

Activities of the NDIC in the First Quarter, 2022

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3.0 Introduction

The NDIC activities and achievements in the first quarter of 2022 are presented below:

3.1 Update on Finance and Corporate Strategy Development Activities

The following are highlights of the major strategic activities of the Corporation for the quarter that ended March 31, 2022:

- The NDIC 2022 budget has been approved by the Joint Committee of the National Assembly and is currently being uploaded onto the Sunsystem Financials software for implementation, budgetary control, and monitoring across the NDIC.
- During the review period, relevant taxes, including Withholding Tax (WHT), Value Added Tax (VAT), and Stamp Duties, were duly deducted and remitted to the relevant Tax Authorities using the new Federal Inland Revenue Service (FIRS) introduced TaxPro Max Application.
- The NDIC, in collaboration with the SERVICOM Office of the Presidency, hosted two customer care workshops for the Focal Champions in various offices of the Corporation to further sharpen their skills and behavior to deliver exceptional customer care services to internal and external stakeholders, including the general public.
- The NDIC SERVICOM Unit's 2022 Work Plan was submitted to the SERVICOM Office of the Presidency. Also, the NDIC monitored periodic service failure reports from its departments, units, and offices to promptly address any identified grievance/complaint from its stakeholders.
- The review of the Standard Operating Procedures (SOPs) for the year 2021 was completed during the first quarter of 2022, and the staff was sensitized accordingly.

3.2 Operational Activities

3.2.1 Claims Settlement

a) Payments to Insured and Uninsured Depositors of Closed Insured Banks

- During the first quarter of 2022, no payment was made to insured depositors, but the NDIC paid ₦6,788,804.94 as an uninsured sum to depositors of closed DMBs. As of March 31, 2022, the NDIC had cumulatively paid ₦8.268 billion to 443,946 insured depositors and ₦101.124 billion to uninsured depositors of 49 DMBs in-liquidation.
- The NDIC paid ₦2,667,036.64 as an insured sum to 58 depositors of 367 Microfinance Banks (MFBs) in liquidation, while the sum of ₦258,871.59 was paid to uninsured depositors during Q1 2022. Cumulatively, the NDIC has paid ₦3.423 billion to 91,071 insured depositors and ₦11.662 million to uninsured depositors of closed MFBs as of March 31, 2022.
- Also, during the first quarter of 2022, there was no payment to both insured or uninsured depositors of PMBs. The cumulative insured amount paid to 1,572 depositors of closed PMBs remained at ₦113.062 million and to the uninsured was at ₦7.965 million as of March 31, 2022.

3.2.2 Payments to Uninsured Creditors of Banks in-Liquidation

In the first quarter of 2022, one (1) creditor of Cooperative & Commerce Bank was paid ₦129,700.01. Cumulatively, the sum of ₦1.275 billion has been paid to 993 out of 1,320 creditors as of March 31, 2022. Meanwhile, ₦1.741 billion was declared to Creditors of eleven (11) DMBs in liquidation to date.

3.2.3 Payments to Shareholders of Banks in-Liquidation

During the first quarter of 2022, three (3) shareholders of Alpha Merchant Bank in-liquidation were paid ₦1,803,750.00. Consequently, the cumulative sum of ₦4.890 billion has been paid to 969 shareholders in liquidation as of March 31, 2022.

3.3 Asset Management

3.3.1 Risk Assets Recovery

In the first quarter of 2022, the sum of ₦138,487,299.65 was recovered from 15 out of the 49 DMBs in liquidation. Equally, the sum of ₦4,677,935.25 and ₦276,329,303.59 was recovered from 7 MFBs and 4 PMBs in liquidation, respectively.

Table 2: Loan Recoveries for Fourth Quarter 2021 and First Quarter, 2022

	FOURTH QUARTER, 2021				FIRST QUARTER, 2022			
	Oct.	Nov.	Dec.	TOTAL	Jan.	Feb.	Mar.	TOTAL
	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m
DMBs	18.68	2.82	33.08	54.58	21.38	97.57	19.54	138.49
PMBs	4.25	1.90	3.25	9.4	1.1	31.54	243.69	276.33
MFBs	0.82	12.15	1.16	14.14	1.66	2.7	0.32	4.68
GRAND TOTAL	23.75	16.87	37.49	78.12	24.14	131.82	263.54	419.50

The cumulative recovery for the DMBs in liquidation from 1994 to date was ₦30,589.33 million. The sum of ₦273.69 million was recovered from September 2010 to March 31, 2022, in respect of closed MFBs, while PMBs had a cumulative recovery of ₦692.01 million. Therefore, the cumulative recovery from Risk Assets of all banks in liquidation stood at ₦31,555.03 million as of March 31, 2022.

3.3.2 Disposal of Physical Assets

The total sum realized from the sale of Physical Assets of DMBs, MFBs, and PMBs in liquidation from January to March 31, 2022, was ₦255.97 million.

▪ Disposal of Physical Assets DMBs in-Liquidation

The sum of ₦150 million was realized from the disposal of Physical Assets of DMBs in liquidation in the first quarter of 2022 as against ₦130 million recovered in the fourth quarter of 2021.

▪ Disposal of Physical Assets of MFBs and PMBs In-Liquidation

In the first quarter of 2022, the total sum of ₦105.97 million was realized from the disposal of Physical Assets of MFBs in liquidation, while there was no Physical Assets realization for PMBs

in liquidation. As of March 31, 2022, the cumulative realization since inception from Physical Assets and Rent collected on properties of banks in liquidation stood at ₦23,391.80 million. The figure comprised ₦22,306.16 million, ₦881.78 million, and ₦203.86 million for DMBs, MFBs, and PMBs in liquidation, respectively.

3.3.3 Realisation of Investments of Banks in-Liquidation

The sum of ₦40.07 million was realized from investments of banks in liquidation during the first quarter, 2022 comprising ₦35.88 million, ₦4.16 million, and ₦21,974.15 for closed 3 DMBs, 16 MFBs, and 1 PMB, respectively. The cumulative sum realized from investments of banks in liquidation from inception to March 31, 2022, was ₦4,919.03 million. The total amount realized from investments of DMBs from 1994 to March 31, 2022, stood at ₦4,772.18 million, for MFBs from 2010 to date was ₦80.57 million and for PMBs was ₦66.28 million.

3.4 Bank Supervision

3.4.1 Risk Asset Examination of DMBs

In the first quarter of 2022, the CBN/NDIC jointly conducted a Risk Assets Examination of 31 DMBs as of 31st December 2021, with NDIC leading the examinations of 7 of those banks. The draft examination reports were undergoing further quality control by the CBN/NDIC Methodology Group, preparatory to issuance.

3.4.2 Risk-Based Supervision (RBS) - On-Site Examination of DMBs

The RBS reports of 13 DMBs and 2 financial HOLDCOs examined in the fourth quarter, 2021, as of September 30, 2021, cut-off date, were undergoing further quality control by the CBN/NDIC Methodology Group during the period in review.

3.4.3 Investigations/Consumer Protection

The NDIC received and investigated 80 petitions/complaints from DMBs' customers and other stakeholders, with 20 of those petitions already concluded while 60 were ongoing as of March 31, 2022.

3.4.4 On-Site Examination of MFBs and PMBs

The CBN was yet to allocate MFBs and PMBs to NDIC for on-site examination in 2022 due to the ongoing capital verification of those banks. However, the reports of RBS Examinations conducted in the fourth quarter of 2021 on 10 PMBs were issued during the quarter in review.

3.4.5 On-Boarding of MFBs to NAMBUIT

The CBN/NDIC financed Microfinance Banks Unified Information Technology (NAMBUIT) platform, a core and agency banking solution, was still in the implementation phase. The NAMBUIT platform, as of March 31, 2022, had on-boarded 154 MFBs compared to 143 MFBs on-boarded as of December 31, 2021.

3.5 Enterprise Risk Management Activities

In the first quarter of 2022, the following Enterprise Risk Management activities of the Corporation were carried out:

- The NDIC conducted a facility test at the Head Office and its Alternate site during the period to ascertain their fit-for-purpose in those locations.
- Risk Assessment was conducted on the NDIC Alternate Site to identify inherent issues that could impede its state of readiness for use in the event of any significant business disruption with the recommended measures currently being addressed.

- NDIC hosted a three-man team from the Office of the Head of Service of the Federation that came to understudy NDIC Enterprise Risk Management processes from 14th to 18th March 2022.
- The development of Risk Rating Criteria for all the identified Risk Events under each Significant Risk in the Corporation had commenced, and the draft document was being finalised by the inter-departmental committee set up for the purpose.

3.6 Collaboration, Public Awareness, and Corporate Social Responsibility (CSR) Activities

The NDIC implemented various public awareness initiatives and commissioned corporate social responsibility projects in line with its mandate and activities during the quarter that ended on March 31, 2022. The executed initiatives and projects include:

3.6.1 Public Awareness Activities

- The NDIC, in collaboration with Bankers Committee, commemorated the 2022 Financial Literacy Day in 10 out of the 13 approved states, inclusive of FCT, Oyo, Kano, Bauchi, Adamawa, Sokoto, Edo, Enugu, Imo, Rivers, Kwara, Ogun, and Lagos. The NDIC mentored 988 students across 12 secondary schools in 10 states on the theme “Build your Future, Be Smart About Money” and on the basic knowledge of the Deposit Insurance System (DIS).
- The NDIC participated in the Kaduna International Trade Fair held from February 25 to March 16, 2022. A total of 918 visitors across different social strata were sensitized, while 2,000 flyers and 700 in-house publications were distributed.
- The NDIC participated at the 2022 Ogun Tech Summit held at Abeokuta by Ogun State Government/Tech Hubs and the Oba of Benin 2022 6th Annual Golf tournament held in Benin. The corporation's stands at both events received 59 visitors who were sensitized on the NDIC's mandate and activities, while also a total of 500 NDIC publications were distributed to other participants.
- The NDIC celebrated the 2022 International Women's Day (IWD) on March 16, 2022, in Abuja with the theme “Changing Climates: Equality Today for a Sustainable Tomorrow.” The event took stock of the female workforce's contributions to the organizational growth of NDIC and promoted strategies for gender inclusiveness in the Corporation.
- The NDIC hosted two (2) excursion visits by 67 students of the Department of Statistics Nasarawa State University and 63 students of the Banking and Finance Department of Ekiti State University. The students of both universities were sensitized on the NDIC mandate, benefits/limitations of deposit insurance, and its contributions to financial system stability.
- The NDIC MD/CE granted three (3) special interviews and two (2) documentaries to shed light on NDIC contributions to financial system stability.

3.6.2 Corporate Social Responsibility (CSR) Projects

Various Corporate Social Responsibility projects were commissioned by the NDIC in four (4) states Ogun, Kwara, Kaduna, and Kastina. The projects commissioned ranged from the school library, equipping the school ICT centre, building classrooms, and renovation of the hostel, amongst others.

3.6.3 Legislative Liaison & Government Relations

- The NDIC participated in the public hearing (i) on the SERVICOM Act Amendment Bill by the House Committee on Governmental Affairs; (ii) Bill for an Act to establish the Chartered Risk Management Institute of Nigeria by the Senate Committee on Establishment and Public Service.
- The NDIC covered the screening and confirmation of its new Executive Director (Corporate Services) before the Senate Committee on Banking, Insurance, and Other Financial Institutions at the Nigerian Police Force and Department of State Security Services (DSS).
- Hosted the members of the House of Representatives Committee on Insurance & Actuarial Matters to NDIC Enugu and Port Harcourt zonal offices on their oversight visits to ensure efficient management of funds appropriated to the Corporation.

3.6.4 Social Media Campaign

In the first quarter of 2022, the NDIC created and deployed a total of 252 contents on the various aspects of the Corporation's mandate across the social media handles. As of March 31, 2022, the NDIC had 14,909 followers on Facebook, 23,254 followers on LinkedIn, 4,798 followers on Instagram, 4,578 followers on Twitter, and 109 followers on YouTube.

3.7 Legal Activities

The major legal activities of the Corporation during the first quarter of 2022 were as follows:

- The NDIC monitored a total of 13 criminal cases pending in various courts, 26 investigation cases domiciled at the Financial Malpractices Investigation Unit (FMIU), and one (1) investigation case at the Economic Financial Crimes Commission (EFCC).
- The Winding-up orders were obtained by the NDIC for 22 MFBs in respect of 42 MFBs whose licences were revoked by the CBN in November 2020.
- Three (3) court Judgements were obtained in favour of the NDIC during the period.
- Six (6) vesting orders were obtained in respect of properties of closed banks with defective titles, making a total of 19 vesting orders obtained out of 30 applications so far.
- The NDIC made input and attended Public Hearings on the following Bills presented to the National Assembly: A Bill for an Act to Establish the Chartered Risk Management Institute of Nigeria 2022 (SB.705); and A Bill for an Act to Establish the Chartered Institute of Forensics and Certified Fraud Examiners of Nigeria (Establishment) Bill, 2022.
- The NDIC continued to monitor the marketing and distribution of the Nigerian Banking Law Reports (NBLRs) by Messrs Keric Nigeria Limited and Messrs Page Law Books Nigeria Limited.

3.8 Conclusion

As one of the components of the Nigerian financial safety net, the NDIC has continued to engender public confidence and contribute to the stability of the financial system. The Corporation, through its various activities, has consistently pursued the achievement of its public policy of depositor protection and the promotion of safe and sound banking practices.