THE ACTIVITIES OF THE NDIC FOR THE FOURTH QUARTER 2020
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1.0 INTRODUCTION
This report highlights the activities and achievements of the Corporation in the Fourth Quarter of 2020. The NDIC activities and achievements are presented below.

2.0 UPDATE ON CORPORATE STRATEGY DEVELOPMENT ACTIVITIES
The highlights of the major strategic initiatives of the Corporation for the quarter ended 31 December 2020 were as follows:

iii. The proposed new Vision, Mission and 2021-2025 strategic Plan of the Corporation was submitted to Board Committee on IT & Strategy for review and Board’s approval.

iv. The performance scorecard of the Corporation’s 2016-2020 Strategic Plan as at 4th Quarter ended 31 December, 2020 showed that six (6) initiatives representing 27% were at 100% completion level while sixteen (16) initiatives representing 73% were on-going at various levels of implementation. Further analysis of the ongoing initiatives revealed that out of the 16 initiatives, 12 initiatives had exceeded 50% while the remaining four (4) were still within the range of 10% and 40%.

v. The Corporation participated in the development of a Competency Framework for the Financial Sector under the auspices of Financial System Strategy (FSS2020). The objective of the Framework was to standardize capacity and competency skills with a view to nurturing and producing a knowledgeable, skilled, and competent workforce for the Nigerian banking industry.

5.0 FINANCE ACTIVITIES
3.1 As at 31 December 2020, the Corporation had remitted the sum of ₦45 billion to FGN Consolidated Revenue Fund (CRF) being 80% of its net operating surplus for the first, second and third quarters of 2020. The deduction for the fourth quarter would be remitted once the Corporation’s account as at 31 December 2020 is closed.

3.2 The Corporation hosted Auditors from the Office of the Auditor-General for the Federation to conduct periodic checks on the financial records of the NDIC from January 2017 to June 2020.

6.0 OPERATIONAL ACTIVITIES
4.1 CLAIMS SETTLEMENT
4.1.1 Payments to Insured and Uninsured Depositors of Closed Insured Banks
iv. The Corporation paid ₦2,111,240.09 as insured sum to 76 depositors of 49 Deposit Money Banks (DMBs) in-liquidation while ₦8,146,040.49 was paid as uninsured deposit of Assurance Bank (in-liquidation) during Q4, 2020. Cumulatively, the NDIC had paid ₦8.268 billion to 443,946 insured depositors and ₦100.826 billion to uninsured depositors of DMBs as at 31 December, 2020.

v. During the period under review, 55 insured depositors of 325 Microfinance Banks (MFBs) in-liquidation were paid ₦4,175,276.68, while there was no payment made to uninsured depositors. Cumulatively, the Corporation paid ₦3.375 billion to 90,291 insured depositors and ₦1.218 million to uninsured depositors in this category.

vi. Also, in Q4 2020, 290 insured depositors of 51 Primary Mortgage Banks (PMBs) were paid the sum of ₦17,199,179.36 while no payment was made to uninsured depositors. The cumulative insured amount paid to 1,277 depositors was ₦106.06 million and the cumulative uninsured payment stood at ₦6.311 million as at 31 December 2020.

4.1.2 Payments to Creditors of Banks in-Liquidation
During the quarter ended 31 December 2020, no creditor of banks in-liquidation was paid. Cumulatively, the sum of ₦1.274 billion had been paid to 991 out of 1,320 creditors.

4.1.3 Payments to Shareholders of Banks in-Liquidation
During the period under review, four (4) shareholders of banks in-liquidation were paid ₦755,422.50. Consequently, the cumulative sum of ₦4.591 billion had been paid to 948 shareholders as at 31 December 2020.

4.2 ASSET MANAGEMENT
4.2.1 Risk Assets Recovery
- As at 31 December 2020, a total sum of ₦93,203,191.69 was recovered from Ten (10) out of Forty-Nine (49) DMBs in-liquidation. That represented an increase of ₦43,473,191.93 or 87.42% from the sum of ₦49,729,999.76 recovered for Q3, 2020. Also, the sum of ₦5,173,690.85 and ₦2,732,599.39 were recovered from 6 MFBs and 3 PMBs in-liquidation, respectively.
- The total recovery from Risk Assets for October to December 2020 was ₦101,109,481.93 against the sum of ₦65,631,331.09 recovered from July to September 2020.
- The cumulative recovery for the DMBs in-Liquidation from 1994 to date was ₦30.193 billion. The sum of ₦151.60 million was recovered from September 2010 to date in respect of closed MFBs, while PMBs had a cumulative recovery of ₦351.62 million.
4.2.2 Disposal of Physical Assets
- During Q4 2020, the sum of ₦269.4 million was realized from the disposal of Physical Assets for DMBs in-liquidation compared to ₦321,380 realised in Q3, 2020.
- The total sum of ₦7,346,462.50 was realized from the disposal of Physical Assets of MFBs in-liquidation while the sum of ₦630,000.00 was realized from two PMBs in-liquidation during the quarter ended 31 December, 2020.
- The cumulative receipt on the realization of Physical Assets and Rent collected on properties of banks in-liquidation as at 31 December 2020 amounted to ₦22.56 billion. The figure included ₦21.92 billion, ₦555.57 million and ₦81.59 million for DMBs, MFBs and PMBs in-liquidation, respectively.

4.2.3 Realisation of Investments of Banks in-Liquidation
- In Q4 2020, the sum of ₦45,154,246.30 was realized from investments of closed banks comprising ₦27,159,660.00 and ₦17,994,586.30 for DMBs and MFBs in-liquidation, respectively.
- The cumulative amount realized from investments of DMBs & MFBs from inception to December 2020 was ₦4,746,308,913.54.

4.3 BANK SUPERVISION
4.3.1 Risk Based Supervision - On-Site Examination of DMBs
During Q4 2020, the CBN and NDIC jointly conducted risk-based supervision (RBS) examinations of 13 DMBs rated High and Above Average Banks and 2 Financial Holdcos as at 30 September, 2020. The NDIC led the examinations of 3 of the banks. Similarly, the Corporation collaborated with the CBN to conduct the maiden examination of a Non-Interest Bank during the reviewed quarter.

4.3.2 Investigations/Consumer Protection
The Corporation continued to investigate complaints from DMBs customers and other stakeholders. A total of 216 petitions/complaints were investigated as at 31 December, 2020 with 138, concluded as against 143 petitions/complaints that were investigated as at 30 September, 2020 with 83 concluded.

4.3.3 On-Site Examination of MFBs and PMBs
The CBN allocated 200 MFBs and 10 PMBs to the Corporation for 2020 on-site examination. The RBS examination of 195 of the MFBs were conducted as at 31 December 2020. However, Four (4) of the MFBs were not examined due to security challenges while one MFB (Ejimogun MFB) was razed down during the ENDSARS protests. Also, the 10 PMBs allocated to the Corporation were examined and reports issued in Q4 2020.

4.4 Off-site Activities/ Analysis on DMBs
i. Premium Assessment
During Q4 2020, the Corporation concluded on-site deposit verification exercise of DMBs and Non-Interest Banking windows to determine the actual premium payable by those institutions.

ii. Whistle Blowing
The Corporation received 64 whistle blowing cases from 21 DMBs, bordering on service dissatisfaction, unauthorized access to account, cash suppression, fraud, unethical and unprofessional conduct, discrimination and ill treatment among others, during the quarter ended 31 December, 2020. 57 cases had been concluded while the remaining 7 were still under investigation.

iii. Report on Status Enquiry Requests (Fit & Proper)
During the quarter under review, 338 requests were received from the CBN, SEC and NAICOM. 290 of such requests were evaluated and reported back to the respective institutions while 48 requests were outstanding pending further investigation.

iv. The Bond Insurance
The twenty-seven (27) DMBs and two (2) non-interest banks, had submitted their Fidelity Insurance Coverage as at the reporting date. However, only Twelve (12) DMBs and one (1) non-interest bank out of the total number that submitted maintained adequate Fidelity Insurance Coverage of 15% of their Paid-up Capital as stipulated in the NDIC Act. The remaining Sixteen (16) banks had their cover below the threshold and have been advised accordingly.

12.0 ENTERPRISE RISK MANAGEMENT ACTIVITIES
The following Enterprise Risk Management activities of the Corporation were carried out during the period under review:

12.1 As part of the continual improvement plan, the Corporation successfully migrated from ISO 22301:2012 to 22301:2019 on Business Continuity Management Systems (BCMS) and continued to maintain: actions to address risks and opportunities; Lessons Learnt Register; Incident Log; and BCMS Issues Tracking/Management Log.

12.2 An internal audit of BCMS was conducted in November 2020 with a view to providing assurance on the performance of the Management System.

12.3 A report on the risk profile of the Corporation as at 30th September, 2020 was submitted for consideration by the Senior Management and Board Committee on IT/Corporate Strategy.

12.4 The Corporation reviewed its Risk Appetite, Key Risk Indicators and Risk Tolerance Limits Framework. The reviewed Framework had been submitted to Senior Management for further review and approval.
13.0 EXECUTION OF CAPITAL PROJECTS
The construction of the four (4) major building projects - Lagos Office Building at Ikoyi, Lagos; Training Centre at Lekki, Lagos and Head Office Annex in Abuja - had progressed satisfactorily during the period under review. Also, the project for the construction of the Bauchi Zonal Office was handed over to the contractor on 11 February, 2020.

13.0 COLLABORATION AND PUBLIC AWARENESS ACTIVITIES
During the period under review, the Corporation implemented various public awareness initiatives focusing more on media relations, corporate awareness events, social media/digital/radio/TV engagements, participation in International Trade fairs/Exhibitions and Legislative liaison. Such strategic awareness initiatives included:

13.1 Press Releases and Broadcast of Special Events

13.1.1 The Corporation issued three (3) press releases on its major events during Q4, 2020 under the captions (i) “NDIC MD/CE bows out after successful two (2) terms in office” (ii) “Why pool of deposits in closed banks remained unclaimed” and (iii) “NDIC begins verification of 42 failed MFBs”.

13.1.2 The Corporation provided publicity on Channels TV/Network News/ National Dailies to the Judges Seminar held on 18th December 2020 under the title “Why pool of deposits in closed banks remained unclaimed” and send forth Luncheon held on 29 November 2020 in honour of the outgone MD/CE Umaru Ibrahim organized by the Alumni Association of the National Institute (AANI).

13.2 Management of NDIC Public Awareness Corporate Events

13.2.1 The Corporation hosted the 17th Edition of the Workshop for Business Editors and Finance Correspondents Association of Nigeria (FICAN) with the theme “COVID-19 and Fintech Disruptions: Opportunities and Challenges for banking stability and deposit insurance”. The event enabled the Corporation to build the capacity of Finance correspondents towards a more balanced and informed reportage of NDIC mandate and activities. The FICAN Workshop was organised in two runs: Lagos run held from 21 – 23 October, 2020 with 61 participants while the Kaduna run took place from 11 – 13 November, 2020 with 49 participants.

13.2.2 The Corporation also hosted the 4th Edition of the NDIC Editors Forum in Lagos State on 25 November, 2020. The Senior Editors of print, electronic and new media channels were engaged on the emerging issues in the financial system with a view to building their capacity for effective reportage. The Forum had in attendance 43 Senior Editors.
13.3 Social Media Public Awareness
In view of the restrictions imposed on its other public awareness initiatives by the COVID-19 Pandemic, the Corporation had placed premium on the optimization of its social media handles such as Facebook, Instagram, Twitter, LinkedIn and YouTube social media platforms.
Through these efforts, the Corporation recorded a total number of 177 posts in Q4 2020 compared to 172 posts across various social media platforms during Q3 2020.

14.0 CHALLENGES
Notwithstanding the achievements recorded above, the Corporation is still faced with a few challenges. Some of the challenges included:

vii. Poor documentation by failed banks and inadequate information on borrowers
viii. The Impact of the Fiscal Responsibility Act (FRA) of 2007: Compliance with the FRA Act, 2007 had impaired the growth of the General Reserve Fund (GRF), by extension, the growth in the Funds available for both failure resolution and Deposit-Payoff.
ix. Delay in the amendment of the NDIC enabling Act.
x. Unwilling attitude of high net-worth debtors of failed banks to liquidate their debts.
xii. Difficulty in the execution of judgment debts.
xiii. Inadequate public awareness on the Deposit Insurance System.

The Corporation is addressing some of the above challenges through its efforts to repeal and re-enact NDIC Act, improvements in public awareness initiatives, the on-boarding of MFBs to the National Association of Microfinance Banks Unified IT Platform (NAMBUIT) to improve data integrity and renditions by the insured financial institutions. Furthermore, the Corporation introduced Resolution Planning Investigation (RPI) aimed to conduct special examinations ahead of the revocation of an insured institution’s licence and gather as much information/data that will aid effective liquidation.

15.0 CONCLUSION
During the period under review, the Corporation consistently pursued the achievement of its mandate of depositor protection and the promotion of safe and sound banking practices. As an active component of the Nigerian financial safety-net, the Corporation is committed to engendering confidence and contributing to financial system stability.