

Activities of the NDIC in the Fourth Quarter, 2022

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6.0 Introduction

This progress report is to apprise the Central Bank of Nigeria (CBN) on the activities and achievements of the NDIC in the Fourth Quarter of 2022. The NDIC activities and achievements are presented below.

6.1 Update on Finance and Corporate Strategy Development Activities

The following are highlights of the major strategic and finance activities of the Corporation for the quarter ended December 31, 2022:

- The NDIC launched its 2021–2025 Strategy Plan with the theme “Repositioning the Corporation for Operational Resilience”.
- The Corporation’s Nodal Officer was awarded 3rd Best Performance Nodal Officer in Group D by the SERVICOM Office of the Presidency.
- The NDIC was also awarded a ‘Platinum Level 5’ Organization award by the Bureau for Public Service Reforms (BPSR) Self-Assessment Tool (SAT), and further won 3rd position at the Federal Government Scorecard for Ranking Federal Ministries, Departments and Agencies (MDAs) for 2021/2022.
- The Corporation appointed KPMG to carry out the annual ISO Surveillance Audit exercise of its ISO 27001 (Information Security Management System), ISO 20000 (IT Service Management System) and ISO 22301 (Business Continuity Management System).
- The NDIC’s Annual Innovation Competition interdepartmental committee had selected 8 top ten innovations out of 44 innovations entries, to represent the Corporation at the Annual National Innovation Competition hosted by the Office of the Head of Civil Service of the Federation (OHCSF).
- In the fourth quarter 2022, relevant taxes including Withholding Tax (WHT), Value Added Tax (VAT), Stamp Duties and Personal Income Tax (PIT); were duly deducted and remitted to the relevant Tax Authorities. Also, other statutory remittances like National Housing Fund (NHF) and National Housing Insurance Scheme (NHIS) were also made during the period in review.

6.2 Operational Activities

6.2.1 Claims Settlement

(A) Payments to Insured and Uninsured Depositors of Closed Insured Banks

- In the fourth quarter, 2022, the NDIC paid ₦145,432,991.41 to uninsured depositors of closed Deposit Money Banks (DMBs), while no payment was made to insured depositors. Cumulatively, the NDIC had paid ₦8.268 billion to 443,959 insured depositors and ₦101.450 billion to uninsured depositors of 49 DMBs in-liquidation as at 31 December 2022.
- The NDIC also paid ₦427,281.90 to 10 insured depositors of 367 Microfinance Banks (MFBs) in-liquidation during the review period. Cumulatively, the NDIC had paid

₦3.448 billion to 91,412 insured depositors and ₦12.678 million to uninsured depositors of closed MFBs as at 31 December 2022.

- During the quarter under review, eight insured depositors were paid ₦1,284,854.41, while the uninsured depositors of closed PMBs were paid ₦201,861,181.80. The cumulative insured amount paid by the NDIC to 1,681 depositors of closed PMBs stood at ₦119.447 million and ₦211.359 million to the uninsured depositors as at 31 December 2022.

(B) Payments to Uninsured Creditors of Banks in-Liquidation

During the review period, the sum of N1,586,116.61 was paid to seven creditors of the 49 DMBs in-liquidation. Cumulatively, the sum of N1.281 billion has been paid to 1,027 out of 1,320 creditors as at December 31, 2022

(C) Payments to Shareholders of Banks in-Liquidation

The NDIC paid the sum of ₦2,330,650.00 to seven shareholders of closed DMBs. Consequently, the cumulative sum of ₦4.892 billion has been paid to 977 shareholders as at December 31, 2022.

6.3 Asset Management

6.3.1 Risk Assets Recovery

The sum of N85,968,793.25 was recovered from 15 out of the 49 DMBs in-liquidation during the fourth quarter 2022. Similarly, the sum of ₦18,850,856.40 and ₦2,681,440.44 were recovered from two MFBs and five PMBs in-liquidation, respectively. Consequently, the total recovery from the Risk Assets for the period was N107,501,090.09 as summarised in Table 6.1.

Table 6.1: Loan Recoveries for Third Quarter, 2022 and Fourth Quarter, 2022

Description	THIRD QUARTER, 2022				FOURTH QUARTER, 2022			
	July	Aug.	Sept.	TOTAL	Oct.	Nov.	Dec.	TOTAL
	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m
DMBs	35.08	15.85	39.76	90.69	11.40	57.34	17.23	85.97
PMBs	0.00	40.97	5.70	46.67	2.20	0.48	0.00	2.68
MFBs	0.11	0.33	1.63	2.07	10.80	7.95	0.10	18.85
GRAND TOTAL	35.19	57.15	47.09	139.43	24.40	65.77	17.33	107.50

The cumulative recovery for the DMBs in-liquidation from 1994 to date was ₦30,963.55 million. The sum of ₦306.86 million was recovered from September 2010 to date in respect of closed MFBs, while PMBs had a cumulative recovery of ₦788.29 million. Therefore, the total recovery from Risk Assets of all banks in-liquidation stood at ₦32.06 billion as at December 31, 2022.

6.3.2 Disposal of Physical Assets

The total sum of ₦565,500.00 was realized from the disposal of Physical Assets (landed properties, vehicles/generating sets, and chattels) of DMBs in-liquidation during the fourth quarter 2022.

i. Disposal of Physical Assets DMBs in-Liquidation

The total sum of ₦565,500.00 was realized from the disposal of Physical Assets (landed properties, vehicles/generating sets, and chattels) of DMBs in-liquidation during the fourth quarter 2022.

ii. Disposal of Physical Assets of MFBs and PMBs In-Liquidation

In fourth quarter, 2022, the sum of ₦28.21 million was realized from the disposal of Physical Assets of MFBs in-liquidation, while the sum of ₦21.81 million was realized from the disposal of Physical Assets of PMBs in-liquidation.

As at December 31, 2022, the cumulative realization since inception from Physical Assets and Rent collected on properties of banks in-liquidation stood at ₦23,464.77 million. The figure comprised ₦22,306.73 million, ₦932.37 million and ₦225.67 million for DMBs, MFBs and PMBs in-liquidation, respectively.

6.3.3 Realisation of Investments of Banks in-Liquidation

The sum of ₦140,558.38 was realized from investments of two MFBs in-liquidation during fourth quarter, 2022. There was no realization of investment for DMBs and PMBs in-liquidation in the period under review.

The cumulative sum realized from investments of banks in-liquidation from inception to December 31, 2022 was ₦4,932.48 million. The total amount realized from investments of DMBs from 1994 to December 31, 2022 stood at ₦4,777.74 million, for MFBs from 2010 to date was ₦88.38 million and for PMBs was ₦66.36 million as at 31 December 2022.

6.4 Bank Supervision

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

During the fourth quarter of 2022, a team of CBN/NDIC examiners conducted RBS examinations of 17 High and Above Average risk-rated banks comprising 15 DMBs and 2 Holding Companies (HOLDCOs) as at September 30, 2022 with the NDIC leading the examinations of 3 of those banks. The reports were vetted by the CBN/NDIC Group Heads and awaiting Management's approval for quality control by the Joint CBN/NDIC Methodology Group.

6.4.2 Holding Companies (HOLDCOs) Examination

In the fourth quarter of 2022, a team of CBN/NDIC examiners consolidated the Risk Assessment Summaries (RAS) of Holding Companies (HOLDCOs) that were examined in the in the third quarter of 2022. The programme, which was sponsored by the Financial Services Regulation and Coordination Committee (FSRCC), was held in Uyo, Akwa Ibom State, from 3rd to 8th October, 2022.

6.4.3 On-Site Examination of MFBs and PMBs

The CBN allocated 136 banks (130 MFBs and six PMBs) to NDIC for the 2022 on-site RBS Examination. The NDIC had completed the examination of 133 banks (127 MFBs and six PMBs) by the end of the fourth quarter leaving a balance of 3 MFBs which could not be examined due to insecurity around the location of the banks. The reports were issued to the banks and copies submitted to the CBN after the reports defence was concluded in December 2022.

6.4.4 Quality Assurance on DMBs' Examination Reports

The quality assurance of the under listed assessments were jointly carried out by the CBN and NDIC Methodology Group during the fourth quarter, 2022:

- i. Risk Based Examination (RBE) Reports of banks and HOLDCOs as at September 30, 2022
- ii. Joint CBN/NDIC Cybersecurity Supervisory Review & Evaluation (SRE) of 20 DMBs.
- iii. Consolidated reports of two out of the three HOLDCOs examined as at September 30, 2022.
- iv.

6.4.5 On and Off-Site Monitoring of MFBs and PMBs

As at December 31, 2022, the NDIC had cumulatively monitored 205 banks (out of 200 MFBs and 10 PMBs examined in 2021). The figure comprised of 27 MFBs monitored on-site, whilst 178 banks were monitored off-site. That was an increase of 49 banks when compared with the 156 banks monitored as at the end of 3rd quarter, 2022. The aim of the monitoring exercise is to assess the extent of the banks' implementation of previous examiners' recommendations.

6.4.6 Investigations/Consumer Protection

In the twelve months ended December 31, 2022, a total of 280 customer complaints from various banks were received by the NDIC, of which 47 or 16.79 per cent were ongoing, 223 or 79.64 per cent were concluded, and 10 or 3.57 per cent were expunged because account details and disputed amounts were not provided.

6.4.7 Premium Assessment, Collection and Deposit Verification on Insured banks

At end-December 2022, the NDIC, collected a total premium of ₦167.74 billion from 32 DMBs comprising 23 commercial banks, 6 merchants banks and 3 NIBs & 2 NIB windows, as well as ₦4.75 million from 2 PSBs. Moreover, as at December 31, 2022, 646 banks made up of 620 MFBs and 26 PMBs had paid premium of ₦1.88 billion representing 144.62 per cent of the ₦1.3 billion target collection for 2022. The introduction of Differential Premium Assessment System (DPAS) contributed to the improved perception and willingness of the MFBs to pay the assessed premium.

6.4.8 Fit and Proper Persons Enquiries

During the fourth quarter of 2022, the NDIC received 265 requests comprising of 183, 3, 21 and 58 requests from CBN, SEC, PENCOS and NAICOM, respectively, to conduct due diligence on the prospective appointees in the financial sector. Accordingly, the Corporation had responded to all the 265 requests received in the fourth quarter. Cumulatively, the NDIC had received 942 requests in 2022, out of which 917 were finalised, while 25 were outstanding as at 31st December, 2022.

6.4.9 Off-Site Bank Surveillance: Bank Analysis

The financial condition and performance of the 32 out of the 35 DMBs comprising 26 commercial banks, six merchant banks and three NIBs; were reviewed in the fourth quarter, 2022 using off-site analysis of returns rendered through the Financial Analysis System (FinA). While the remaining three new commercial banks namely: Premium Trust Bank Limited, Optimus Bank Limited and Signature Bank Limited have not commenced rendition of returns.

The DMBs' total assets and total deposits stood at ₦73.75 trillion and ₦45.59 trillion, respectively as at December 31, 2022, as against ₦68.61 trillion and ₦42.12 trillion recorded as at September 30, 2022. Similarly, the DMBs' insured total deposits increased by 6.47 per cent from ₦5.10 trillion as at September 30, 2022, to ₦5.43 trillion as at November 30, 2022.

6.4.10 Mobile Money Operators (MMOs)

As at December 31, 2022, there were 29 licensed MMOs in operation. Total Deposits of the MMOs stood at ₦86.51 billion with ₦37.18 billion as Insured Deposits as at December 31, 2022.

6.4.11 Whistle Blowing

The NDIC received 125 whistle-blowing cases from 32 DMBs, bordering on service dissatisfaction, unauthorized access to account, cash suppression, frauds, unethical and unprofessional conduct, discrimination and ill treatment, among others during the quarter ended December 31, 2022. The number of cases concluded were 95, while 30 cases were pending and under investigations as at December 31, 2022.

6.5 Enterprise Risk Management Activities

In the fourth quarter, 2022, the Enterprise Risk Management activities of the NDIC were as follows:

- The Facility test at the Alternate Site was conducted to ascertain the location's fit-for-purpose.
- The review of Tracking and Management Log on the Business Continuity Management System (BCMS) was carried out to address associated issues.
- The consolidated report of Business Impact Analysis (BIA) conducted at the Head Office, Lagos Office and 10 Zonal Offices was submitted to Senior Management for review.

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

The NDIC implemented various public awareness initiatives to manage the NDIC brand and promote financial literacy during the fourth quarter of 2022. The executed initiatives were:

6.6.1 Public Awareness Activities

- The NDIC, in commemoration of the 2022 World Savings Day, mentored a total of 2,797 students from 100 secondary schools across 26 locations nationwide in financial literacy matters through the Financial Literacy Day (FLD) and World Savings Day (WSD) in 2022. A total of 3,250 branded souvenirs were also distributed to participants.
- The Corporation commenced the execution of three depositors' protection and awareness campaigns in 31 locations spread across 18 states and the FCT with the themes: Ponzi

scheme awareness campaign, Deposit guarantee awareness campaign, and Campaign on safety of bank deposits.

- The NDIC organised the 19th edition of the Business Editors and Finance Correspondents Association of Nigeria (FICAN) workshop with the theme: “Boosting Depositor’s Confidence Amidst Emerging Issues and Challenges in the Banking System”. The workshop attracted a total of 122 participants comprising business editors, finance correspondents, members of civil society organizations and Corporate Affairs Managers of Banks.
- The Corporation issued four Press Releases to inform the public on its mandate and activities.
- The NDIC sponsored the production of four episodes of the Corporation’s weekly television documentary series, NDIC CALLING. The documentary series was telecast from Tuesday 15th November – Tuesday 13th December, 2022.
- During the period under review, the Corporation commissioned seven Corporate Social Responsibility (CSR) projects. Out of the seven CSR projects, four were commissioned in Katsina state, while Adamawa, FCT and Kaduna states had one each.
- In the fourth quarter 2022, the NDIC created and deployed a total of 397 contents on the various aspects of the Corporation’s mandate across the social media handles. As at December 31, 2022, the NDIC had a total of 73,343 followers on the Facebook, Instagram, LinkedIn, YouTube and Twitter. The NDIC posts generated 337,369 impressions and garnered 23,483 likes.
- The NDIC hosted an excursion visit in its Abuja office involving a total of 20 students of Ummah Scholarship Initiative for the Less Privileged (SILP) on 15th December, 2022. The students were mentored on the mandate and activities of the Corporation and 50 in-house publications were distributed to the school for its library use.

6.6.2 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.

6.6.3 Legislative Liaison & Government Relations

- The NDIC hosted members of the House Committee on Insurance and Actuarial Matters who were on oversight visit in its Lagos Office from 14th – 15th December, 2022.
- The Corporation participated in the Public Hearing organized by the Senate Committee on Banking, Insurance and Other Financial Institutions on a Bill for an Act to Repeal the NDIC Act No.16 and Re-enact the NDIC Act, 2022 and Other Related Matters on Wednesday 7th December, 2022.

6.7 Legal Activities

The major legal activities of the Corporation for the quarter ended December 31, 2022 were as follows: The NDIC monitored 83 debt recovery of “N100 million and above” cases, 72 debt recovery of “N100 million and below” cases, 49 corporate cases, 22 winding-up petition cases of

MFBs & PMBs, 14 defensive cases involving MFBs & PMBs, and 26 High Profile Defensive Litigation.

- The NDIC continued to monitor 12 criminal cases pending at the various courts in the country.
- The Corporation continued to monitor 26 investigation cases being conducted by the Financial Malpractices Investigation Unit (FMIU), 7 investigations cases at Economic and Financial Crime Commission (EFCC), while 3 cases are with the Director Public Prosecution of the Federation (DPPF) for consideration.
- The NIDC obtained three (3) Vesting Orders from the Federal High Court in respect of those properties of closed banks.

6.8 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 depositors' protection, enhancing public confidence and promotion of financial system stability.