr. Chijioke Ekechukwu Mr. K. Omeni -Nzewuihe Chief Jude Umeh Mr. U. G. Anibueze Mr. E. P. Monday (9)	Chairman MD/CEO ED ED ED ED ED ED ED	**Onyemelukwe Maduemeni & Co**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
14	Gateway Savings and Loans Lt d. Plot 10 & 11 Aderupoko Drive, Ibara Housing Estate, Oke -Ilewo Abeokuta, Ogun State. gatewaysavings@yahoo.com	2	Mrs. Modupe Mujota Mr. Olawale Osisanya Mrs. Elizabeth Adegite Mr. Wale Oshinowo Ms. Adenrel e Adesina Barr. Babajide Odusolu Arc. O. Akinwunmi Mrs. Olufunmilayo Dada Mr. Taiwo Adekunle (9)	Chairman MD/CEO ED NED NED NED NED NED NED	**S. I. A. O. & Co.**
15	Global Trust Savings & Loans Plot 740 Adeola Hopewell Street, Victoria Island Lagos www.globaltrustsavings.com	1	Mr. Rotimi Fashola Mr. Oluyemi Fatokun Mr. Obalade A. Emmanuel Mr. B. O. Adegbite Mr. Doyin Adebambo Mr. Obayomi Lawal (6)	Chairman MD/CEO ED ED ED ED	**Olayemi Teibo & Co**
16	Haggai Mortgage Bank Ltd 119 Bode Thomas Street, Surulere, Lagos. www.haggaibank.com	2	Elder S.M Olakunri Mr. Richard Olubameru Mr. Obafunmilayo Agusto Mr. Bababode Osunkoya Chief. S. A. Oso Mrs. Abiodun Oyepero Mr. Tunde Fowler (7)	Chairman MD/CEO NED NED NED NED NED	**S.I.A.O. Chartered Accountants**
17	Homebase Mortgage Bank Ltd 639 Adeyemo Alakija Street, Victoria Island Lagos www.homebasebank.com	1	Mr. Fela Durotoye Mr. Femi Johnson Mr. Ronald Igbinoba Mr. Friday Nwajei (4)	Chairman MD/CEO ED ED	**Olusegun Akinosi & Co**
18	Imperial Homes Mortgage Bank Ltd 28 Saka Tinubu Street, Victiria Island Lagos www.imperialmortgagebank.com	2	Mr. Mutiu Sunmonu Mr. Ben Akaneme Mr. Oludolap o Ajayi Oba. Adeyeye Ogunwusi Mrs. Salamatu Aderinokun Mr. Ikenna Nwizu (6)	Chairman MD/CEO ED ED ED ED	**KPMG Professional Services**
19	Infinity Trust Mortgage Bank Plc www.infinitytrustmortgagebank.com 11 Kaura Namoda Street, off Faskari Street. Area 3, Garki Abuja www.itmbplc.com	4	Dr. Adeyinka Bibilari Mr. Obaleye Olabanjo Mr. Dada Ademokoya Engr. Tunde Olaleke Mr. Akin Arikawe Gen. D. Pennap (Rtd) Alh. A. Muhammed (7)	Chairman MD/CEO ED ED ED ED ED	**Aminu Ibrahim & Co**
20	Jigawa Savings and Loans Ltd. 1st floor, No. 1 Binta Sanusi House, Kiyawa road, Dutse, Jigawa state. www.jigawasavingsandloans.com.ng	4	Mallam S. S. Baffa Alh. B. Umar Arc. A. M. Tahir Engr. H. A. Gumel Alh. Haliru Said Haj. H. I. Dutse Hon. K. S. Ibrahim (7)	Chairman MD/CEO ED ED ED ED ED	**Ahmed Tanko & Co.**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
21	Jubille Life Savings and Loans No 65 Adeniyi Jones Street, Ikeja, Lagos www.jubileelifeng .com	9	Elder F.O.A. Ohiwerei, OFR Mr. Remi Olatunbode Mr. Iyiola Adegboye Dr. Fidelis Ayebae Pastor. A. Obafunso Pastor. Bitrus Yayala (6)	Chairman MD/CEO ED ED ED ED	**Akintola Williams Deloitte**
22	Kebbi Homes Savings and Loans Ltd. Ahmadu Belloway, P .M.B. 1110, Birnin Kebbi. Kshsl-bk@hotmail.com	4	Alh. A. Umar Alh. A. I. Tunga Chairman Sakaba L.G.A. S. S. G. Kebbi State Hon. Commissioner of Fin. Hon. Commissioner Lands (6)	Ag. Chairman Ag. MD ED ED ED ED	**Ubada Abah & Co.**
23	Kogi Savings and Loans Ltd. 44, Murtala Mohammed Way, Paparanda Square, Lokoja, Kogi State. info@kogisavings.com	7	Mr. A. U. Faruna Dr. J. F. Adebisi Mrs. H. O. Ohize Mr. B. J. Atomode (4)	Chairman ED ED ED	**Awaiting CBN approval.**
24	Lagos Building Investment Company Limited. ASSBIFI road, Central Business District, Alausa, Ikeja, Lagos. P. O. Box 7525 www.lbic.com	9	Mrs. F. E. Folivi Mr. A. O. Dipe (2)	MD ED	**Tunde Bello & Co.**
25	Mayfresh Mortgage Bank Ltd. 83 Aba Owerri road, Aba, Abia State. www.mayfreshmortgagebankltd.com	20	Very Rev. Fr. E.M.P. Edeh Mrs. M. G. Omego Mr. A. O. Offor Fr. P. M. Obio rah Sis. Annette Ezekwem Mr. M. Odiegwu Mr. Okeke Christian (7)	Chairman MD/CEO ED ED ED NED NED	**Theophilus Ohazulike & Co.**
26	MGSL Mortgage Bank Ltd. 23, Aminu Kano Cresent, Wuse II, Abuja. www.mgslmortgagebank.com	1	Dr. Ambroise B. C. Orjiako Mr. Emmanuel Ossai Dr. Virginia Anohu HRH Dr. Christine Nwuche Engr. Victor Anohu (5)	Chairman MD/CEO ED ED ED	**Olawale Shorunke & Co.**
27	Mutual Alliance Savings and Loans Ltd 209 Oron Road, Uyo Akwa Ibom State www.mutualalliance.com	2	Mr. Elisha Yahaya Mr. Okon Amasi Mr Kodi Ohakah Mr. Iwok Aneiefiok Mr. Khalifa Abdulrahaman Mr. Sam Adiqum Mr. E. B. Assi (7)	Chairman MD/CEO ED ED ED ED ED ED	**Olutoyin Lasisi & Co**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
28	New Prudential Mortgage Bank Ltd 55 Bishop Oluwole Street, Victoria Island Lagos www.newprudential.com	1	Mr. Akin Akintoye Mr. Eyo Asuquo Mr. Gboyega Fatimilehin Mr. Adebisi Adebutu (4)	Chairman MD/CEO NED NED	**Pedabo Audit Services**
29	Nigeria Police Mortage Bank Ltd. Plot 11, Portsaid Street, Wuse Zone 4, Abuja. info@nigeriapolicemortagebank.com	1	DIG M. B. Abdulkadir Mr. Benson J. Iyomere AIG A. M. Mohammed DCP Joseph O. Egbunike ACP Daramola Joseph ACP Innocent Iloka BARR. B. Bello CP. Abiodun Ige (8)	Chairman MD/CEO ED ED ED ED ED ED	**Stanley & Burn Chartered Accountants.**
30	Omoluabi Mortgage Bank Plc. Old Governor's Office, Gbongan Road, Osogbo, Osun state. www.ombplc.com	3	Alh. A. Jimoh Mr. O. Ayodele Mr. B. Oyebamiji Dr. O. Yinusa Hon. (Prince) A. Sijuwade Mr. A. Kolawole Mr. A. Adewunmi Mr. O. Micheal Mr. A. Gbadebo (9)	Chairman MD/CEO NED NED NED NED NED NED NED	**PKF Professional Services.**
31	Platinum Mortgage Bank Ltd. 61 Yakubu Gowon Cresent, Asokoro Abuja. www.pmbl-ng.com/ info@pmbl-ng.com	15	Mr. B. T. Bolatito Dr. Emmanuel M baka Mrs. Ucheoma Iroha Mr. D. O. Nwosu Mr. Victor Egbe Mr. Akinloye Oyebanji Alhaji Z. M. Abba-Gana Engr. C. D. Opurum (8)	Chairman MD/CEO ED ED ED ED ED ED	**Messrs Kuseme Ibok & Co.**
32	Refuge Mortgage Bank Ltd 66 Opebi Road, Ikeja Lagos www.refugebank.com.ng	1	Pastor. Matthew Okojie Mrs. F. Adeola - Dada Pastor. Yemisi Kudehinbu Evan. Eddy Owase Pastor. Tom Obiazi Pastor O. Oyakihlome (6)	Chairman MD/CEO ED ED ED ED	**David Odiwo & Co**
33	Resort Savings & Loans Plc. 25 Olowu Street, off Awolowo way, Ikeja, Lagos. www.resortng.com	10	BARR. J. O.J. Chukwuma Mr. Ola Oyinloye Sen. S. O. Fajinmi Arc. U. K. Umaru Mr. D. T. Baido Mr. Olayemi Rabiu (6)	Chairman MD/CEO ED ED ED ED	**Grant Thorton and Ernst & Young Nigeria.**
34	Safetrust Mortgage Bank Ltd. No. 18, Keffi street, Ikoyi, Lagos state. www.safetrustmortgagebank.com	**1**	Mr. A. O. Opeonu Mr. Akintayo Oloko Mr. Da njuma Saleh Mr. Adekunle Oki Mr. Abdulrazaq Isa Capt. Harrison Kuti Mr. Femi Adeyanju Mr. Oladipo Oladitan Mr. Abayomi Idowu (9)	Chairman MD ED ED ED ED ED ED	**KPMG Professional Services.**

S/N	Names & Addresses	No. of Branches	Director's Name	Status	Approved Auditors
35	STB Building Society No. 1, First avenue, Chevron drive, Lekki, Lagos. www.stbsociety.com	**1**	Mrs. Yemi Idowu Mr. Olaitan Kajero Mr. Sunday Olabode Mr. Olusoji Oladokun Mr. Adeolu Idowu Mr. Abisoye Sonoiki (6)	Chairman MD ED NED NED NED	**Uche Okoye & Co.**
36	Taraba Savings and Loans No 134 Hammaruwa Way, Jalingo Taraba State tarabasavings@gmail.com	1	Alh. U. M. Baba Mall. Aminu Mamman Mr. Ibrahim Sampati Mr. G. A. Belti (4)	Chairman MD/CEO ED ED	**Jibril Usaini & Co**
37	TrustBond Mortgage Bank Plc. Block 94, Plot 3, Providence Street, Lekki Scheme 1, Lekki, Lagos. www.trustbondmortgagebankplc.com	3	Mr. E. Uwa, SAN Mr. Adeniyi Akinlusi Mr. U. O. Kalu Mr. Tamuno Atekebo Engr. E. A. Alabi Mrs. Ola Ifezulike Mrs D. Nicol-Omeruah Mrs. Amira Obi-Okoye (8)	Chairman MD ED ED ED ED ED IND	**KPMG Professional Services.**
38	Union Homes Savings and Loans Plc. 153, Ikorodu road, Onipanu, Lagos www.unionhomes.com.ng	24	Mr. Olutoyin Okeowo Mr. Adekunle Adedigba Mr. M. A. Magashi Mr. O. I. Nnameke (4)	Chairman MD ED ED	**KPMG Professional Services**
	TOTAL	**191**	**241**		

Source: NDIC