



SECTION 12

BALANCE SHEET STRUCTURE OF DEPOSIT MONEY BANKS IN 2012

12.0 Introduction

The balance sheet gives an indication about the health of a bank. It is a veritable source of information for the regulatory authorities as it is a financial snapshot of all the assets and liabilities of a bank. A critical analysis of the balance sheet structure of a bank will give an insight to the risk appetite of its managers.

This section presents the balance sheet structure of insured DMBs in 2012 compared to 2011 with particular reference to changes in the structure of assets and liabilities, shareholders' funds and ownership structure as well as insured banks' deposit liabilities.

12.1 INSURED BANKS' STRUCTURE OF ASSETS

The structure of the assets of insured DMBs (inclusive of Off-Balance Sheet Engagements) as shown in Table 12.1, revealed that total assets increased by 12.29 percent from N21.89 trillion in 2011 to N24.58 trillion.

As a proportion of Total Assets, the following asset categories increased: Net loans and advances from 29.14 percent in 2011 to 30.45 percent in 2012 and Off Balance Sheet Engagements from 16.83 percent in 2011 to 18.42 percent in 2012. Cash and Due from Other Banks (comprising vault cash, balances with CBN and balances held with other banks) also increased from 14.21 percent in 2011 to 16.20 percent in 2012.

Expressed as a proportion of Total Assets, the following asset categories decreased: Interbank Placements from 2.61 percent in 2011 to 1.74 percent in 2012. Total Short Term investments comprising investments in Treasury Bills and Treasury Certificates experienced a slight decline in 2012. Its proportion declined from 17.11 percent in 2011 to 16.55 percent in 2012. Other Short Term Funds comprising money at call and placement with discount houses also decreased from 1.63 percent in 2011 to 0.59 percent in 2012. It is worthy to note that the asset category had continued to decrease in proportion since 2009 when it was 4.07 percent and dropped to 1.66 percent in 2010. Total Investments comprising Investments in Federal Government Development Stock, Investments in Preference Shares and Debentures of other companies and other long term securities decreased from 11.65 percent in 2011 to 9.78 percent in 2012. Other Assets (net) decreased from 3.86 percent in 2011 to 3.62 percent in 2012 while Net Fixed Assets decreased from 2.97 percent in 2011 to 2.65 percent in 2012.



TABLE 12.1
INSURED BANKS' STRUCTURE OF ASSETS IN 2011 & 2012

Assets	Percentage Share as at 31st December	
	(%)	
	2011	2012
Cash and Due from other banks	14.21	16.20
Inter-Bank Placements	2.61	1.74
Total Short Term Investments	17.11	16.55
Other Short Term Funds	1.63	0.59
Net Loans and Advances/Leases	29.14	30.45
Total Investment	11.65	9.78
Other Assets(Net)	3.86	3.62
Net Fixed Assets	2.97	2.65
Off-Balance Sheet Engagements	16.83	18.42
Total Assets	100	100
Total Assets (inclusive of OBS) (₦ Billions)	21,891.56	24,584.65

12.2 INSURED BANKS' STRUCTURE OF LIABILITIES

Table 12.2 presents the structure of liabilities of insured banks in 2012 (compared with the figures for 2011). The table shows that proportion of total deposits to total liabilities increased from 56.33 percent in 2011 to 58.51 percent in 2012. Another liability category that increased was Off-balance sheet engagements from 16.83 percent in 2011 to 18.42 percent in 2012.

The remaining categories of liabilities, when expressed as proportions of total liabilities reduced: Interbank Takings from 0.78 per cent in 2011 to 0.26 percent in 2012; Current



account with Central Bank of Nigeria from 0.30 percent in 2011 to 0.04 percent in 2012; Due to other banks from 0.66 percent in 2011 to 0.59 percent in 2012; Other Liabilities from 9.60 percent in 2011 to 8.85 percent in 2012; Long term loans from 4.22 per cent in 2011 to 3.54 percent in 2012; Equity Capital from 1.01 percent in 2011 to 0.77 percent in 2012 and Reserves from 10.35 percent in 2011 to 9.02 percent in 2012.

TABLE 12.2
INSURED BANKS' STRUCTURE OF LIABILITIES IN 2011 & 2012

Liabilities	Percentage Share as at 31st December (%)	
	2011	2012
Total Deposits	56.33	58.51
Interbank Takings	0.78	0.26
Central Bank (Current Account)	0.30	0.04
Due To Other Banks	0.66	0.59
Other Liabilities	9.60	8.85
Long Term Loans	4.22	3.54
Equity Capital	1.01	0.77
Reserves	10.35	9.02
Off-Balance sheet Engagement	16.83	18.42
Total Value of Liabilities Inclusive of Off balance sheet engagements	₦21,891.56	₦24,584.64

12.3 INSURED BANKS' SHAREHOLDERS' FUNDS

Table 12.3 shows the shareholders' funds of the 20 DMBs in operation in 2012 compared with the figures in 2011. The table shows that there was 22.44 percent increase in shareholders' funds from N1,934.93 billion in 2011 to N2,369.17 billion in 2012. That was attributable to the activities of AMCON through the purchase of NPLs of the DMBs.

The activities of AMCON continued to have positive impact on the industry as the



industry recorded improvement in all performance indices culminating in the increase in the shareholders' funds. The three DMBs acquired by AMCON, namely: Enterprise, Mainstreet and Keystone banks remained adequately capitalized during the reviewed period as their respective capital adequacy ratios were well above the regulatory minimum of 10 percent.

TABLE 12.3
INSURED BANKS' SHAREHOLDERS' FUNDS AS AT DECEMBER 2011 AND 2012

S/N	BANKS	SHAREHOLDERS' FUNDS (₦'BILLION) 2011	SHAREHOLDERS' FUNDS (₦'BILLION) 2012
1	Access Bank Nig. Plc.	187.79	209.35
2	Mainstreet Bank Ltd.	35.82	32.76
3	Keystone Bank plc.	45.24	35.17
4	Citibank Nigeria Ltd.	33.70	36.11
5	Diamond Bank plc.	91.36	106.37
6	Ecobank Nigeria plc.	44.99	127.41
7	Fidelity Bank Plc.	104.88	132.74
8	First Bank of Nig. Plc.	318.78	279.80
9	First City Monument Bank plc.	130.34	119.14
10	Guaranty Trust Bank plc.	173.99	213.69
11	Skye Bank plc.	99.64	102.98
12	Enterprise Bank Ltd.	11.87	26.05
13	Stanbic IBTC Bank plc.	70.25	58.90
14	Standard Chartered Bank Ltd.	37.42	59.83
15	Sterling Bank plc.	27.29	39.28
16	Union Bank plc.	54.25	239.71
17	United Bank for Africa plc.	141.68	170.06
18	Unity Bank plc.	17.99	38.50
19	Wema Bank plc.	11.61	9.37
20	Zenith Bank plc.	296.04	331.95
	Total	1,934.93	2,369.17

12.4 OWNERSHIP STRUCTURE

The ownership structure of Nigerian banks in year 2012 was as diversified as it was in the previous years. Table 12.4 shows that government ownership of shares was below 10 percent in most of the banks. However, in Union, Unity and Wema Banks the government held 20%, 30.4% and 10% equity respectively, while the three (3) banks



acquired by AMCON (Mainstreet, Enterprise and Keystone) had 100 percent government ownership.

Also, the table shows that seven out of the twenty (20) DMBs had some level of foreign ownership in 2012. Of that number, four (4) banks, namely: Citibank (89.1%), Standard Chartered Bank (100%), Stanbic IBTC (53.2%) and Union Bank (65.1%) had substantial ownership of above 50 percent.

TABLE 12.4
INSURED BANKS' OWNERSHIP STRUCTURE AS AT 31ST DECEMBER, 2012

S/N	BANKS	OWNERSHIP STRUCTURE (%)		
		GOVT.	PRIVATE (NIGERIA)	FOREIGN
1	Access Bank Plc	1	99	-
2	Citibank Plc	-	18.1	81.9
3	Diamond Bank Plc	0.16	99.7	0.14
4	Ecobank Plc	-	100	-
5	Enterprise Bank	100	-	-
6	Fidelity Bank	-	100	-
7	First Bank Plc	-	100	-
8	First City Monument Bank	0.47	99.53	-
9	Guaranty Trust	-	100	-
10	Keystone Bank	100	-	-
11	Mainstreet Bank	100	-	-
12	Standard Chartered Bank Nig Ltd	-	-	100
13	Skye Bank Plc	1	50	49
14	Stanbic IBTC Bank Plc	-	46.8	53.2
15	Sterling Bank Plc	0.43	83.42	16.15
16	United Bank for Africa Plc	2.75	97.25	-
17	Union Bank Plc	20	15	65
18	Unity Bank Plc	30.40	69.6	-
19	Wema Bank Plc	10	90	-
20	Zenith Bank Plc	2.6	97.4	-

Source: Bank Returns

12.5 ASSETS OF INSURED DMBs BY MARKET SHARE

Analysis of insured DMBs by market share of assets shows that as in previous years, the banking industry's assets were concentrated in few banks. Out of total assets (excluding OBS) of N20.06 trillion as at 31st December, 2012, the top five banks had assets of N10.24 trillion, representing 51.05 % of the total assets of the banking industry. That proportion was slightly lower than the 52.67% recorded by the top five banks in 2011, as shown in Table 12.5.

The total assets of the top ten banks stood at N15.45 trillion, representing 77.02 % of the total assets of the banking industry as at 31st December, 2012 compared to N14.17



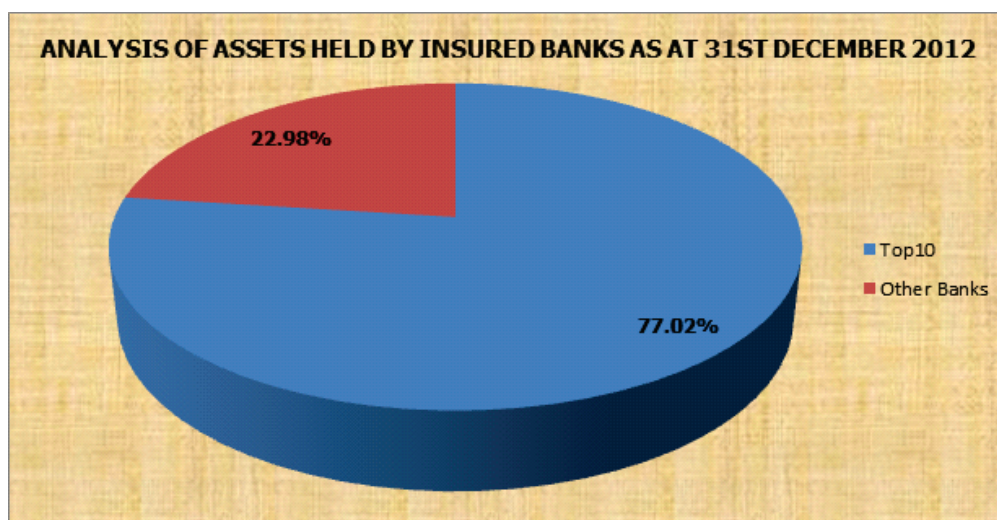
trillion, representing 77.83% in 2011 as shown in Table 12.5 and Chart 12A. The remaining ten (10) banks total assets was N4.61 trillion which represented 22.98 % of total assets of the banking industry as at 31st December, 2012 as against N4.03 trillion, representing 22.17% in 2011.

TABLE 12.5
SIZE OF ASSETS OF TOP INSURED BANKS

Banks	2011		2012	
	Assets (₦billion)	% of Total	Assets (₦billion)	% of Total
Top 5	9,586.8	52.67	10,241.8	51.05
Top10	14,166.77	77.83	15,447.3	77.02
Other Banks	4,034.70	22.17	4,608.3	22.98

Source: Insurance and Surveillance Department, NDIC

CHART 12A



12.6 Insured Banks' Deposit Liabilities by Market Share, Type and Tenor

Deposits usually constitute the largest component of the liability of a bank's balance sheet. A thorough analysis of the types and sizes of deposits mobilised by banks reveals the relative effectiveness of asset/liability management in the financial institutions. Banks' efforts at attracting deposits as well as efforts of other stakeholders towards greater financial inclusion seem to be paying off as there was an increase in the volume of deposits in 2012 compared to 2011. As had been the trend over the years, the total deposit liabilities of insured banks increased from N12.33 trillion in 2011 to N14.39 trillion in 2012, representing an increase of 16.68 %. Table 12.6 and Chart 12B give the analysis of the total deposit liabilities of insured banks as at 31st December, 2012 with comparative figures for 2011.



12.6.1 Deposit Liabilities by Market Share

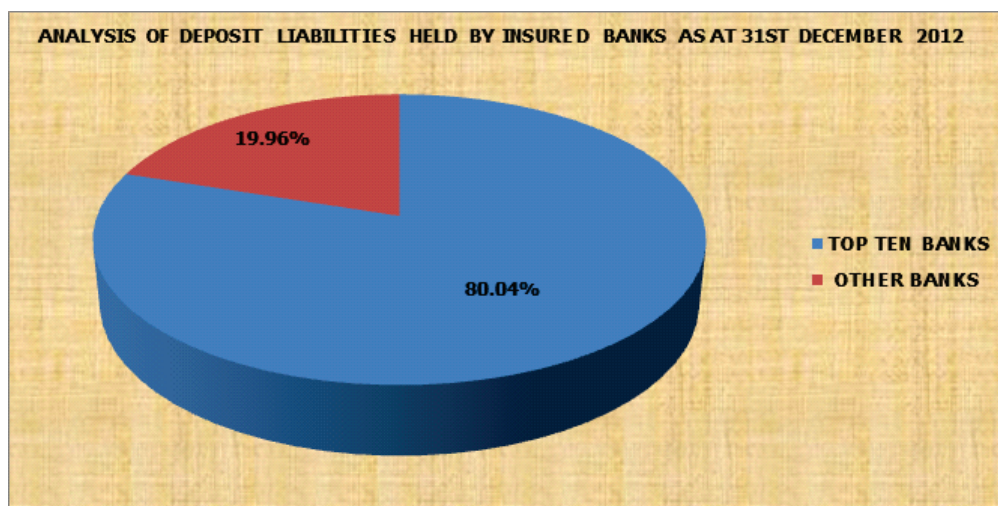
Table 12.6 and Chart 12B show increases in the market share controlled by both the top five and top ten banks in the system. As evidenced in the table, out of the total deposit liabilities of N14.39 trillion in 2012, the deposits held by top five banks amounted to N7.53 trillion, representing 53.30% of total deposits of the banking industry as against 50.32% held by the top five banks in 2011. Also, the proportion of deposit liabilities of top ten (10) banks increased from 71.27% in 2011 to 80.04% in 2012. The deposit profile of the banking industry reveals that while top ten banks held 80.04 percent, the remaining ten banks held only 19.96 percent of the banking industry total deposits.

TABLE 12.6
ANALYSIS OF DEPOSIT LIABILITIES HELD BY THE INSURED DMBS

Banks	2011		2012	
	Deposits	Percentage of Total (%)	Deposits (₦'Billion)	Percentage of Total (%)
Top Five Banks	6,204.67	50.32	7,532.22	53.30
Top Ten Banks	8,788.11	71.27	11,515.05	80.04
Other Banks	3,542.15	28.73	2,871.43	19.96

Source: Insurance and Surveillance Department, NDIC

CHART 12B



12.6.2 Deposit Liabilities by Type

Table 12.7 and Chart 12C show that savings deposits in insured banks increased by N152.52 billion or 8.16% from N1.87 trillion as at December 2011 to N2.02 trillion as at December 2012. Further analysis shows that savings deposits increased in absolute terms but decreased as a proportion of total deposits to 14.06% in 2012 from 15.16% in



2011. Demand deposits stood at N8.9 trillion, an increase of 16.48% and accounted for 61.8% of the industry total deposit liabilities as at December 31, 2012 compared to N7.63 trillion, representing 61.91% as at December 31, 2011. Time/Term deposits in insured banks increased by N645.92 billion from N2.83 trillion in December 2011 to N3.47 trillion as at December 2012. As a proportion of total deposits, time/term deposits also increased from 22.93% in 2011 to 24.15% in 2012.

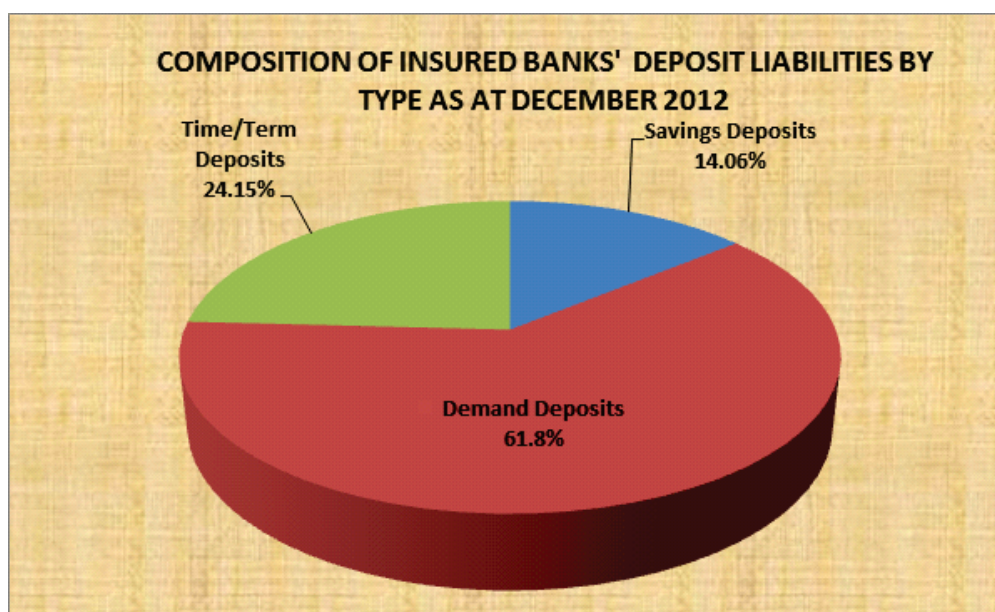
TABLE 12.7
COMPOSITION OF TOTAL DEPOSIT LIABILITIES OF INSURED BANKS IN 2011 AND 2012

Types of Deposit Liabilities	2011		2012	
	Amount (₦'M)	Percentage of Total	Amount (₦'M)	Percentage of Total
Savings Deposits	1,869,677.19	15.16	2,022,199.71	14.06
Demand Deposits	7,632,847.12	61.91	8,890,609.99	61.8
Time/Term Deposits	2,827,739.47	22.93	3,473,666.84	24.15
TOTAL	12,330,263.78	100.00	14,386,476.54	100.00

Source: Bank Returns

* Included in Demand Deposits are Electronic Purse, Domiciliary Accounts and Other Deposits, Certificates and Notes

CHART 12C



12.6.3 Deposit Liabilities by Tenor

Total deposit liabilities of banks by tenor for 2012 and 2011 are presented in Table 12.8 and Chart 12D. A cursory look at the table reveals that short term deposits of below 30 days had increased in both absolute terms from N9.48 trillion in 2011 to N11.12 trillion in 2012, representing an increase of 15.81% and as a proportion of total deposits from 76.86% in 2011 to 77.26% in December, 2012. Deposits of between 31 and 90 days increased from N1,524.72 billion in 2011 to N1,962.23 billion in 2012 and as a proportion



of total deposits, it recorded a slight increase from 12.37% in 2011 to 13.64% in December, 2012. Deposits with tenor between 91 and 180 days had decreased in both absolute terms and as a percentage of total deposit liabilities from N548.81 billion or 4.45% in 2011 to N529.99 billion or 3.68% in 2012. Deposits with tenor of between 181 and 365 days also decreased from N510.30 billion or 4.14% in 2011 to N469.74 billion or 3.27% in 2012. Long-term funds of more than 365 days duration, however, increased in absolute terms from N270.01 billion to N308.86 billion in 2012 but declined marginally as a percentage of total deposit liabilities from 2.18% as at December, 2011 to 2.15% as at December, 2012.

The analysis of insured banks' deposits by tenor shows that depositors preferred to keep their funds in short-term deposits with roll-over options, than keeping their funds for a longer tenor in order to hedge against inflation and volatility of interest rate.

TABLE 12.8
ANALYSIS OF INSURED BANKS' DEPOSITS BY TENOR

Types of Deposits	2011		2012	
	Amount (₦' M)	Percentage of Total	Amount (₦' M)	Percentage of Total
Below 30 Days	9,476,428.75	76.86	11,115,655.25	77.26
Between 31 and 90 Days	1,524,723.04	12.37	1,962,233.93	13.64
Between 91 and 180 Days	548,806.39	4.45	529,988.75	3.68
Between 181 and 365 Days	510,295.62	4.14	469,738.75	3.27
Above 365 Days	270,009.98	2.18	308,859.86	2.15
TOTAL	12,330,263.78	100.00	14,386,476.54	100.00

CHART 12D

