

THE ACTIVITIES OF THE NDIC FOR THE FOURTH QUARTER 2020

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4.0 INTRODUCTION

This report highlights the activities and achievements of the Corporation in the fourth quarter 2020. The NDIC activities and achievements are presented below.

4.1 UPDATE ON CORPORATE STRATEGY DEVELOPMENT ACTIVITIES

The highlights of the major strategic initiatives of the Corporation for the quarter ended 31st December, 2020 were as follows:

- i. 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.
- ii. The performance scorecard of the Corporation's 2016-2020 Strategic Plan as at fourth quarter ended 31 December 2020 showed that six (6) initiatives representing 27 per cent were at 100 per cent completion level while sixteen (16) initiatives representing 73 per cent were on-going at various levels of implementation.
- iii. 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.

4.2 FINANCE ACTIVITIES

- i. As at 31st December, 2020, the Corporation had remitted the sum of ~~N~~45 billion to FGN Consolidated Revenue Fund (CRF) being 80 per cent 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 31st December, 2020 is closed.
- ii. 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.

4.3 OPERATIONAL ACTIVITIES

4.3.1 CLAIMS SETTLEMENT

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

- i. 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 the fourth quarter 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 31st December, 2020.
- ii. 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.
- iii. 290 insured depositors of 51 Primary Mortgage Banks (PMBs) were paid the sum of ₦17,199,179.36 in the fourth quarter of 2020. The cumulative insured amount paid to 1,277 depositors was N106.06 million and the cumulative uninsured payment stood at ₦6.311 million as at 31st December, 2020.

b. Payments to Creditors of Banks in-Liquidation

During the quarter ended 31st 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.

c. 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 31st December, 2020.

4.4 ASSET MANAGEMENT

4.4.1 Risk Assets Recovery

- i. As at 31st 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 per cent from the sum of ₦49,729,999.76 recovered for the third quarter of 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.
- ii. 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.
- iii. 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.

4.4.2 Disposal of Physical Assets

- i. During the fourth quarter of 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 the third quarter 2020.
- ii. 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 31st December, 2020.
- iii. The cumulative receipt on the realization of Physical Assets and Rent collected on properties of banks in-liquidation as at 31st 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.

4.4.3 Realisation of Investments of Banks in-Liquidation

- i. In the fourth quarter 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.
- ii. The cumulative amount realized from investments of DMBs and MFBs from inception to December 2020 was ₦4,746,308,913.54.

4.5 BANK SUPERVISION

4.5.1 Risk Based Supervision (On-Site Examination) of DMBs

During the fourth quarter 2020, the CBN and NDIC jointly conducted risk-based supervision (RBS) examinations of 13 DMBs and 2 Financial Holdcos as at 30th 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.

4.5.2 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 31st December, 2020 with 138, concluded as against 143 petitions/complaints that were investigated as at 30th September, 2020 with 83 concluded.

4.5.3 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 31st December 2020. However, Four (4) of the MFBs were not examined due to security challenges, while one MFB was razed down during the ENDSARS protests. Also, the 10 PMBs allocated to the Corporation were examined and reports issued in the fourth quarter of 2020.

4.6 Off-site Activities/ Analysis on DMBs

i. Premium Assessment

During the fourth quarter 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 31st 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.

4.7 ENTERPRISE RISK MANAGEMENT ACTIVITIES

The following Enterprise Risk Management activities of the Corporation were carried out during the period under review:

- i. 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.
- ii. An internal audit of BCMS was conducted in November 2020 with a view to providing assurance on the performance of the Management System.
- iii. 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.
- iv. 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.

4.8 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.

4.9 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:

4.9.1 Press Releases and Broadcast of Special Events

- i. The Corporation issued three (3) press releases on its major events during the fourth quarter 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".
- ii. 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).

4.9.2 Management of NDIC Public Awareness Corporate Events

- i. 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.
- ii. The Corporation hosted the 4th Edition of the NDIC Editors Forum in Lagos State on 25th 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.

4.9.3 Social Media Public Awareness

In view of the restrictions imposed on its other public awareness initiatives by the COVID-19 pandemic, the Corporation intensified publicity using Social Media such as Facebook, Instagram, Twitter, LinkedIn and YouTube. The Corporation recorded a total number of 177 posts in the fourth quarter of 2020 compared to 172 posts across the social media platforms during the third quarter of 2020.

4.10 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.