MARKETING FINANCIAL SERVICES UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME

BY

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BEING A PROJECT SUBMITTED TO THE POST-GRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (M.B.A.)

DEPARTMENT OF BUSINESS ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
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DECEMBER, 1992

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D E C L A R A T I O N

I hereby declare that apart from the use of some published texts which has been fully acknowledged, this project report entitled, "Marketing Financial Services under the Structural Adjustment Programme", is my original work. To the best of my knowledge, no part thereof has been submitted elsewhere for the award of a degree or diploma.

BELLO, OLAYIWOLA RAHEEM

22/12/92

D A T E

C E R T I F I C A T I O N

This project report, entitled "Marketing Financial services under the Structural Adjustment Programme", meets the regulations governing the award of the degree of MASTER OF BUSINESS ADMINISTRATION of the Ahmadu Bello University and is approved for its contribution to knowledge and literary presentation.

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D E D I C A T I O N

To God, for making everything possible.

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Raheem Olayiwola Bello
December, 1992

A B S T R A C T

The study Is an empirical exercise based upon observable data and practices of the operators in the Nigerian financial sector. This is viewed and analysed from a marketing perspective against the background of a deregulated economy brought about by the Structural Adjustment Programme (SAP).

The study reveals that the SAP induced free market economy has given birth to very stiff competition in the financial sector. This has sent the banks and other financial institutions scurrying for innovative marketing strategies for survival and growth. There are indications that so far, they have succeeded as revealed in the growing level of aggregate deposits accumulated and the rising level of credits granted to fund users.

The result of all this is that the Nigerian consumer of financial products and services now, more than ever before, has a very wide choice among the competing, innovatively packaged financial products and also enjoys a relatively more efficient service delivery from the numerous financial houses across the country.

The study is divided into five chapters. Chapter one introduces the study, setting out the objective and significance of the study. Chapter two examines the conceptual framework for the study, setting out a broad review of literature relevant to the study. Chapter three presents the operations of the financial sector. In Chapter four is found the analysis of data collected on marketing practices of some of the key operator in the Nigerian Financial System, while Chapter five concludes the study.

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CHAPTER I

1.0 INTRODUCTION

1.1 Preamble

The major thrust of the Structural Adjustment Programme (SAP) is the "dismantling of complex administrative controls and reliance on market forces" in the economy. To paraphrase Chief Christopher Eze, Managing Director, John Holt PLC, SAP has brought in its wake monumental changes, upheavals and challenges in dizzying torrents. The ability to manage change has become critical, and an imperative for survival and success.

"It must be admitted and recognised that increasingly, there is spirited agressiveness and innovation going on, especially among the newbreed banks, finance, and mortgage houses. New products and services are being unveiled more frequently; corporate and branch offices now wear architecturally-sophisticated looks in elite neighbourhoods, and computerisation is advancing at a faster pace. The drive for funds, the higher expectations of customers and the general logic of competition that have spurred these agressiveness and innovation are sure to intensify, not diminish. Survival would therefore be guaranteed to those banks that lead in innovation and new products that take into account customer convenience and satisfaction" (National Concord, June 30, 1992, p.7).

.../2.

1.2 Statement of the Problem

As the Nigerian economy moved away from a heavily regulated environment (characterised by the presence of artificial barriers, stiff control measures, and marked presence of government in every-day commerce) on to a deregulated, free market enterprise with characteristic absence of artificial control measures, the country suddenly witnesses the emergence of a largely buyers' market situation.

The advent of the Structural Adjustment Programme (SAP), introduced in Mid-1986 to reverse the artificial distortions inherent in the earlier regulated economic system, brought an end to armchair banking as there emerged an unprecedented surge in the number of banks and other financial institutions operating in a cash crunch economy. A healthy competition thus inevitably emerged as the increasing number of banks and financial institutions strive to curry favours with fund depositors, all in the spirit of free market economy. The major problem therefore is how to survive and meet other corporate objectives under this SAP induced environment through developing relevant strategies.

1.3 Objective of the Study

In view of the foregoing, the objective of this study is to examine the Nigerian Banking and Financial environment with the view to identify how the banks and financial institutions have been coping with the problems and challenges posed by the SAP induced competition through aggressive and innovative marketing strategies.

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1.4 Scope of the Study

Generally, efforts were made to highlight most of the major financial institutions in the literature review and framework for the study, but for the purpose of analysis, only readily observable and accessible marketing practices of selected banks, finance companies, mortgage firms, leasing companies, and insurance companies were chosen. To this end, 19 banks (comprising 12 commercial and 7 merchant banks), 5 finance companies, 3 mortgage firms, 4 leasing companies, and 1 insurance company were selected for analysis (see the list in Appendix L).

Due to limited time constraint and inaccessibility to readily available data, this study does not delve into the backgrounds of the individual banks and other financial institutions whose marketing practices were examined.

1.5 Significance of the Study

The importance of the financial sector to the economy cannot be over-emphasised. Every development in this sector has the tendency to snowball into other sectors of the economy. Any study therefore into any aspect of the sector should be welcomed.

This study is important in that it permits a broad look at how operators in the Nigerian financial sector have been harnessing available marketing resources to meet the challenges and opportunities brought about by the SAP induced volatile environment of today's business.

The understanding of the manner and the degree to which marketing resources are being employed in the financial sector should give an indication of how really free and competitive the Nigerian financial markets have

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become and how prepared the major operators are to meet customers' growing needs and wants.

1.6 Methods of Data Collection

Data for the study were collected through secondary sources, seminar papers and other publications obtained from CBN and some financial institutions. Personal observations, unstructured interviews and questionnaires were used to assess the various marketing and promotional practices of several banks and other financial institutions and on the current modes of service packaging and delivery within banking premises.

1.7 Problems and Limitation

- The major problem in the study of this type is the lack of up-dated, readily available data on some key issues relevant to the study.

The observed limitation of this study is the nearly daily changes being witnessed in the financial sector according to the dictates of CBN, thereby rendering some issues outdated.

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1.8 Definition of Special Terms

Advertising: Any form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

Branding: The act of using a name, sign, symbol or design, or a combination of these for the purpose of identifying or differentiating the products or services of a seller from those of competitors.

Concentric Diversification: Seeking to add new products that have technological and/or marketing synergies with the existing product line; such products will normally appeal to new classes of customers.

Deregulated Economy: An economy that is characterized by absence of artificial barriers and stiff administrative control, and marked absence of government in everyday commerce; a free market economy.

Direct Marketing: A form of direct supply which involves a promotional, sales and supply relationship between an enterprise and the customer which does not normally include the use of any channel intermediary.

Deposits: Money left with Banks and some other financial institutions by individuals, companies and government units which can be withdrawn either on demand, or on giving the specified notice by the owner. Normally such deposits attract interest payment to the owner.

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Generic Product: A standard, unbranded, plainly packaged (and usually less expensive) product.

Horizontal Diversification: A strategy that seek to add new products that could appeal to current customers though technically such new products are unrelated to current product line.

Insurance Policy: Insurance agreement which set out the insurance company's promise to indemnify the insured person or his representative if certain losses occur upon regular payment of premiums by the insured person to the insurance company.

Insurance Premium: The periodic sum that is paid in order to be insured.

Interest Rate: Charges made against a borrower by the lending institution. The price paid for receiving a loan facility. The amount paid by deposit taking institutions on money kept as deposits with them.

Marketing Mix: The particular blend of controllable marketing variables that a firm uses to achieve its objectives in the target market. Such variables are usually classified as the "four Ps":- product, price, place and promotion.

Market Penetration: A strategy of seeking increased sales for a company's products in existing markets through more aggressive marketing effort.

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Market Strategy: The fundamental marketing logic by which a business unit intends to achieve its marketing objectives. It consists of a coordinated set of decisions on target markets, marketing mix, and marketing expenditure level.

Policy Holder: An insured person.

Prime Rate: Interest rate charged by banks on short-term loans to large low-risk businesses.

Product Development: A strategy of seeking increased sales by developing new or improved products for existing markets.

Sales Force: Persons responsible for contacting and selling to prospects and customers.

Sales Promotion: Short-term incentives to encourage purchase or sale of a product or service. It comprises a wide variety of tactical promotional tools designed to stimulate earlier and/or stronger target market response.

Segment Consolidation: A strategy of positive and active defence and reinforcement of existing market and segment provision.

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CHAPTER II

2.0 CONCEPTUAL FRAMEWORK

2.1 The Financial System in Perspective

In order to have a healthy economy, a country requires a vibrant financial system.

The financial system "consists of the institutions and markets that serve companies and individuals in financing the acquisition of goods and services, in investing capital and in transferring the ownership of securities.....The financial system provides the principal means by which a person (an individual, a business firm, a government unit, etc.) who has saved money out of current income can transfer these savings to someone else who has productive investment opportunities and needs money to finance them" (Schall and Haley, 1980, pp 14&15).

In general, therefore, the role of the financial system is to aid the transformation of savings of some individuals, companies and government units into investment by others. This transformation results in the creation of financial assets which constitute the basic "products" of the financial system. The three general classes into which financial assets (or "products") fall are money, debt and stock.

The saving-investment transformation process may be direct or indirect.

"A direct transfer occurs when an individual or company that wants to acquire money issues a financial asset (debt or stock) and directly sell it to someone who has money available. For example, a person starting a small business might issue shares of stock to friends and relatives in exchange for money. He might also borrow from them (issuing a debt claim in exchange for money). The financial assets issued in this process is simply

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a piece of paper which indicates the nature of the financial asset and which meets legal requirements for establishing the claim (debt or stock) in case disagreements arise between the two parties involved. Financial institutions such as security Brokers and Dealers are often used to facilitate direct transfers. Brokers simply act as "go-betweens" who don't actually own the financial assets but charge a commission for their services. Whereas dealers buy and sell financial assets and their income depends on the difference between the price they pay for an asset and the price they sell it for.

"Indirect methods for transferring money involve the use of a group of financial institutions called financial intermediaries. It is with this group of financial institutions that this write up is principally concerned. These include banks, insurance firms, finance companies, etc. These institutions purchase the financial liabilities of firms and individuals and they also borrow by issuing their own financial liabilities, including money. Some of the advantages inherent in money transfers performed by financial intermediaries are:-

- Flexibility and Liquidity:- The intermediary is able to provide large sums of money to a borrower by pooling the savings of several investors. Moreover, the intermediary can provide investors with financial assets which may be money or readily convertible into money at the same time that it is making loans which will not be repaid for a long time.
- Diversification:- By purchasing debt issues of many different borrowers, the intermediary is able to increase the chances that most of the money lent will be repaid. Therefore, it is able to provide relatively low-risk assets to investors.

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- Convenience:- Intermediaries offer a variety of financial services to their customers besides lending money and creating financial assets. It is more convenient for a single person (individual or business) to deal with a single firm that can supply whatever services are needed.
- Expertise:- The intermediary, because it is continuously purchasing financial assets issued by many borrowers, becomes expert in the process. A single person, whether borrower or investor, is apt to be much less knowledgeable as to exactly what the proper form of the assets should be.

From the foregoing, the following financial institutions may be identified in a country's financial system:-

- Banks
- Mortgage Institutions
- Insurance Companies
- Development Finance Institutions
- Stockbroking firms
- Investment Companies (i.e. Stock dealers)
- Discount Houses
- Leasing Companies
- Pension Funds
- Mutual Funds
- Trust Funds

To the above is usually added such regulatory bodies as a Central Bank and a Security and Exchange Commission in order to ensure an efficient, orderly financial system for a country's economy.

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In the financial system is thus a vibrant financial market where financial transaction occurs. The basic product involved in such a financial transaction is the financial asset created or transferred during the exchange process. Financial markets are generally classified into two:- Money Markets and Capital Markets. "Money markets deal in short-term debts whereas capital markets deal in long-term debt and stocks" (Shall and Haley, 1980, p. 28). Each of these markets can be further subdivided into specific product market such as the savings market, the government bond market, the stock market, etc.

The operators in the financial markets are the aforementioned financial institutions and intermediaries, the borrowers and the investors or depositors. The role of the financial institutions is principally to mobilize funds from investors (or depositors) and disburse such funds to borrowers. As these financial institutions operate within the same financial markets and as the markets become deregulated and freer, there arise keen competition among them in the mobilization and disbursement of loanable and investible funds. As deregulation set in, the financial markets are no longer the monopoly of banks and the marked distinction between banks and other financial isntitutions becomes almost non-existent. "To survive, banks must compete in the market place as never before, not just with each other but with all sorts of financial institutions" (Erihri, P.O., 1992, p.8).

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escalating costs of operation. Not only are industries operating far below capacities, they are finding it even more difficult and tasking to sell the little they produce. The fact is that "a large number of the consumers are now unemployed not necessarily because of the deregulation of the economy but mainly as a result of the negative effects and the consequences of our immediate past" Giwa R.F. (1990, p.27) positted. Giwa R.F. continued that "the importance of these.....is that there are consumers with needs, but no effective demand/purchasing power to meet these needs".

In view of the harsh realities of the economic environment, industry operators had to think and evolve winning strategies to survive and also to meet their set corporate objectives. SAP thus brought a dramatic shift in focus from production to the market place in order to identify what markets exist; who constitute the markets; what the markets want; where the market is located; and whether the company is capable of satisfying the markets' needs more efficiently than competitors at a profit. This, largely, is the essence of marketing (also, see Routamo, R., 1991, p. 9). And in it "many companies, old and new, have found their survival magic wand. To several of these companies, the practice of marketing is the beginning of (business) survival and profitability in this era of SAP", (Bello, R.O., 1990, p. 24-25).

The resilience of aggressive marketing is inevitable as no industry, no firm is left out of the present hard competition. The finance industry is certainly not unaffected by the current stiff competition. As Erihri, P.O. (1992, p.8) quotes in his well researched write-up: "banks, building societies, financial institutions of every complexion, even chain stores compete fiercely for banking services".

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2.2 Marketing of Financial Services - Basic Characteristics

The Resilience of Marketing

Before the advent of SAP, the Nigerian market had been largely dictated by suppliers who found ready buyers for their products as a result of the large amount of disposable Naira in circulation. It was a sellers' world!

In that pre-SAP era, the Buyer needed little or no persuasion for his patronage of any product or service.

The particular product or service might do virtually nothing towards satisfying his needs and wants. Yet the Buyer did not have to bother about wasting some of his money on even useless items. Afterall, there were still more where that money came from; there was oil Boom! For this reason, the suppliers paid only lip service to marketing. In their myopic view, marketing was not a determining factor in their sales figures. Their only determining factor was their production capacities. And their song was: "as long as you can produce, you can sell anything". Marketing, to them, meant occassional advertising in the media, an unnecessary, avoidable luxury.

The coming of SAP, however, has fundamentally altered the nation's economic picture. Not only are consumers feeling the pinch of SAP, the suppliers of goods and services also appear to be at the receiving end. SAP induced policy of deregulation and a host of other economic measures have led to a freer market environment characterized by fierce competition among providers of goods and services in the face of drastically dwindling purchasing power of consumers and

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Erihri also quotes Rothwell and Jowett to the effect that "the market for wholesale and retail financial services has, in recent years, been the victim of dynamic change. The barriers which once existed between distinct operations have been eroded, at times, swept away, creating a new, less tangible market structure. The activities of financial institutions can no longer be arranged neatly into compartments of banks, building societies, insurance companies, portfolio managers, etc. They have successfully invaded each others territory. There are no more distinctive territories of banks and non-banks."

Quoting further from experts, Erihri writes: ".....perhaps, the most remarkable change is the extra-ordinary expansion in financial services offered by insurance companies, dealers and retailers. These non-depository institutions now offer virtually every financial service that banks and savings and loans provide... Once deregulation is fully in place, Banking as a separate industry distinct from other parts of the financial services industry will cease to exist.....What is clear, therefore, is that the traditional ------- financial system composed of familiar institutions operating within narrowly defined areas and offering fairly limited financial services has been transferred into one which is far more diverse and where the distinctions between different types of institutions is no longer clear".

Erihri observes that in 1985, "it was no longer clear which firms should be regarded as part of the financial system in USA." He continues that "with recent developments in the financial markets, banks have been swept out of their cosy world of banking into the cold blast of financial services,

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where the only lasting shelter is built from profit. To survive, banks must compete in the market place as never before, not just with each other but with all sorts of financial institutions.

"For centuries, banks have been allowed a privileged position, not just among financial business but also among the classes of commercial ventures. In return for performing the twin functions of turning savers' deposits' into "investment funds" and of providing the mechanism through which payments could flow to sustain economic growth and prosperity, governments isolated banks from many of the regenerative regours of the market place. Banks, especially big commercial ones, were not readily allowed to go bust; in turn they were meant to ensure that the financial system did not collapse either.

"Banks were told what business they could or could not conduct, and how they should conduct those they were permitted to undertake. In turn, competitors were kept at bay. Banks were able to use their privileged position as primary intermediary between savers and borrowers to make oligopolistic profits, virtually irrespective of how good or bad they were".

Referring further to the current trends in US, Erihri, in the words of Bank of America Chief executive, reports: "Bankers had to go out and grab customers, not wait for them to walk in with their cash as they did in the days when banks and savings and loans (firms) had a monopoly on taking deposits. By the mid 1980s, the monopoly evaporated".

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Although in Nigeria Banks and Mortgage firms are legally the only deposit takers, yet "the competition for savings has become very keen - involving banks, licensed financial houses, community banks, mortgage institutions, insurance companies, unit trusts, the local "ESUSU" and others". Aburo, D. (1992, p.11) also observes a similar trend between Banks and Insurance Companies.

In such a stiff competitive environment, banks and financial institutions must evolve innovative managerial tools to move ahead. In this SAP era, Banks, for example, have defied all predictions of collapse and have maintained a steady growth (Sanusi, J.O., p.9; see also the steady rise in bank deposits in Appendix H). For according to Chief Femi Adekanye (1992, p. BVI) the comparison of the results for the pre-SAP and SAP periods revealed that only managerial efficiency was significant in distinguishing banks' performance (see also Financial Guardian, May 11, 1992, p.16). Marketing is certainly the core managerial tool for customer satisfaction and profitable performance. As Ogbechie, C. (1990, p.35) puts it, marketing is "what you have to do to be ahead of competition all the time".

Service Marketing

Banks and financial institutions offer services to their customers. A service, as distinct from a physical a product is defined by Kotler, P. (1980, p. 624) as "any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything, a production may or may not be tied to a physical product".

In designing a service-marketing programme, it is important to understand the peculiar characteristics of services and their marketing implications. According to Morden, A.R. (1991, pp 704-723), services are characterised by five general properties, namely:- intangibility, inseparability, heterogeneity, perishability and ownership.

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Intangibility:- This is the most outstanding characteristics of a service. A service is merely a performance, not a physical object and therefore incapable of being felt, seen, tasted, smelled, or heard before it is purchased. A service is thus invisible, although it may be capable of being described. Because of the above reason, a customer's perception of whether or not a service is good or bad is a matter of individual expectations, and may be difficult to influence or control.

From the marketing point of view, the level of difficulty to which the intangibility characteristic gives rise to may be reduced by:-

- Increasing the level of tangibility by, for instance, providing physical or conceptual representation or illustrations;
- Stressing upon the principal benefits on consumption instead of just describing the features of the service;
- Differentiating the service by assigning brand names and building strong corporate reputation.

Inseparability:- Production of a service and its consumption are, in most cases, inseparable in that consumption takes place simultaneously as the service is being produced. Personal services are characterised by this conterminous pattern. Therefore, a service delivery may not be separable from the person or personality of the provider. The quality of a service will therefore depend on the function of the level of competence of the provider. However, since inseparability gives rise to user involvement during service delivery, the quality of the service may also be affected.

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The major solution to inseparability problem is to employ highly motivated and well trained workforce, instilling in them a clear customer service ethic that emphasises service quality, reliability and efficient customer service.

Heterogeneity:- In service delivery, it may be difficult to maintain a high degree of consistency of output standard. These variations between units of service are almost inevitable not only because of who perform the service but also because of when the service is performed. The level of experience of the service provider, and even the individual perception of the service users could make an otherwise identical service look differently. It has also been observed that the performance of people generally fluctuate from time to time, thereby making service quality inconsistent.

In order to reduce service variability, marketing emphasis will be to provide uniform and continuous training to staff, constant monitoring of customer reactions, and "pre-packaging" part of the service well in advance whenever possible.

Perishability:- Generally speaking, services are perishable and cannot be stored like physical products for future sales or use. Since performance or provision of service is time based, if the service is not provided or used at a specified time, its value expires at that point in time. Service perishability constitutes a problem only when there is a considerable fluctuation in demand for the service, which gives rise to disequilibrium in supply and demand for the service. The major task is that of matching service delivery capacity with demand. Substantial losses may arise if this matching task is inadequately performed. Some of such losses may not be quantifiable, for example, loss of

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future patronage due to non-serving or dissatisfaction of customers (Hassan, M., 1987, p. 8).

Some of the ways for tackling the problem are:-

- Using pricing variation to encourage off-peak demand, and discourage demand at peak times;
- Using promotion to stimulate off-peak demand;
- Providing complementary services during peak time;
- Using part-time staff during peak times;
- Redeploying staff from other service areas to areas where demand is peak.

Ownership:- The purchase of a service may only confer upon the customer the access to, or use of a facility. The customer does not obtain ownership of that facility, unlike the purchase of a physical product in which title and control are transferred. Compare, for example, a leased equipment versus own equipment.

Lack of ownership may in some way lessen perceived customer value of the service. To reduce or eliminate such a perception, the following may be done:-

- Promote the advantages of non-ownership such as built-in maintenance, or periodic replacement of leased cars or equipment;
- Increase the opportunity of ownership, e.g. financial lease.

Financial Service Marketing

Of all the characteristics discussed above, intangibility and inseparability are the two major features of financial services marketing.

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Although the degree of intangibility varies from product to product, it is also manifest in conceptual difficulties (such as complex financial and actuarial calculations), associated with lengthy time spans and controllable variables like interest rates. The process of marketing financial services may therefore need:-

- To focus customer attention on the principal benefits of purchase;
- To establish some degree of differentiation between the products on offer, and those marketed by competitors;
- To build up supplier reliability, quality and reputation;
- To reduce customer perceptions of:-
  - lack of urgency/necessity,
  - purchase inappropriateness, or
  - purchase risk.

The other feature of financial services is inseparability. The provision of financial services is often associated with the person or personality of the seller, whether this be an agent, or broker, or the manager of bank or mortgage firm. Hence the critical importance of personal professionalism and technical competence, empathy towards the customer, and a capacity effectivity to represent and enhance the reputation of the organisation supplying the service.

The Marketing Mix for Financial Services

Product

Banks and other financial institutions are fast moving away from being providers of a limited range of customer and specialist services (such as current and deposit accounts in banks) to a broader provision of "financial services". And these services are not just offered in their generic forms any longer. They are now creatively packaged and branded in order to generate the necessary appeal to prospective customers.

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Price

This may come in form of interest rates, premiums, commissions or fixed fees, depending on the nature of the financial transaction. The marketing of financial services varies considerably in the degree of price competition. In Nigeria, banks are free to set their prices within a specified range above CBN rediscount rate. Thus all prices (interest rates) charge are related to the prime lending rate. And there is room for differential interest rates depending on the customer's standing and the objective of the bank. See Appendix J for some selected interest rates operative in 1991.

Place

Banks and other financial institutions maintain branches in all major cities and towns and they are usually located at choice parts of such cities or towns. In order to encourage even spread, banks were sometimes compelled to or even prevented from siting their branches at certain locations. For banks, they must get CBN approval to start a branch. Appendices D and E show that Nigerian Banks have 2,107 branches with commercial banks alone having 2,023. Thus the number of persons to a bank branch is 42,003 as at 1991 ending. Appendix K shows the compulsory Rural Banking Programme as at the end of 1991.

Insurance Companies make use of retail intermediaries such as licensed brokers and consultants, agents, direct marketing, and often their own personal sales forces, in addition to their own branch outlets.

Finance companies and others may employ one or a combination of these.

Promotion

Financial services are promoted and sold in a variety of ways, and as the market gets more competitive, so the level of expenditure on promotion has risen.

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- retail selling insitu is used by all major financial institution;
- field sales forces are used in the sale of some insurance policies;
- direct marketing based on customer data bases and directories is used by some operators;
- media advertising is heavily employed by banks, mortgage institutions, finance companies, insurnace companies, leasing firms and unit trusts operators. Such advertising has two main directions thus:-
  - ° Promotional support for specific services and brand names such as "high interest/easy access personal savings accounts," "life assurance plans," etc.
  - ° Corporate promotional campaigns to build corporate image. This promotes and reinforces perceptions of company friendliness, expertise, and reliability, which is particularly important in financial service marketing.

Marketing Strategies for Financial Services

The following are highlights of some strategies for financial services marketing (Morden, 1991, pp 670-5):-

a) Segment Consolidation:-
   - Capitalizing on existing strengths;
   - Increasing utilization of existing assets;
   - Widening service provision;
   - adding complementary products;
   - increasing the strength and depth segment provision.

b) Market Penetration:-
   - increased competition within existing markets and segments;
   - expanding the available market.

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c) New Markets and niches.

d) Complementary and new products.

e) Diversification:-

- horizontal;
- concentric;
- vertical.

In Section 3.2 of Chapter 3, we shall try to examine how Nigerian Banks and financial institutions have employed various marketing mixes and strategies such as the ones mentioned in their operations.

2.3 The Structural Adjustment Programme (SAP)

Introduction

The Structural Adjustment Programme was introduced by the present Government in July, 1986 to remove what was seen as fundamental distortions inherent in the Nigerian economy after the rejection of the conditionalities of the IMF loan following an extensive public debate. In the words of President Ibrahim Babangida, SAP was aimed at "altering and realigning aggregate domestic expenditure and production patterns so as to minimise dependence on imports, enhance the non-oil export base and bring the economy on the part of steady and balanced growth.

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The Objectives of SAP

Within the broad aim as stated above, SAP was designed to attain the following objectives:-

- to restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;
- to achieve fiscal and balance of payments viability over the medium term by altering and restructuring the production and consumption patterns of the economy and eliminate price distortions;
- to lay the basis for sustainable non-inflationary or minimum inflationary growth; and
- to reduce the dominance of unproductive investments in the public sector, improve the efficiency of the sector and enhance the growth potentials of the private sector.

Policy Elements of SAP

The following are some of the specific policy elements undertaken to implement SAP:-

i) Adoption of a realistic Exchange Rate policy through the establishment initially of the Second-Tier Foreign Exchange Market (SFEM) which has undergone several reforms into what is presently referred to as a reformed inter-Bank Foreign Exchange Market.

ii) Strengthening of the hitherto strong demand management policies;

iii) Adoption of measures to stimulate domestic production through incentives and reduction of administrative controls;

iv) Trade liberalization and re-allignment in tariff structure;

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v) Removal of price control and abolishing agricultural commodity boards as part of major institutional reforms;

vi) Adoption of supporting monetary and fiscal policies including the liberalization of interest rates;

vii) Rationalization in public enterprises through privatisation and commercialisation; and

viii) Debt rescheduling.

The Roles of Banks and Financial Institutions

The areas in which Banks and other financial institutions play or are expected to play major roles include the following:-

a) Determination of realistic exchange rate;

b) Determination of interest rate;

c) Stimulation and finance of non-oil exports;

d) Direct participation in industrial and commercial enterprises;

e) Establishment of Mortgage Finance Companies;

f) Establishment of Unit Trust Schemes to promote savings mobilization; and

g) Establishment of Discount Houses.

Debt conversion programme is yet another policy measure on SAP designed as part of the country's management of external debts and industrialization strategy (Umar, S.D., 1991, pp 5 - 7).

The Impact of SAP on the Financial Sector

At a recent seminar organised to examine the new Banking policies introduced since the advent of SAP and the impact of these policies on the financial sector in particular and the economy as a whole, as well as the challenges posed by these policies, the following were observed (Business Times, May 25, 1992, p. 13):-

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- Deregulation of the foreign exchange market;
- Removal of controls on interest rate;
- Reduction in the number of sectors for the purpose of credit allocation from eight to two;
- Establishment of domiciliary account;
- Privatisation and commercialisation programmes;
- Introduction of equity participation by banks in industrial enterprises;
- Establishment of Nigeria Deposit Insurance Corporation (NDIC);
- Introduction of Debt Conversion Programme;
- Granting of greater autonomy to Central Bank of Nigeria;
- Liberalization of bank licensing procedure;
- Introduction of prudential guidelines;
- Promulgation of banks and financial institutions decrees 24 and 25 of 1991.

Positive Impacts

The identified positive impact of these policies include the following:-

- The phenomenal increase in the number of banks and other financial institutions and the resultant keen competition for funds mobilization;
- Improved delivery of banking and financial services, and increase in the level of savings;
- Improvement in capacity utilization in industry;
- Appreciable increase in non-oil exports especially manufacturing;
- Substantial growth in agricultural output;
- Reduction in the level of imports;
- Appreciable growth in Gross Domestic Product (GDP); and
- Improvement in local sourcing of raw materials especially in the agro-allied sub-sector.

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Negative Impacts

The policies also created negative impacts which have become new challenges. These include:-

- High cost of funds;
- Depreciation of the Naira exchange rate;
- Reduction in the level of investments;
- Substantial rise in price levels.

The pertinent question is, how have the various banks and financial institutions been coping with the challenges posed by SAP? The following chapter will try to find some answers to this.

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CHAPTER III

3.0 STRUCTURE AND OPERATIONS OF THE NIGERIAN FINANCIAL SECTOR

3.1 Components of the Nigerian Financial System

The Nigerian financial system is made up of the following institutions:-

- Central Bank of Nigeria
- Commercial Banks
- Merchant Banks
- Development Finance Institutions
- Mortgage Institutions
- Finance Companies
- Insurance Companies
- Leasing Companies
- Bureaux de Change
- Discount Houses
- Pension Funds
- Unit Trust Funds
- Mutual Funds
- Stockbroking Firms
- Security and Exchange Commission
- Nigerian Stock Exchange

Banks

The Central Bank of Nigeria is the apex Bank that regulate the activities of banks, and, lately Finance Companies in Nigeria (See CBN Annual Report, 1991, pp. 15-17). Commercial Banks and Merchant Banks are the conventional deposit taking institutions. While the differences in the operations of commercial and merchant banks are getting narrower by the day, it is still proper to speak of commercial banks as "retail" banks dealing with a multitude of

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both small and big time depositors and fund users, and Merchant Banks as "wholesale" banks dealing with only medium to big time depositors and fund users.

As at the end of 1986, there were only 29 commercial banks and 12 merchant banks, making a combined total of 41 banks. By the end of 1990, this had grown to 109 banks (see Appendices B and C) and this figure had increased to 119 banks by the end of 1991 with a branch network comprising 2,107 branches (See Appendix D). Recently, a new set of banks, the Community Banks and the Peoples Bank have been introduced to tap and disburse funds at the grass-roots level. As at 1991 ending, there were 93 Community Banks in operations out of the 593 granted licenses (New Nigerian, 1992, p. 10). CBN puts the number at 66 as at 1991 ending (See Appendix F). Within three years of its existence, the Peoples Bank has opened 206 branches and 508 satellite centres nationwide (Wright, D., p. 18).

Development Finance Institutions

Development Finance Institutions (DFIs) are financial institutions set up principally to mobilize and disburse loanable and investible funds for the promotion and development of industries. These DFIs include the Nigerian industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry (NBCI), New Nigeria Development Company Limited (NNDC), Nigerian Agricultural and Cooperative Bank (NACB), Northern Nigeria Investments Limited (NNIL), Kaduna Industrial and Finance Company (KIFC) and a host of others established by nearly all State Governments to service their individual indsutrial development needs. As at the end of 1986, there were about 23 DFIs, but with the recent creation of more states, the number of DFIs is expected to have grown to about 30 (see Umar, S.D., 1991, p. 1).

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Mortgage Institutions

These are institutions whose sole aim is to mobilise and disburse funds for housing development, especially for owner-occupation. Until recently, the Federal Mortgage Bank (FMB) was about the only mortgage institution in Nigeria, with branches in all state capitals and some major towns. The FMB was then supported by State Housing Finance Corporations set up by each State Government. But the structure of housing finance received a major boost with the promulgation of the Mortgage Institutions Decree No. 53 of 1989 which decentralized mortgage finance in the country. FMB was constituted into the apex mortgage institution in the country with a decentralised network of building societies, housing cooperatives, housing associations, credit unions and loans and savings banks collectively referred to as primary mortgage institutions operating at the grass-roots level. Under this new two-tier structure, FMB (the first tier and the apex institution) will concentrate on "wholesale" mortgage by lending to the primary mortgage institutions (the second-tier) who are in turn expected to perform retail mortgage services. FMB as the apex institution is expected to guarantee loan stocks floated by the primary mortgage institutions and also to license and supervise the operations of such primary institutions (Sani, A.M., 1991, pp 11 & 12).

On the mobilisation of funds for this new housing finance scheme, individuals are expected to save at low interest rates with the primary mortgage institutions and also borrow at the same low interest rates to build or buy their own houses.

In addition, there is a mandatory home saving scheme under the National Housing Fund to which workers in both the private and public sectors earning ₦3,000 or more annually will contribute 2.5% of their monthly salaries at 4% interest rate under the management of the FMB for on-lending to the primary mortgage institutions at 6% who will in turn lend out to individuals at not more than 50% of the prevailing

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interest rate in the economy. Also, under the mandatory scheme, both commercial and merchant banks will invest 10% of their loans and advances in the FMB at 1% above interest chargeable on current account. Furthermore, insurance companies are directed to invest a minimum of 20% of their non-life funds and 40% of their life funds in real estate development of which a minimum of 50% is to be channelled through FMB at not more than 4% interest.

The other source of funds for the scheme is direct Budgetary allocations of a sum not below 2.5% of Government revenue at both the Federal and State levels.

All this is geared at easing access to funds at low interest rates for housing development for the mass of individuals who find it very difficult and virtually impossible to meet the requirements of the conventional banks (Bichi, K.M., 1991, p. 9).

The modalities for operating the scheme has been spelt out in the National housing Fund Decree 3 of 1992.

With this new development in the housing finance sector, a total of 48 mortgage institutions have been granted licenses, most of which are already in operation, with more still expected to be granted licenses in the near future (The Guardian, July 20, 1992, p. 22; National Concord, June 3, 1992, p. 9). And, as the number grows, so competition becomes stiffer among the operators.

Finance Companies

Finance Companies are non-bank financial intermediaries engaged in the business of extending credit facilities to consumers and to industrial, commercial, or agricultural enterprises, including lending of money, leasing activities, hire-purchase business, factoring (i.e. the business of acquiring debts due to any person), project financing or consultancy, debt administration, LPO (Local Purchase Order) financing, export finance, financial consultancy, electronic fund transfer and issue of vouchers, coupons, credit cards and token stamps (Daily Times, October 11, 1991, p. 4).

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Finance Companies mobilise their funds principally through equity capital reserves and borrowing from both individuals and corporate bodies including banks.

Until the promulgation of the Banks and Other Financial Institutions (BOFI) Decree No. 25 in June, 1991, nearly all finance companies in Nigeria were taking deposit at specified interest rates and were engaged in several other business exclusively reserved for Conventional Banks.

It was observed that not only did the finance companies take deposits, but also "they operated interest rates which were out of proportion with the prescribed levels for banks. They traded in foreign exchange and added margins which ensure galloping profits. Little wonder many banks promoters and operators have finance houses on the side, and to which they allocated substantial exchange from their banks. Short of the Bureaucracy and impersonality that mark the operations of Banks, these finance houses provided quick service to businessmen especially in the areas of import and export and financing of LPOs. Their real value was (more) in the quickness of service to traders rather than in the value added to the growth of the economy" (Asomugha, E.M., 1992, p. 29).

Such was the level of competition posed by Finance Companies not only to themselves but also to Banks, especially. The BOFI Decree categorically prohibited them (Finance Companies) from advertising, soliciting or accepting deposit in whatever form, and also stopped them from dealing in foreign currency.

Before coming into being of the BOFI Decree, the activities of finance companies were largely unregulated. As banks felt the pinch of their (Finance Companies) free for all operations and as their number grow everyday, there arose calls by Banks for the authorities to

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put a check on the activities of the finance houses. This was what led to the promulgation of the BOFI Decree that empowered the Central Bank of Nigeria (CBN) to regulate their activities and define their scope of operations (CBN Annual Report....., 1991, pp. 15-17).

Although the Decree has succeeded in limiting their scope of operations, Finance Companies still pose serious compeition to the banks. According to the Vanguard of Friday, June 5, 1992, 77 finance companies have been granted full licenses while about 320 others have been granted provisional licenses to operate in Nigeria. A total of 558 applications for licenses were received by the end of 1991 (CBN Annual Report 1991, p. 15).

Insurance Companies

The basic role of insurance companies is to provide the needed relief for financial losses arising from the different risks to which the economy is exposed. This it does by accumulating cash deposits in form of premium from which an insured person or corporate body could be readily indemnified.

The insurance sector is a significant aspect of the financial system designed as a palliative for losses incured on property insured against such risks as fire, burglary, and accidents of various forms, as well as death. But, as The Guardian of April 9, 1992 points out, "the insurance industry has grown from just cushioning losses and providing security to a major facilitator of practically all sectors of the economy....Insurance Companies also invigorate business activities by releasing investible funds to the economy.

"With more than 124 direct underwriting insurance companies, 5 reinsurance companies, about 14,000 agents and 5,000 insurance brokers, Nigeria has the largest insurance market in Africa. Last year, Nigerian Insurance Companies had about ₦2 billion total premium, the bulk of which was used to finance long-term development

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projects. By mobilising money from other sectors of the economy, insurance companies perform vital investment function which helps tremendously in economic development".

"Insurance Companies", as The Guardian goes on, "are also a veritable saver and manager of money - something akin to the function of Banks. By receiving regular premiums for fixed period and paying interest or bonus to good policy holders, the insurance industry fosters the saving habit. In fact, they appear to be very useful in this area as they, unlike banks, don't provide for withdrawals of deposits (premium) at will. Besides, again just like banks, insurance companies invest the funds they hold in trust for policy holders in the economy and provide credits (bonus) to their policy holders at sometimes higher interest rates than banks.

"Part of the long-term benefits of the saving culture nurtured by the insurance industry is that the policy holder is sure of some ready money in moments of need, i.e. during loss of or damage to property or business. Dependants of a holder of life insurance policy who dies are also certain of immediate financial succour by virtue of the monetary compensation they are entitled to according to the terms of the life insurance policy".

Leasing Companies

Leasing Companies are firms engaged in lending or making available a piece of equipment or appliance for the use of another party, either individual or corporate body (called lessee) who agrees to make periodic payments in return. There are two basic types of leasing:- Operating Lease and Financial lease. Under the operating lease, the lessee only make periodic payment and he reserve the right to cancel the agreement after using the asset leased for some period. Whereas, under financial lease, the lessee

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may choose to own the item leased at the expiration of the rent period and the lessee will be responsible for the servicing and repairs of the leased item in his possession. Leasing is fast catching on in Nigeria especially under the current cash crunch economy. Presently, several equipment, machines, and appliances for both business and household use are being acquired through leasing arrangements (See Lagos Life, May 27, 1992).

As a measure of its growing appeal, especially since the emergence of free-market reform, the leasing business which used to be virtually monopolised by just 3 major Merchant Banks and a couple of non-bank leasing companies, is now comprised of 300 lessors, including virtually all banks in the country, some finance companies, and some non-finance companies such as Leventis Leasing, Holt Leasing, Mandilas Leasing, VT Leasing Limited and Leasing Company of Nigeria Limited, among others. As at December, 1991, 66 of these lessors were members of the Equipment Leasing Association of Nigeria (ELAN). By 1990, total assets on lease acquired by ELAN members were worth ₦654.839million. In 1986, only ₦100.136million worth of assets were under lease by ELAN members.

One of the reasons for the growth witnessed is that leasing is a relatively convenient way to spread the strain of leasing capital commitment especially under a cash crunch economy. Secondly, lease credits are often easier to obtain than straight loans as the item under lease serve the dual purpose of being the loan and the collateral for it since the lessor still retains ownership. (Corporate, November/December, 1991, p. 12).

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As ELAN points out (Corporate, November/December, 1991, p.12), "leasing is undoubtedly the most effective way to ensure that scarce financial resources are allocated to new capital investment. Every Naira used by leasing companies is spent on productive equipment. By allocating funds directly to purchase of new equipment, leasing companies avoid the leakage problem of funds being diverted by obligors to non-priority uses.....Equipment Leasing is probably the "purest" investment tool. If you give a loan to a farmer or to an industrialist, he can use the money for whatever purpose and you might not be able to monitor it. But with a lease you know the equipment must be there or else you don't have a lease. The lessor buys the equipment and pays for it. The lessor obtains the receipts and the invoices. The diversion of funds is minimal. Therefore, leasing pushes money into direct production".

Other classification of leases apart from the two basic types mentioned earlier, are leaverage lease, sales and leaseback, back to back lease, and consortium or syndicated lease. Competition in all these lease classes is as keen as the number of lessors operating in the leasing business.

Bureaux de Change

These are finance institutions set up solely for the buying and selling of foreign exchange under the deregulated foreign exchange market. These institutions are very new to Nigeria, and they are a product of an attempt to stem the threats posed by the black-market operators of the foreign exchange market. Their operations are governed by the Central Bank of Nigeria and they serve no major economic purpose other than as an additional avenue to engage in foreign exchange transactions without the added rigours and formalities associated with Banks. As at the end of 1991, there were 102 Bureaux de Change in Nigeria. As a measure of their

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growing importance, 82 of them reported $175.7 million worth of purchases and $162.1 million worth of sales of foreign currencies in 1991 (CBN Annual Report....., 1991, pp 15 & 142).

Discount Houses

These institutions specialise in discounting bills, especially bills of exchange and relieve banks of the risks attached to the variations in the demand for credit. They are usually set up by a consortium of banks and other corporate bodies, especially publicly quoted ones (Jones and Jones, 1977, p. 265-266).

These institutions are new on the Nigerian financial scene. Infact, as at the time of writing, only one Discount House was reportedly granted a license, while two others were on the verge of securing theirs from the Central Bank of Nigeria, which has been empowered to grant such licenses and regulate the operations of Discount Houses under the provisions of the Banks and Other Financial Institutions (BOFI) Decree No. 25 of 1991. Discount Houses, like the Bureaux de Change, are products of the deregulated economic environment and are being set up to stimulate activities in the money market (Vanguard, June 5, 1992; see also New Nigeria, October 5, 1992, p. 1).

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CHAPTER IV

4.0 DATA ANALYSIS

4.1 AN OVERVIEW

SAP has indeed laid to rest the era of armchair banking and has tickled in no small measure the creativity of Nigeria's financial practitioners. As Dr. Abraham E. Nwankwo (1991, p. 123), an Executive of ABC Merchant Bank points out, SAP "with all its difficulties created a number of new service options" and the various banks and Financial Institutions have been exploiting these options through various innovative marketing strategies, developing new products or repackaging old ones, consolidating hold on existing markets or moving on to new ones.

Such was (and still is) the fierceness of competition that, before the promulgation of the BOFI Decree in 1991, Finance Companies, for example, were dabbling into every aspect of banking busienss to the detriment of the banks. Even though they charge a relatively high interest rate, they were snatching customers from the banks because their operations were devoid of the bureaucratic trappings associated with banks. Moreover, they were not concerned with any

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credit ceiling guidelines or interest rate regulations. For example, a Borrower who fails to secure a loan facility from a Bank because the Bank has reached its credit ceiling could easily turn to a finance house to satisfy his needs. Similarly, a depositor who care less about risks would rather take his funds to a finance company where the interest rates are by far higher than to banks whose interest rates are ridiculously lower in comparison.

A celebrated case in point was the Resources Managers Limited of Port-Harcourt based finance company, tagged the "magic bank" by many, offered a staggering interest rate of 60% monthly on deposits. The Company had chalked up over ₦75 million in deposits according to the Police (but Umanah, the Chief Executive of the Company claimed the figure should be over ₦250 million) before being sealed up by the Police on the orders of the Government. It had almost driven banks in Port-Harcourt out of business as depositors withdrew their savings for the "magic bank". Such was the sad state for the banks that they started processing deposits for the maverick finance house on commission. Infact, it was at the height of the controversy generaged by the closure of the Company by Government that BOFI Decree was promulgated mid-1991 (See TSM, May 26, 1991, pp. 9, 10 & 13; and June 9, 1991, pp. 21, 22 & 47).

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The BOFI Decree has not removed the competition between Banks and Finance Companies, for there is very little differences in their operations and the products and service they offer (See Appendix A). It was for this reason that some banks had to take a strategic way out by setting up their own subsidiary finance companies to which they (the banks) divert some of their loanable funds where they expect higher returns. Examples are STB Finance Limited owned by Pinnacle Commercial Bank; PS Finance Limited owned by Savannah Bank PLC; and IBWA Finance Company Limited owned by Afribank Group (See Business Times, May 11, 1992, pp. 1 & 30; and African Business, April, 1992, p.43).

Let us now examine in detail some of the strategic marketing steps taken by some selected sub-sectors of the financial indsutry in the face of stiff competition.

4.2 Banks and Strategic Marketing

The key marketing strategies employed by Nigerian banks in the face of fierce competition include:-

- Market Penetration Strategy;
- Product Development; and
- Concentric Diversification.

Market Penetration

The key tactic here was banks take extra care to innovatively repackage existing products with possible offer of additional incentives or benefits backed with extensive promotion in order to make the offer more attrative and appealing to the existing market segments they serve.

Take Zenith International Bank Limited's "Individual Retirement Account" for example. It is designed to meet the needs of the holder's children's education and other future family needs. The product is presented as a safe and profitable investment for the prospective account holder, such that ₦5,000 saved today with quarterly addition of ₦500 will mature into ₦25,393 in 5 years time (Fame Weekly, p.17). See Appendix G1 for the promotional advert.

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UTB (Universal Trust Bank) came up with a more flambouyant offer tagged "UTB Savings Account Bonanza Raffle", which was aimed at boosting their savings deposit funds. To qualify for the scheme, a customer must have a minimum of ₦1,000 in his savings account with UTB which then entitles him to a raffle ticket and a free personal accident insurance cover. Every ₦1,000 increase in savings account entitles the customer to an additional raffle ticket. The scheme lasted from February 15th to August 15th, 1992. And some of the prizes won include cash prizes totalling ₦500,000 with the first prize winner carting away ₦100,000 of it. (See City News, April 3, 1992, p.6; and Saturday Punch, February 29, 1992, p.17). As a measure of the effectiveness of the promotional campaign, the Bank received over ₦400 million in savings deposits directly attributed to the promotional efforts, and the banks still look forward to using similar sales promotion strategy in the near future (New Nigerian, September 21, 1992, p. 12). See also Appendix G2 for a sample of the promotional adverts used by UTB.

"Quick Customer Service" or "Express Counter Service" designed to fasten service delivery for small cash withdrawals by bank customer, has now catch up with several other commercial banks since IBWA pioneered it some years ago. Recently, Wema Bank PLC came up with its own version for withderawals up to ₦500 within 5 minutes (Fame, February 29 - March 6, 1992, p. 2). See Appendix G3.

Another aspect that has been imitated by most banks is computerization of their service operations for fast, improved customer service delivery. For example, First Bank PLC, Union Bank, Societe Generale Bank, are but few of such banks.

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Recently, some banks have introduced what is termed "Relationship Officers" that are specifically assigned to their big account holders who will personally discuss, handle and structure banks products for the benefits of such clients. Societe Generale Bank and Chartered Bank are two of such banks with this personalized service for customers as service improvement incentive to them (See Business, October, 1990, p. 18 & 19; and Corporate, November/December, 1991, p. 25).

Savannah Bank has what it called "Savan-Export" package for export finance and documentation. While Societe Generale Bank, one of the banks that pioneered innovation in the Nigerian Banking industry, has its "SGN Corp" package for personalized service to corporate clients. UBA (United Bank for Africa) also improved existing products and repackaged them for its customers. Such products include "House Savings and Loan Scheme", "Credit Scheme for Rural Women", "Statement Savings Scheme", free advisory services on new projects and other customer relations activities such as "Customer Guest Night" and "Women Forum", all of which were designed to instill customer loyalty and increase patronage. (See Corporate, November/December, 1991, p. 2; Business, October, 1990, p. 8; TSM August 12, 1990, p. 39; and Hints, January 23 - February 5, 1990, p. 24).

In its ever aggressive drive for more deposits, UTB packaged a"Free Personal Accident Insurance Scheme" for all savings accounts holders aged between 18 and 65 years with a minimum of ₦500 deposit. It covers any accident which may result in death or permanent disability. UTB takes care of premiums for its customers and compensation is in percentage of balance standing in the savings account and could go as high as 100% of such balances. It is noteworthy that this free insurance incentive has been copied by

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several other banks and other financial institution. When this UTB insurance scheme is added to its earlier mentioned UTB Raffle, it would appear UTB's drive for increasing its saving deposit funds is unmatched by other banks (See African Concord, March 19, 1990 p.42). Characters in the popular TV drama, "New Masqurade", were effectively used in all the TV adverts' for the promotional campaign. As a measure of effectiveness, a recent opinion poll conducted by Media Review put UTB tops in the category of electronic advertising (See Punch, October 3, 1992, p.4).

Abacus Merchant Bank's "Abacus Investment Scheme" which promises, among others, upfront payment of interest at the time of investment, is designed for the bank's prime customers with a minimum deposit of ₦50,000, tenor of 90 days and above with interest floating at prime lending rate less 5%. The offer of interest in advance is indeed a very tempting offer for customers and it is an effective penetration strategy. (African Concord, March 19, 1990, p.42).

Product Development

The increase clamour for deposits and the resulting stiff competition led many banks to shift from direct lending to focus greater attention on treasury management, foreign exchange transactions, equipment leasing, and on fee based activities like business advisory services. New products were introduced and some existing product lines were redesigned and expanded for their existing markets. (Business, October, 1990, p.13).

Thus, UBA introduced the "UBACARD" which has now been copied by some other banks. The card allows current account holders to make cash withdrawals from any branch of the bank in the country and can also be used in making some amount of purchases at some Department Stores and Hotels in Nigeria.

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Societe Generale Bank also introduced the "Automated Teller Machine (ATM) at some of its branches to facilitate cash withdrawals by customers anytime of the day or night. Of course, several other banks have copied this too. Only recently, First Bank announced the introduction of its own ATM called "First Cash" with the slogan:- "Money, anytime you want it" through an aggressive advertising campaign. The ATM is presented for its 24 hour service; convenience; and safety. (Business, October, 1990, pp. 8, 18 and 19; The Guardian, May 12, 1992, p. 21). See Appendices G4(a) and G4(b) for the newspaper promotion which were replicated on TV.

To several banks, going into equipment leasing business is a product development strategy. Until recently, commercial banks were not allowed to deal in equipment leasing. But now, what used to be an exclusive preserve of a handful of Merchant Banks is a free field for all banks, involving virtually all the 119 banks or so operating in Nigeria.

The approval given recently (1988) to banks to engage in equity participation with small and medium scale enterprises is yet another avenue for product development strategy as well as for diversification strategies (TSM, August 12, 1990, p.27).

Diversification Strategies

These strategies aim at increasing returns by the development of new products essentially directed at new markets or segments.

Thus, Trade Bank's introduction of a Registrar's Department, and the setting up of "Trade Ventures Limited" to go into joint ventures with customers in trading activities are in line with the diversificiation strategy. (Herald, May 28, 1992, p.2).

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The venturing by several banks into Unit Trust is seen as efforts by banks to diversify their product offerings. Abacus Unit Trust, Lead Unit Trust, MBA Mutual Trust Scheme and Continental Unit Trust are some of the ones created by Merchant Banks. Abacus Merchant Bank was the pioneer in this area when it launched its Unit Trust in early 1991. Only recently, Intercontinental Merchant Bank (IMB) launched its own "Intercontinental Diamond Fund" with an added incentive of a free annual insurance cover which entitles the beneficiary to claim 100% of the investment in the event of accidental death of the investor up to a maximum of ₦1 million (City News, April 3, 1992, p. 15; See also Manager's Digest, July - August, 1991, pp. 10-12). Appendix G5 shows the campaign advert used for the product.

Another diversification strategy employed by some banks is setting up their own subsidiary Finance Companies to stem the incursion of other finance companies into their traditional areas of operation. An example is found in STB Finance Limited set up by Pinnacle Commercial Bank. Some banks have also diversified into the insurance brokerage business as exemplified by Afribank Insurance Brokers owned by Afribank Group (See African Business, April, 1992, p.43; Business Times, September 28, 1992, p. 11; and Banking Review, 1st Quarter, pp.14-43).

Lately, Banks have moved to exploit the New National Housing Fund Scheme by floating their own mortgage firms. Examples include "STB Home Finance Limited" owned by Pinnacle Commercial Bank; Countrywide Savings and Mortgage Ltd" established by Financial Merchant Bank Limited; and "MBC Mortage Limited" set up by Merchant Bank of Commerce (Business Times, May 11, 1992 pp. 1 & 30).

From the foregoing, it becomes obvious that banks have effectively employed various marketing strategies in order to remain in business and to grow in this fierce competition. This

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may explain the steady growth in deposits of Commercial Banks as observed in Appendix H. The increase level of deposit has also enhanced the ability of the banks to expand credit to their customers over the years as shown in Appendix I.

4.3 Finance Companies and Strategic Marketing

Finance Companies in Nigeria have employed very aggressive marketing strategies, not only against each other but also against banks who, feeling the pinch most, had to develop counter strategies.

Dabbling into nearly all aspects of traditional bank operations, Finance Companies employ, in the main, penetration and diversification strategies.

As their market penetration tool, finance houses offer very attractive interest rates (often twice the normal bank rates) to fund's owners, backed up by incentive offer of brokerage or commission fee (ranging between 2% - 5% of total fund) to any informal broker that aids in fund acquisition, and aggressive sales forces. With all these, there is little wonder why banks are loosing business to the finance companies. Banks have found it virtually impossible to compete effectively with Finance Companies on price (i.e. interest rate) basis. But CBN claims that "although reported bank interest rates were generally lower, the indications were that the effective borrowing rates were higher than the reported rates". This being the case, it may be right to conclude that some banks also source deposit funds at high interest rates.

Presently, a number of finance companies have diversified into the Unit Trust business. Some of them are "Cash Link Student Investment Fund" managed by Cash Link Finance and Investment Company Limited, and "Public Finance Unit Trust" managed by Public Finance Limited.

The Cash Link Student Investment Fund is aimed at mobilizing and managing prudently idle funds held by or for students; to encourage savings and investment culture; and to reduce graduate unemployment by

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funding viable projects from the capital pool. The incentives attached to the scheme are free life insurance policy worth up to ₦20,000; 24% returns to holders; income disbursement half-yearly, but only half of total income is distributed while keeping the other half in the capital pool; holders can apply for funds from the capital pool to start own business. The scheme is open to students, parents, guardians, relations, educational endowment bodies, government parastatals, corporate bodies and general public. It must be observed the very clever way a scheme designed for student is targeted at virtually everybody (TSM, June 2, 1992, p.33).

As a result of stiff competition for deposit funds, a number of Finance Companies were reported to have resorted to diversification strategies such as floating subsidiary trading companies for direct importation, warehousing facilities, direct distributorship, setting up Mortgage firms to mobilize funds for trading activities, and organising seminars and workshops to boost income and to promote corporate image (Guardian, August 5, 1992, p.11).

4.4 Mortgage Institutions and Marketing Strategies

These mortgage firms have to contend with competition emanating not only from within themselves, but also from Finance Companies and banks through diversification strategies employed by them (Finance Houses and Banks).

The current efforts of mortgage institutions are directed toward building a solid saving deposit base in the face of the stiff competition. To this end, various market penetration strategies are being employed. Among these is heavy media campaign to create the much needed awareness on the new housing scheme under the National Housing Fund as well as to individual firm's offerings. Mutual Trust Savings and Loans Limited employed heavy advertising and sales promotions when it opened new offices at Oshodi and Balogun areas of Lagos. The sales promotions comprised raffle draw and fabulous

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gifts for whoever opened accounts before a specified date or with some specified account numbers (See Appendix G6).

Another penetration strategy is the innovative packaging of mortgage products. For example, Countrywide Savings and Mortgage Limited recently introduced its "Multiple Mortgage Investment Certificate" presented as a package with a profitable combination of high and competitive returns at low costs, with the added incentive of a free Life Assurance Policy worth ₦50,000 and covering the tenure of the investment (City News, May 8, 1992, p.15).

Another innovatively packaged product is that of Network Mortgage Finance Limited called "Network Savers Voucher Account" which saves the holder the trouble of going to the bank to draw from or pay into Savings Account. You simply fill in the voucher, just like a cheque, and send it to the bank (See Appendix G7 and also Appendices G7 a-c).

Such is the competitive desperation that some mortgage firms were found, contrary to Decree 53 of 1989, to be channelling some of the funds (acquired at very cheap rates) to financing non-personal housing business such as LPO financing, foreign exchange transfer, and commercial real estates (Business Times, May 18, p.31).

4.5 Leasing Companies and Marketing Strategies

Strategies in the leasing sector have centred around penetration through price incentives, tie-in service incentives and offer of other benefits.

For example, Holt offers:- office efficiency, industrial safety, cool comfort, back-up services and maintenance; while Leventis offers:- savings on capital expenditure, savings on maintenance bills, replacement of equipment within hours if repairs cannot be effected in case of breakdown; Mandilas offers:- comprehensive insurance coverage, replacement of equipment in case of breakdown, enhanced cash flow forecast, 100% tax deductible expenses, fixed leasing rate not subject to inflation, new equipment supplied at end of the lease period (Corporate, November/December, 1991, pp. 20, 25 & 40). See Appendix G-9.

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Very recently, VT Leasing Limited (Domestic Leasing) launched a new product tagged "Credit Life Insurance Scheme" whereby dependants of a lessee (the policy holder) in the event of an untimely death, continue to enjoy the leased items without having to make any more lease payment. (Vanguard, March 16, 1992, p. 9).

4.6 Insurance Companies and Marketing Strategies

Insurance Companies are now waking up to the challenge posed by banks and finance companies on some of the areas insurance companies are normally expected to show dominance. Infact, there is even the fear tht banks may seek further incursion into the insurance industry by setting up their own insurance companies. Already, Banks are actively involved in Pension Funds and Unit Trust Schemes. (Osoka, O., 1991, pp. 18, 19 & 26; Aburo, 1992, p. 11).

Of late, innovative marketing strategies have started to be employed. Market penetration strategies employed include the use of extensive network of sales outlets complemented by aggressive sales forces and media campaigns (Appendices G8 a-c for samples of adverts). Innovative policies have also been introduced. For instance, African Alliance Insurance Company Limited offers range of creatively packaged policies such as:-

- Self-Employment Pension Scheme - which gives a self employed person the opportunity to provide for his retirement;
- Partnership Insurance Scheme - which provides financial support to keep a business going in the event of an earlier death of a partner;

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- Increasing Endowment Assurance - which puts a hedge against inflation by granting automatic increases in sum assured at intervals with no corresponding increase in premium;
- Master Plan Assurance Protection - designed for any borrower who has built or purchased a house on mortgage, such that, in the event of premature death before mortgage is fully repaid, the holder's family is left with a home free of all financial distress;
- Family Income Rider - which ensures that when a holder dies, his dependants are assured of regular income from the insurance company for the remaining period of the policy; and
- Couple Accord Plan - which fills the financial gap created by the death of any of the couple. (The Guardian, April 9, 1992, pp. 21 & 22).

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4.7 Customers' Response

Respondents' Characteristics

The demographic characteristics of respondents are presented in Tables 1 to 7 below.

The tables reveal that majority of the respondents (63%) were in the 30 - 40 years age bracket. 24% were over 40 years of age, while 13% were below 30 years. 74% of the respondents were males while 26% were females. About 3% of the respondents had at least primary education, 18% had secondary education and 78% had tertiary education. Majority (57%) of the respondents were company employed, 30% were civil servants while the rest 13% were self-employed.

Table 1: Age of Respondents

Age	Frequency	%
Less than 25 years	4	3
25 years - 30 years	12	10
30 years - 40 years	75	63
40 years - 50 years	14	12
50 years and above	15	12
Total	120	100

Table 2: Sex of Respondents

Sex	Frequency	%
Male	89	74
Female	31	26
Total	120	100

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Table 3: Occupation of Respondents

Occupation	Frequency	%
Civil Servant	36	30
Company Employed	68	57
Self-Employed	16	13
Total	120	100

Table 4: Educational Attainment

Education	Frequency	%
Primary	4	3.3
Secondary	22	18.3
Tertiary	94	78.3
Total	120	100

Table 5 shows that all respondents patronize commercial banks. The table also reveals that the respondents patronize other financial institutions in addition to commercial banks. Thus, Merchant Banks were mentioned 21% of the time, insurance companies 26% of the time and finance companies 14% of the time. 75% of respondents transact both personal and company business with financial institutions. However, 21% transact only personal business, while 5% transact on behalf of companies. 79% of respondents had transacted business for over 6 years, 16% for between 3 to 6 years, and only 5% for less than 3 years.

All this goes to show that most of the respondents selected for the study were well informed and capable of articulate assessment of the financial sector.

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Table 5: Type of Financial Institutions patronized by Respondents

Institution	Frequency	%
Commercial Bank	120	28
Merchant Bank	87	21
Mortgage Bank	28	7
Finance Company	59	14
Insurance Company	112	26
Leasing Company	16	4
Total	422	100

Table 6: Nature of business transaction by respondents

Business	Frequency	%
Personal only	25	21
Company only	6	5
Both of the above	89	75
Total	120	100

Table 7: Length of Business Transaction with Financial Institutions

Length	Frequency	%
Less than 3 years	6	5
3 years - 6 years	19	16
6 years - 10 years	53	44
10 years and above	42	35
Total	120	100

Several factors influence customers' choice of financial institutions. The most prominent once mentioned by customers are summarized below:-

* Company Policy
* Personal Preference (unexplained)
* Nature of Service sought
* Safety of Funds
* Proximity

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* Uniqueness of product/service
* Quick/efficient service delivery
* Interest rate level
* Friendly/courteous service staff
* The ease with which business are transacted.

The implication of this is that only banks and other financial institutions that offer some or all of these attributes as part of their product offerings would enjoy the sustained patronage of customers.

Looking at Table 8, it may be right to assert that greater number of financial houses are meeting customers' preferences in current SAP induced free-market enterprise more than ever before. The table shows that 82% of customers are doing a better job now than before the advent of SAP. Only 15% prefer the pre-SAP performance, while just 3% could see no difference between current and past performance.

The slightly higher rating (47%) given to product/service delivery of new banks as against the 41% given to the older banks may be a further testimony to the superior performance of banks in the curent deregulated economy than ever before (Table 9). This is so if it is realised that most of the new banks emerged during the SAP era and most of them have continued to wax stronger in spite of cynicism from several quarters, as well as the imposing and frightening presence of the much bigger old generation banks.

Table 8: Customers general assessment of financial institutions' performance since the advent of SAP

Assessment	Frequency	%
Better than before SAP	98	85
Same as before SAP	4	3
Worse than before SAP	18	15
Total	120	100

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Table 9: Customers ratings of product/service delivery of new Banks against that of older banks

Ratings	Frequency	%
New Banks are better	57	47
Old Banks are better	49	41
Both are the same	14	12
Total	120	100

The SAP induced competition currently prevailing among various types of financial institutions has brought about the introduction of new or improved financial products and services into the market. But to what extent are customers aware of these and how do they view this development? Table 10 shows that 92% of customers surveyed were aware of such new or improved products/services in the financial market. Only 8% claimed ignorance. And, Table 11 reveals that 93% of those who were aware of the new or improved product/service offering consider them as highly desirable. Only 3% believed they were not desirable, while 4% showed indifference.

Table 10: Customers' Awareness of new/improved financial products/services

Awareness	Frequency	%
Yes	110	92
No	10	8
Total	120	100

Table 11: Customers' Assessment of new/improved Finanical products/services

Assessment	Frequency	%
Highly desirable	102	93
Not desirable	3	3
Indifferent	5	4
Total	110	100

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What major benefits have accrued to customers of financial institutions since the emergency of SAP? Table 12 summarizes what customers considered as benefits of SAP.

Table 12: Customers' perceived benefits of SAP on the Financial Sector

Benefit	Frequency	%
Wider choice	115	25
More efficient service delivery	101	22
Freedom to strike better bargain	100	22
Freer access to advisory services	93	20
Ratively better cultured service staff	52	11
Total	461	100

The table shows that nearly all customers believed they have wider choice now than before the arrival of SAP. Other benefits, in order of frequency are: better service delivery; freedom to strike better bargains due to the increased clamour for the patronage of the customer; freer access to advisory services as top officials of financial houses abandon armchair banking and instead go after the customer; finally, customers believed service staff of financial houses, especially banks, are now better cultured than what used to obtain in the pre-SAP era. This may be due to the fact that most bank staff, especially those of the new generation banks, are better educated, well groomed, and better trained to be more responsive to customers' needs.

However, customers are not fully satisfied. They still want more, and Table 13 summarizes the additional financial product/service augumentation required by customers.

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Table 13: Additional financial product/service features required by customers

* Improvement in customer relations.
* Further reduction in customer waiting time.
* More credible product/service advert claims.
* Easy transfer of funds across cities.
* Greater openess in banking terms of transactions.

The inference here is that while the current performance of financial houses are considered as better than what it used to be, customers still believe there is room for further improvements in their services. The operators should therefore not rest on their oas. In fact, customers (and of course, the generality of the public) would expect greater and genuine commitment of financial houses to their (customers') overall well being. This much can be deduced from their suggestions for a better financial sector as summarized below:-

* Removal of stiff requirements for loans;
* Checking the excessive rise in interest rates;
* Reversal of the continuing fall in the value of the Naira; and
* Stopping the undue obsession for excessive profits.

If they must continue to reach out for greater heights, financial houses must never fail to identify and accord greater attention to customers needs and view-points such as those highlighted in the foregoing. Only then could they continue to meet customer expectation and sustain the enviable status they presently enjoy in the Nigerian economy.

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CHAPTER V

5.0 CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

SAP has indeed altered the Nigerian economic environment in a most fundamental way. It has brought some positive as well as negative effects on the economy.

Some of its effects posed problems and challenges for the various sectors of the economy. The financial sector which we choosed to examined in this paper has effectively adapted its resources towards meeting the challenges. Through the employment of innovative marketing strategies, the financial sector has come out successfully amid the fierce competition induced by SAP. Banks and financial institutions have remained vibrant inspite of all the SAP induced problems, thereby becoming the envy of the other sectors of the economy.

In a deregulated, free market enterprise economy such as the one being witnessed in Nigeria currently, strategic marketing is indeed the magic wand for survival, sustained growth and profitability in the volatile world of Banking and Finance.

The success of the Nigerian financial sector in the employment of effective marketing strategies is evident in the growing level of aggregate deposits accumulated and the rising level of credits granted to fund users.

The result of all this is that the Nigerian consumer of financial products and services now, more than ever before, has a very wide choice among the competing, innovatively packaged financial products and also enjoys a relatively more efficient service delivery from the numerous financial houses across the country.

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5.2 RECOMMENDATIONS

Although the Nigerian financial institutions have by and large succeeded in weathering the storm under SAP by the employment of innovative marketing strategies, there exists room for some improvements in their operations. It is towards this end that the following recommendations are made.

1. There is still need to further augment product and advertisement claims with quicker and more credible service delivery. This is especially more important for banks and insurance companies.
2. The marketing skill of most personnel in the financial sector needs further improvements. Improving their marketing orientation will make them realise the importance of good customer relations and efficient service delivery. The older banks especially need to adopt this suggestion urgently if they do not want to lose more of their customers to the new, more aggressive banks.
3. There is need for a well coordinated market research programme that will ensure continuous assessment of customer needs. This would form the basis for developing new or improved product.
4. Time is now ripe for the suggestion that some financial houses should imbibe concentrated marketing strategy. That is, focussing on one or a few segments of the total market and designing specialised product to serve the selected segment. This will remove the current tendency to do whatever everyone else is doing. Each operator in each of the subsectors in the financial system should endeavour to carve a niche for itself. Everyone should

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look different in form and substance. A situation whereby everybody goes after everything could in the long run spell the doom for especially the new, relatively smaller banks who would have to contend with the older, much stronger ones.

The total or mass market approach which prevails currently is not necessarily the best for all operators in the system. It would be more beneficial for each operator to reassess its strengths and weaknesses so as to enable effective positioning in the market. There is enough room for specialization, or target marketing. For example, a recent study abroad reveals that there are about 150 lines of business in banking. The new and small financial houses are more dynamic and would do better as specialists, while the old and big outfits are well equipped for volume transactions or what is termed undifferentiated or mass marketing.

- There is need for a more effective and efficient telecommunication system to ensure faster, risk-free, fraud-proof banking transactions across the country. This is one area that requires urgent government assistance. An effective telecommunication network would enable a bank customer in, say, Kaduna to have his signature and bank balance verified within a few minutes if he wants to encash his cheque in another bank branch in, say, Port-harcourt. The improvement in telecommunication will also facilitate introduction of new financial products such as Electronic Funds Transfer at the Point of Sale (EFTPOS), Electronic Card Products, and Electronic Debit Cards, to mention but a few.

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6. In view of the strategic importance of the financial sector to a nation's economy, the operators in the sector should not allow the desire to make huge profit in a competitive environment such as we have under SAP to over-ride their socio-economic role of mobilising and channelling idle funds into productive sectors of the economy. This suggestion is in harmony with the modern thinking in marketing - the societal marketing concept. This is about the only way to avoid public disenchantment.

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APPENDIX 'A'

Given here are 3 lists comprising the products and services provided by a Merchant Bank and 2 Finance Companies. Note the very thin differences in their lists.

1. RIMS MERCHANT BANK LIMITED

(a) Treasury and Foreign Exchange:

- Term Deposits
- Corporate Cash Management
- Bill Discounting
- Commercial Paper Issues
- Banker's Acceptances
- Interbank Placements
- Foreign Exchange Dealings
- Spot and Forward Transactions

(b) Credit and Marketing Services:

- Overdrafts
- Acceptance Credit
- Revolving Cash Advance
- Loan Syndications
- Term Loan and Advances
- Export Development and Finance
- Small-Scale Business Finance
- Equipment Leasing

(c) Corporate Finance Services:

- Investment Advisory Services
- Public and Private Debt-Equity Issues
- Long Term Debt and Capital Floatation
- Mergers and Acquisitions
- Debt-Equity Conversion
- Pension Scheme Management

(d) International Operations:

- Documentary Credit
- Bills for Collection
- Direct Import
- Foreign Exchange Remittances
- Correspondent Banking
- Foreign Currencies Domiciliary Accounts
- Current Accounts
- Export Letters of Credit and Collection.

Source: RIMS Merchant Bank Limited, Kaduna Branch

2. FORUM BUSINESS FINANCE LIMITED (a Finance House)

(a) Treasury and Financial Services:

- Commercial Papers
- Banker's Acceptance
- Financial Advisory Services
- And Others

(b) Corporate Finance:

- Overdraft for Working Capital
- Term Loan
- Loan Syndication
- Equipment Leasing

(c) Trade Finance

- LPO Finance
- Import and Export Financing
- Bonded Warehouse Financing
- Project Finance

Source: Forum Business Finance Limited, Kaduna Branch.

3. KWARA INDUSTRIAL TRUST FUND LIMITED (a Finance House)

- Project Financing
- LPO Financing
- Export Financing
- Import Financing
- Commodity Brokerage/Warehousing
- Trading Financing
- Working Capital Financing
- Equipment Leasing
- Stock Broking
- Unit Trust Scheme
- Port-Folio Management
- Mergers and Acquisitions
- Financial Advisory Services
- Revolving Loans
- Capital Market Operations
- Money Market Investments
- Loan Syndication and Management

Source: National Concord, May 28, 1992, pp. A4-A5.

APPENDIX B

NUMBER OF COMMERCIAL BANKS' BRANCHES IN NIGERIA AND ABROAD AND DISTRIBUTION

Year	Number of Banks (1)	Urban Branch (2)	Rural Branch (3)	Branches Abroad (4)	Total Number of Branches (2) + (3) + (4)
1970	14	-	-	-	273
1971	16	-	-	-	318
1972	16	-	-	-	367
1973	16	-	-	-	385
1974	17	-	-	-	403
1975	17	-	-	-	436
1976	18	-	-	-	463
1977	19	474	13	5	492
1978	19	511	98	5	614
1979	20	533	133	6	672
1980	20	565	168	7	740
1981	20	622	240	7	869
1982	22	676	308	7	991
1983	25	694	407	7	1,108
1984	27	810	432	7	1,249
1985	28	839	451	7	1,297
1986	29	879	481	7	1,367
1987	34	947	529	7	1,483
1988	42	1,050	602	7	1,659
1989	47	1,078	771	7	1,856
1990[1/]	57	-	-	-	1,876
1990[2/]	58	1,079	771	7	1,877

Note: Classification Of Branches into Urban and Rural started in July, 1977.

1/ As at October, 1990

2/ As at December 1990.

Source: CBN Statistical Bulletin, Vol. 1, Nos. 1 & 2, December, 1990 p. 35.

APPENDIX C

NUMBER OF MERCHANT BANKS' BRANCHES IN NIGERIA AND DISTRIBUTION

Year	Number of Banks (1)	Number Branches (2)
1970	1	-
1971	1	-
1972	1	-
1973	2	-
1974	3	-
1975	5	-
1976	5	-
1977	5	1
1978	5	7
1979	6	7
1980	6	12
1981	6	15
1982	8	19
1983	10	24
1984	11	25
1985	12	26
1986	12	27
1987	16	33
1988	24	46
1989	34	56
1990	49	74

Source: CBN Statistical Bulletin, Vol. 1, Nos. 1 & 2, December, 1990, p. 42.

APPENDIX D

NUMBER OF BANK BRANCHES IN NIGERIA AND ABROAD AS AT 31ST DECEMBER, 1991

No.	Commercial Banks	Overseas	No. of Branches Urban	Rural	Total
		(1)	(2)	(3)	(4)
1	Access Bank Nigeria Ltd	—	2	—	2
2	Afribank Limited	—	56	39	95
3	African Continental Bank Ltd	1	68	49	117
4	African International Bank Ltd	—	23	22	45
5	All States Trust Bank Ltd	—	11	—	11
6	Allied Bank of Nigeria Ltd	—	39	24	63
7	Amicable Bank Ltd	—	3	—	3
8	Bank of the North Ltd	—	56	39	95
9	Broad Bank Limited	—	2	—	2
10	Chartered Bank Ltd	—	6	—	6
11	Citizens International Bank Ltd	—	5	—	5
12	Commerce Bank Ltd	—	8	—	8
13	Commercial Bank of Africa Ltd	—	1	—	1
14	Commercial Bank (Credit Lyonnais) (Nig) Ltd	—	7	5	12
15	Commercial Trust Bank Ltd	—	2	—	2
16	Co-operative & Commercial Bank (Nig) Ltd	—	32	24	56
17	Co-operative Bank Ltd	—	35	22	57
18	Co-operative & Development Bank Ltd	—	4	—	4
19	Credite Bank (Nig) Ltd	—	2	—	2
20	Crystal Bank of Africa Ltd	—	3	—	3
21	Diamond Bank Ltd	—	1	—	1
22	EcoBank Nigeria Ltd	—	3	—	3
23	Eko International Bank Ltd	—	5	—	5
24	Equitorial Trust Bank Ltd	—	3	—	3
25	First African Trust Bank Ltd	—	1	—	1
26	First Bank of Nigeria Ltd	1	169	105	274
27	FSB International Ltd	—	1	—	1
28	Gamji Bank of Nigeria Ltd	—	6	5	11
29	Gateway Bank of Nigeria Ltd	—	2	—	2
30	Guaranty Trust Bank Ltd	—	1	—	1
31	Gulf Bank Limited	—	3	—	3
32	Habib Bank Nigeria Ltd	—	20	6	26
33	Hallmark Bank Ltd	—	2	—	2
34	Highland Bank of Nigeria Ltd	—	5	—	5
35	Inland Bank Nigeria Ltd	—	3	—	3
36	Intercity Bank Ltd	—	3	—	3
37	Lion Bank of Nigeria Ltd	—	5	—	5
38	Lobi Bank of Nigeria Ltd	—	15	6	21
39	Mercantile Bank of Nigeria Ltd	—	18	17	35
40	Meridien Equity Bank of Nigeria	—	2	—	2
41	National Bank of Nigeria Ltd	—	67	43	110
42	New Nigeria Bank Ltd	—	38	21	59
43	Nigeria International Bank Ltd	1	6	5	11
44	Nigeria Universal Bank Ltd	—	11	14	25
45	Nigeria-Arab Bank Ltd	—	16	22	38
46	North-South Bank Nigeria Ltd	—	2	—	2
47	Oceanic Bank International Ltd	—	4	—	4
48	Orient Bank Nigeria Ltd	—	5	—	5
49	Owena Bank (Nigeria) Ltd	—	18	6	24
50	Pan African Bank Ltd	—	22	16	38
51	Pinacle Commercial Bank Ltd	—	1	—	1
52	Premier Commercial Bank Ltd	—	7	—	7
53	Progress Bank of Nigeria Ltd	—	33	5	38
54	Republic Bank Ltd	—	3	—	3
55	Savannah Bank of Nigeria Ltd	—	38	32	70
56	Societe Generale Bank Ltd	—	14	21	35
57	Trade Bank of Nigeria Ltd	—	11	—	11
58	Trans International Bank Ltd	—	5	—	5
59	Tropical Commercial Bank Ltd	—	4	17	21
60	Union Bank of Nigeria Ltd	1	148	91	239
61	United Bank for Africa Ltd	1	108	87	195
62	United Commercial Bank Ltd	—	1	—	1
63	Universal Trust Bank of Nigeria	—	13	5	18
64	Wema Bank Ltd	—	42	17	59
65	Zenith International Bank Ltd	—	3	—	3
	Sub-Total	5	1,253	765	2,023

Source: CBN Annual Report, December, 1992, p. 134

APPENDIX E

NUMBER OF BANK BRANCHES IN NIGERIA AND ABROAD AS AT 31ST DECEMBER, 1991

No.	Merchant Banks	Overseas	No. of Branches Urban	Rural	Total
		(1)	(2)	(3)	(4)
1	Abacus Merchant Bank Ltd	—	1	—	1
2	ABC Merchant Bank Nigeria Ltd	—	3	—	3
3	Afribank International Ltd	—	1	—	1
4	Alpha Merchant Bank Ltd	—	2	—	2
5	Centre Point Merchant Bank Ltd	—	1	—	1
6	Century Merchant Bank Ltd	—	1	—	1
7	Citi Trust Merchant Bank Ltd	—	1	—	1
8	Comet Merchant Bank Ltd	—	1	—	1
9	Continental Merchant Bank Nigeria Ltd	—	6	—	6
10	Crown Merchant Bank Ltd	—	3	—	3
11	Devcon Merchant Bank Ltd	—	1	—	1
12	FBN (Merchant Bankers) Ltd	—	1	—	1
13	Fidelity Union Merchant Bank Ltd	—	1	—	1
14	Financial Merchant Bank Ltd	—	1	—	1
15	First City Merchant Bank Ltd	—	1	—	1
16	First Interstate Merchant Bank Ltd	—	1	—	1
17	Fountain Trust Merchant Bank	—	1	—	1
18	Great Merchant Bank Ltd	—	1	—	1
19	Grindlays Merchant Bank Ltd	—	2	—	2
20	Group Merchant Bank Ltd	—	1	—	1
21	Hillcrest Merchant Bank	—	1	—	1
22	ICON Ltd (Merchant Bankers)	—	3	—	3
23	Indo-Nigeria Merchant Bank Ltd	—	1	—	1
24	Industrial Bank Ltd (Merchant Bankers)	—	2	—	2
25	International Merchant Bank Nigeria Ltd	—	5	—	5
26	Investment Banking Trust Co. Ltd	—	1	—	1
27	Ivory Merchant Bank Ltd	—	1	—	1
28	Kapital Merchant Bank Ltd	—	1	—	1
29	Lead Merchant Bank Ltd	—	1	—	1
30	Liberty Merchant Bank Ltd	—	1	—	1
31	Manufacturers Merchant Bank Ltd	—	1	—	1
32	Marina International Bank Ltd	—	1	—	1
33	Merchant Bank of Africa Nigeria Ltd	—	3	—	3
34	Merchant Bank of Commerce Ltd	—	1	—	1
35	Merchant Banking Corporation Ltd	—	2	—	2
36	Metropolitan Merchant Bank Ltd	—	1	—	1
37	Midas Merchant Bank Ltd	—	1	—	1
38	NAL Merchant Bank Ltd	—	5	—	5
39	Nationwide Merchant Bank Ltd	—	1	—	1
40	New Africa Merchant Bank Ltd	—	1	—	1
41	New World Merchant Bank Ltd	—	1	—	1
42	Nigbel Merchant Bank (Nigeria) Ltd	—	1	—	1
43	Nigeria Intercontinental Merchant Bank Ltd	—	2	—	2
44	Nigeria Merchant Bank Ltd	—	3	—	3
45	Nigeria-America Merchant Bank Ltd	—	3	—	3
46	Pacific Merchant Bank Ltd	—	1	—	1
47	Peak Merchant Bank	—	1	—	1
48	Prime Merchant Bank Ltd	—	1	—	1
49	Prudent Merchant Bank Ltd	—	1	—	1
50	Rims Merchant Bank Ltd	—	1	—	1
51	Royal Merchant Bank	—	1	—	1
52	Societe Bancaire	—	1	—	1
53	Triumph Merchant Bank	—	1	—	1
54	Victory Merchant Bank Ltd	—	1	—	1
	Sub-Total	—	84	—	84
	Grand Total	5	1,337	765	2,107

Source: CBN Annual Report December, 1992, p.135

APPENDIX F

COMMUNITY BANKS IN OPERATION IN 1991

1. Ado-Ekiti Community Bank (Ondo State).
2. Agbado Community Bank (Ogun State).
3. Agege Community Bank (Lagos State).
4. Ajose Community Bank (Ogun State).
5. Akabo Community Bank (Imo State).
6. Akin Community Bank (Cross River State).
7. Alimoso Community Bank (Lagos State).
8. Amaigbo Community Bank (Nig.) Limited (Imo State).
9. Amana Community Bank (Kaduna State).
10. Ariaria Community Bank (Imo State).
11. Avabe Community Bank (Nig) Ltd. (Ondo State).
12. Awe Community Bank (Nig) Limited (Oyo State).
13. Awka Community Bank (Nig) Ltd. (Anambra State).
14. Birni Community Bank (Kaduna State).
15. Bodija Community Bank (Nig) Limited (Oyo State).
16. City Community Bank (Nig) Limited (Lagos State).
17. Ebenator Community Bank (Nig) Ltd (Imo State).
18. Emekuku Community Bank (Imo State).
19. Gamakai Community Bank (Nig) Limited (Bauchi State).
20. Gombi Community Bank (Adamawa State).
21. Gwong Community Bank (Kaduna State).
22. Himma Community Bank (Nig) Limited (Kaduna State).
23. Home Community Bank (Nig) Limited (Imo State).
24. Ibeto Community Bank (Nig) Limited (Anambra State).
25. Idimu Community Bank (Nig) Limited (Lagos State).
26. Igbogbo Community Bank (Nig) Limited (Lagos State).
27. Igueben Community Bank (Edo State).
28. Ihiala Community Bank (Nig) Limited (Anambra State).
29. Ijesa-Isu Community Bank (Nig) Limited (Ondo State).
30. Ijesha-Tedo Community Bank (Nig) Limited (Lagos State).

31. Ijesowapo Community Bank (Lagos State).
32. Ilaje-Ese Odo Community Bank (Nig) Ltd. (Ondo State).
33. Ile-Ogbo Community Bank (Osun State).
34. Ilupeju-Ekiti Community Bank (Nig) Limited (Ondo State).
35. Inye Community Bank (Kogi State).
36. Iperu Community Bank (Nig) Limited (Ogun State).
37. Ira Community Bank (Nig) Limited (Lagos State).
38. Ire-Ekiti Community Bank (Nig) Limited (Ondo State).
39. Isoko Community Bank (Nig) Limited (Delta State)
40. Iwaya Makoko Community Bank (Nig) Limited (Lagos State).
41. Mbayon Community Bank (Nig) Limited (Benue State).
42. Mbayon Community Bank (Nig) Limited (Benue State).
43. Matunci Community Bank (Kaduna State).
44. Nnobi Community Bank (Nig) Limited (Anambra State).
45. Obia Community Bank (Abia State).
46. Oduduwa Community Bank (Nig) Limited (Osun State).
47. Odofin Community Bank (Nig) Limited (Lagos State).
48. Ogba Community Bank (Nig) Limited (Lagos State).
49. Ogbagi Community Bank (Nig) Limited (Ondo State).
50. Ogbe Community Bank (Nig) Limited (Imo State).
51. Ogbomoso Community Bank (Nig) Limited (Oyo State).
52. Oke-Ona Egba Community Bank (Ogun State).
53. Omuma Community Bank (Imo State).
54. Oraifite Community Bank (Nig) Limited (Anambra State).
55. Ore Community Bank (Nig) Limited (Ondo State).
56. Orodo Community Bank (Nig) Limited (Imo State).
57. Oshimili Community Bank (Nig) Limited (Delta State).
58. Osina Community Bank (Imo State).
59. Osumenyi Community Bank (Nig) Limited (Anambra State).
60. Owo Community Bank (Nigeria) Limited (Ondo State).

61. Sabo Community Bank (Nig) Limited (Lagos State).

62. Somolu Community Bank (Nig) Limited (Lagos State).

63. Umuaka Community Bank (Nig) Limited (Imo State).

64. Unity Community Bank (Nig) Limited (Edo State).

65. Urualla Community Bank (Imo State).

Source: CBN Annual Report, December, 1991, p. 46.

APPENDIX G1

START PLANNING FOR YOUR FUTURE TODAY



You should start planning your retirement today, whether you are 20 or 65 years old.
To be able to live well tomorrow, meet your children's educational and other family needs, you need to systematically save and invest in safe and profitable instruments.

THE INDIVIDUAL RETIREMENT ACCOUNT

Through a skillful blend of investment options, and the power of Compound Interest, our INDIVIDUAL RETIREMENT ACCOUNT will accelerate the growth of your funds with us thereby assuring you of adequate money to spend in the years ahead.

Prepare for tomorrow today

INVESTMENT PLAN

DEPOSIT N	QUARTERLY ADDITION N	1 YEAR N	3 YEARS N	5 YEARS N
5,000	500	7,941	15,350	25,393
5,000	1,000	10,096	23,031	40,734
20,000	1,000	27,644	47,046	73,601
50,000	1,000	62,738	95,077	139,334
100,000	2,000	125,479	190,155	277,668
200,000	3,000	246,751	365,283	527,555

For more information and a free brochure call 616631, 610678 or write The Manager, I.R.A
Plot 84 Ajose Adeogun Street P.O. Box 75315
Victoria Island, Lagos.

ZENITH

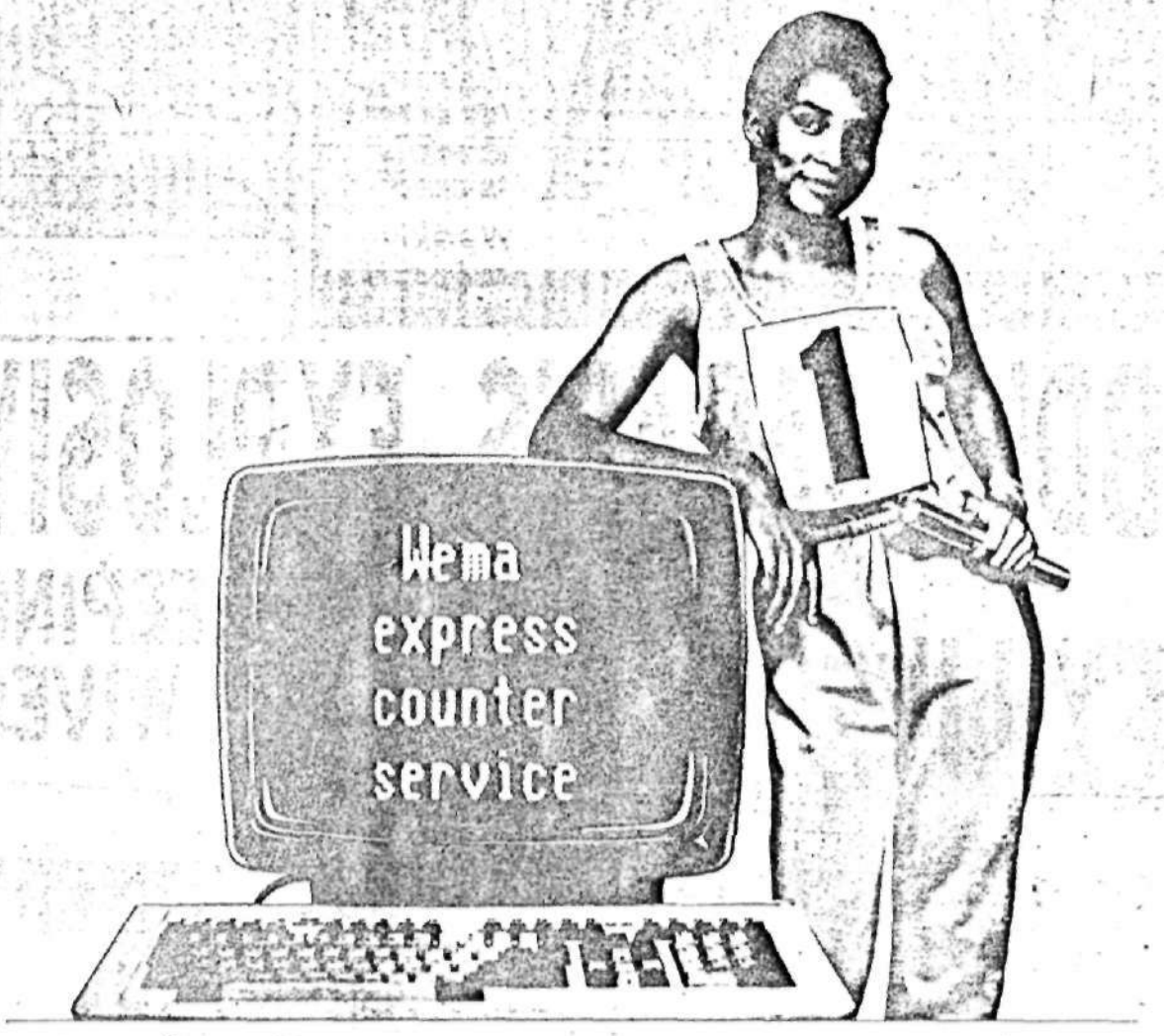
ZENITH INTERNATIONAL BANK LIMITED

... in your best interest

Source: National Concord, June 30, 1992, p. A6.



Source: City News, April 3, 1992.



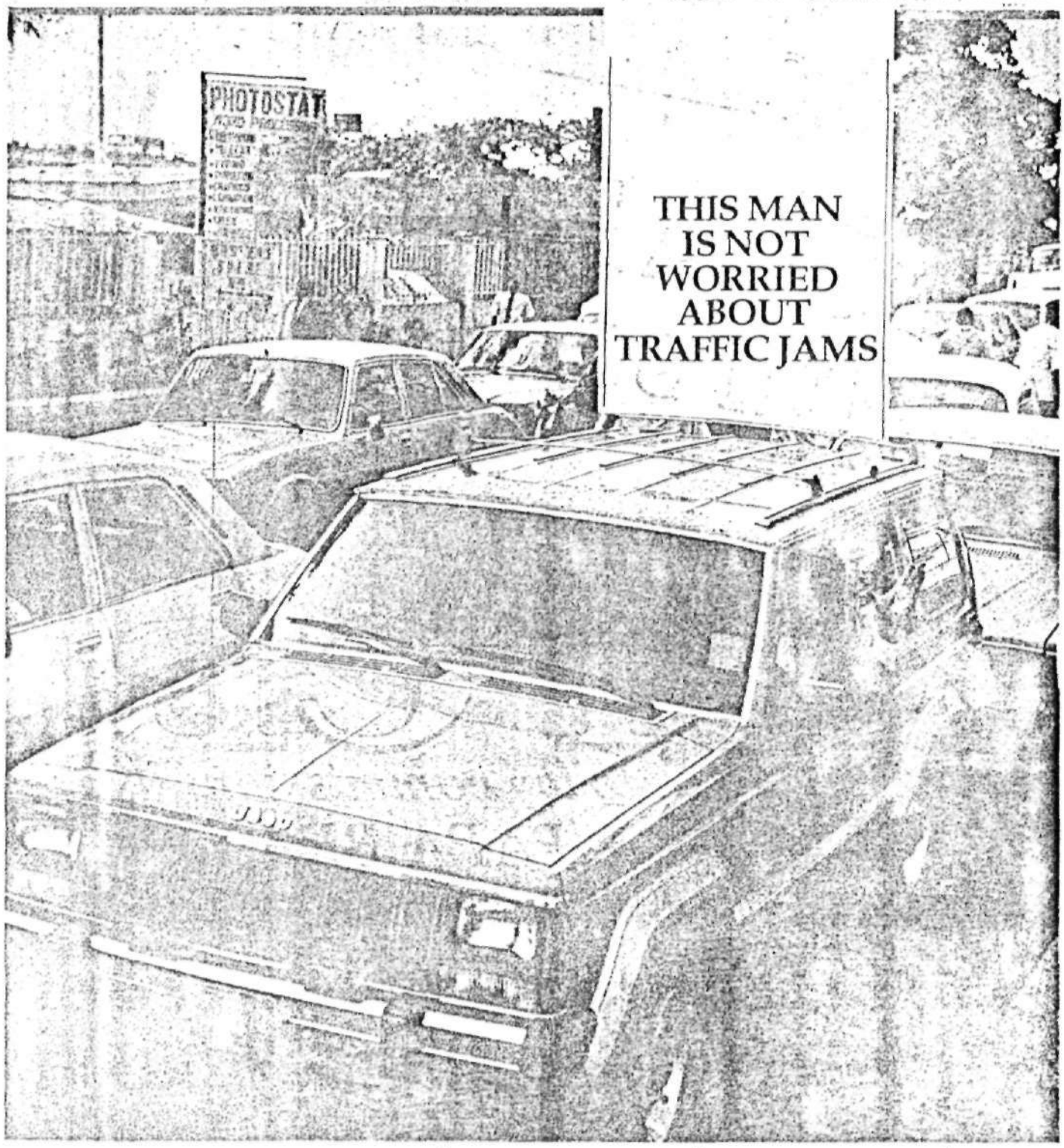
Banking on the fast lane ...for people on the move

In the go-go world of today, you can't afford to waste hours in a bank just to withdraw a little sum of money. That's why WEMA bank has now introduced the Express Counter Service, using on-line computer, in designated branches. The computerised processing of your cheque ensures you can withraw up to ₦500.00 within 5 minutes. This is yet just another of the many attractions of today's WEMA. Take advantage, come to WEMA today.

Today's **WEMA** *... Different. Better. Responsive.*

WEMA BANK PLC
Wema House, 27, Nnamdi Azikiwe Street, Tinubu.
P.M.B. 12862, Lagos. Tel: 668305 667140 668303
Telex 22515, 22899 NG

Source: Fame Weekly, February 29 - March 6, 1992.



THIS MAN IS NOT WORRIED ABOUT TRAFFIC JAMS

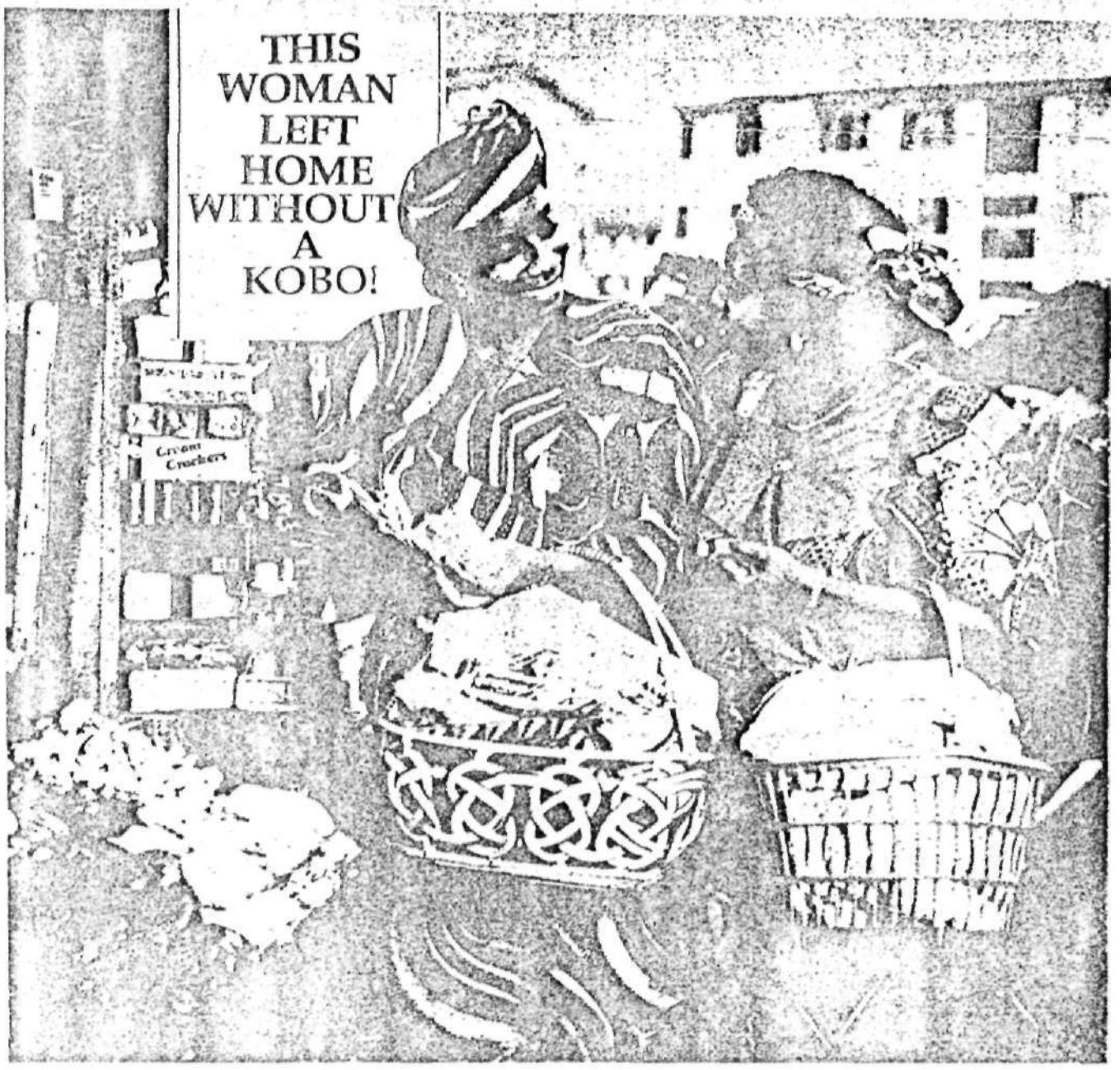
In the banks, that is. Doesn't life already have enough worries as it is?
That's why he chose the convenient way to draw money - Firstcash from First Bank. It doesn't matter what branch he banks with; all he needs do to collect his money is to walk into any cashpoint in Lagos and punch, punch... and out comes his money.
Because ITS A 24 HOUR SERVICE

ITS VERY CONVENIENT
ITS ALSO SAFE
Firstcash means that morning, noon or night... on any day, you can simply stroll into any cashpoint and one, two, you are out with your money.
To get a FIRSTCASH Card, you must be a CURRENT ACCOUNT holder at First Bank. Contact your Bank Manager for more details.

FirstCash ATM From First Bank

MONEY
ANYTIME YOU WANT IT

CBN/BSD/ADV 1011/002/92



Of course she knew she could conveniently draw the money she would need along the way.
Convenience, that's a big advantage offered by the Firstcash account from First Bank. No matter what branch you bank with, all you need do is to walk into any of our cashpoints in Lagos... punch, punch... and out comes your money.
Because IT'S A 24 HOUR SERVICE
IT'S VERY CONVENIENT
IT'S ALSO SAFE

Firstcash means that morning, noon or night... on any day, you may not have a kobo on you this minute but next minute you have all the money you need.
To get a FIRSTCASH Card, you must be a CURRENT ACCOUNT holder at First Bank.
Contact your Bank Manager for more details.
ATM Cashpoints are installed in the underlisted branches:

FirstCash ATM From First Bank

MONEY ANYTIME YOU WANT IT

35 Marina Branch, Niger House Branch, Western House Branch, NIJ Building Victoria Island Branch, Apapa Branch, Airport Road Ikeja Branch

CBN/BSD/ADV 101/001/92

MC+A/SSA/92

Source: Fame Weekly, March 14-20, 1992.

APPENDIX G5



At least 26% Interest p.a. Yes!

Intercontinental Diamond Fund

...a precious package for discerning investors

The Intercontinental Diamond Fund (IDF) is your rare opportunity to ensure high yeild on your investible funds while taking care of your loved ones.

Here are some of the key facts that make the difference ...

...THE PROFIT

- At least 26% net yield (p.a) on a minimum of N100,000.00 investment
- Investment discountable
- Joint investors allowed to enjoy all the benefits
- Investment usable as collateral to obtain bank loans
- Minimum tenor of 90 days with option of rollover
- Ownership transferable from one person to another within Nigeria.

...THE SECURITY

Free Accident Insurance Cover giving an additional 100% of invested sum up to N1,000,000.00 in case of death.

- Free medical expenses in case of injury up to a maximum of N8,000:00 Insurance Cover is underwritten by UNIC.

...THE REASONING

The Intercontinental Diamond Fund is specially packaged and guaranteed by NIGERIAN INTERCONTINENTAL MERCHANT BANK, to give you the best of two worlds - high returns on your investment, as well as security for yourself and your loved ones. These are some of the reasons why you should put your money where your total interest is assured - **Intercontinental Diamond Fund.**

Take advantage of this precious investment package at any of our offices in Lagos, Kano Onitsha and Ikeja by simply calling:

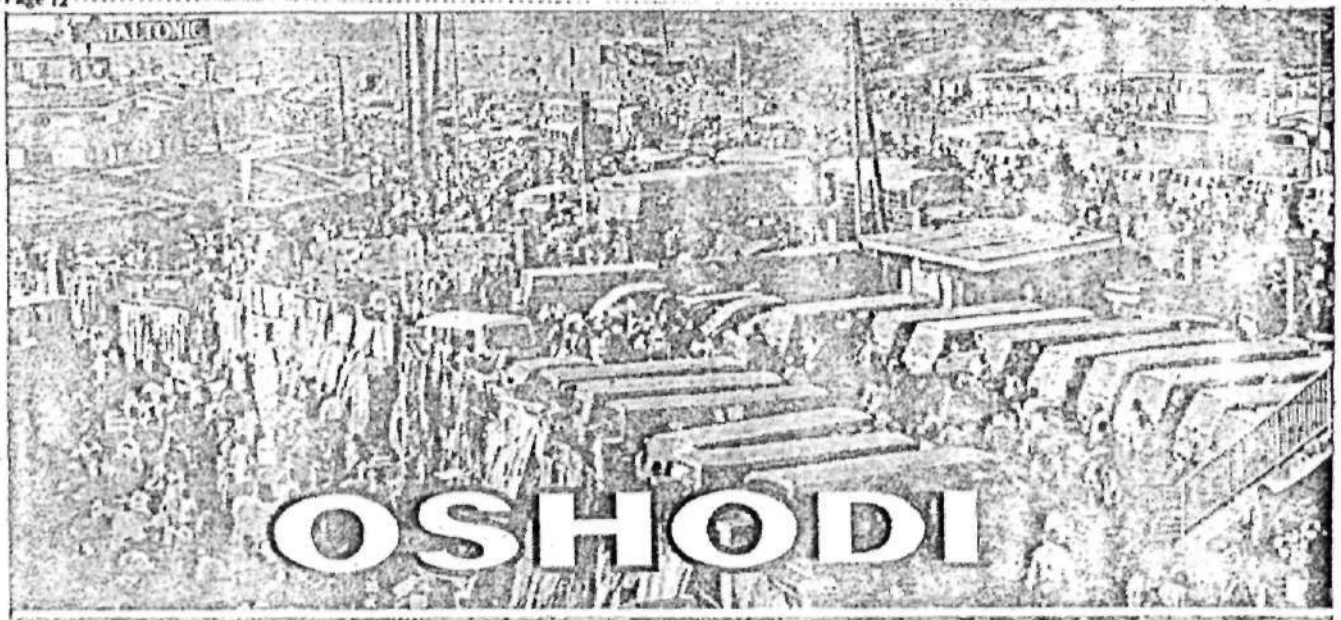
Niyi Adalumo (Lagos) 01 - 601500 - 19, 634529, 635929
Kaduna Danjuma (Kano) 064 - 600510, 620424
Ken Orji (Onitsha) 046 - 216384, 216542
Blessing Akhigbe (Ikeja) 01 - 935049, 935025

INTERCONTINENTAL

Nigerian Intercontinental Merchant Bank Limited ...we make the difference
1st floor, 12 Berkley Street, P.O. Box 54434 (Falomo)
Lagos Nigeria. Tel: 636080, 601500-19 TELEX 22020 ICBANK.

SOURCE: National Concord, June 30, 1992, p. A18

APPENDIX G6





Here we come.

We are Mutual Trust Savings and Loans Limited.
And we have come to Oshodi and Balogun Street with two branches, at
445, Agege Motor Road, Oshodi and
24/26, Balogun Street, Lagos.

- ★ All accounts opened before July 31st, 1992, qualify for a raffle draw!
- ★ Expensive shopping bags, antique car radio, umbrellas and other fantastic prizes to be won!
- ★ All Mutual Odds and Mutual Evens accounts opened before July 31st, are automatically entitled to fabulous gifts.

So come open an account without delay!

Mutual Trust
SAVINGS AND LOANS LTD.

Mutually building on trust

Head Office: 188, Idowu Taylor Street, P.O. Box 74788, Victoria Island, Lagos. Phone: 618566, 615446, 613232, 618571.
Branches: Oshodi: 445, Agege Motor Road, Oshodi.
Balogun: 24/26, Balogun Street, Lagos. Tel: 663592, 664841.

Prima Garnet



Excell Nursery and Primary School recently marked its Prize Giving Day and Second graduation ceremony at the school premises in Kakuri, Kaduna. Here, the Proprietor of the school, Mr. Inyang U. Inyang delivers a speech at the occasion. By his left is the chairman of the occasion, Chief Michael A. Akpabio.

Former NSE chief calls for re-organisation of NEPA

By ANUNNE UCHE, Lagos

REV. ENGINEER P.O. Oyebolu former National President of Nigerian Society of Engineers has made a call for the structural re-organisation of the National Electric Power Authority (NEPA) for court to have uninterrupted public electricity supply.

Rev. Oyebolu made this call during the weekend in Lagos in his paper entitled "That we May Have Light" delivered as the guest lecturer in this year's October lecture of the Nigerian Society of Engineers.

He contended that the NEPA should be split into three — the Nigerian National Electricity Council (NNEC), the Nigerian National Electricity Board (NNEB) and the Zonal Electricity Distribution Board (ZEDB).

According to Rev. Engineer Oyebolu, the Nigerian National Electricity Council (NNEC) should be the apex regulatory body which would be responsible for policy making and monitoring the activities of other electricity authorities that would operate within approved framework and to formulate electric power policy for Nigeria.

To make regulations for electric power supply at National or Zonal levels, to collect and collate data for forward planning, to encourage and fund the manufacture of electrical plants, to formulate and ensure maintenance of standards in collaboration with standards organisation of Nigeria (SON) are other functions that would be carried out by the NNEC.

Rev. Engineer Oyebolu who was the president of the Society from 1982-1983 pointed out that the Nigerian National Electric Board (NNEB) would be responsible for the provision and maintenance of national electricity generation.

Rev. Oyebolu stressed that to plan, build and run electricity generating stations and transmission lines of 132KV and above, to raise and allocate necessary capital for national electricity generation and to sell energy and power to neighbouring countries which would be subject to the approval of the NNEC would be among other functions of the Nigerian National Electric Board.

The third arm according to them would be the zonal electricity distribution boards/undertaking would be responsible for the local distribution of electricity in their areas.

The ZEDB/ZEDU, he said would operate as an independent, autonomous commercial enterprise with or without government participation or if the government would participate, it should be restricted to the government or governments of the state or states of location with a maximum total equity of 30 per cent.

Rev. Engineer P.O. Oyebolu observed that if these recommendations were implemented, the laudable objectives of NEPA which it had not been able to achieve due to its monopolistic set-up, under-funding, poor maintenance and lack of consistency in planning would be achieved.

Olumilua orders for staff audit

From LEKAN ODUNJO, Akure

GOVERNOR Bamidele Olumilua of Ondo State has ordered the State Civil Service Commission to carry out a staff auditing exercise in the state civil service.

Governor Olumilua gave the directive in Akure while receiving the annual report of the commission in his office.

According to him, the exercise which is to be conducted in conjunction with the state Ministry of Finance was to enable government ascertain the actual number of people on its payroll.

He said that the civil service structure at present was overbloated because more hands were recruited into the service by the immediate past administration.

The governor charged the commission to strengthen its monitoring unit to ensure that the service is not overbloated beyond its present structure.

Earlier, the chairman of the Commission, Chief Olusola Akintayo had told the governor that the commission promoted a total of 456 officers and accepted the withdrawal of service of 52 officers during the period under review.

In another development, Mr. Olumilua has warned that education or mere possession of paper qualification would no longer guarantee income in the state.

He gave the warning at the handing over of 34 buses worth about 38 million Naira to the state chapter of the Nigerian Union of Road Transport workers (NURTW).

The governor said that only those who were ready to earn a living by creative initiative would be encouraged and assisted, adding that his administration has resolved to shift the balance of income in favour of those who deserve it rather than those who regard their earning as a right.



If we can't house our people will you be called the stumbling block?

If at the end of this century, we have failed to provide decent housing for the majority of our people, who shall we hold responsible?

It is not the government, nor is it the shylock landlord. It is **you**, if you become a **stumbling block** in the way of successfully implementing the National Housing Fund Decree 3 of 1992.

Government is providing a substantial part of the Fund, while all Nigerian workers earning N3,000.00 p.a. and above will invest only 2.5% of their salaries in it.

Banks and Insurance companies are expected to invest 10% of their loanable funds and 20% - 40% of their Life and Non-Life funds, respectively, in the same scheme.

Fully implemented, the average Nigerian will be entitled to a housing loan which will make it easier for them to own their houses. At the end of the day, we'll have a healthier citizenry in a healthier environment.

But the whole plan may crash.

Unless we're all committed to it. So play your part in this historic process of building a better society!

Sponsored by:

MBA

MORTGAGE BANKING
Association of Nigeria.

Let's all join hands in building a better society

E.O. Amosu
President

T. Abayomi Akinade
Secretary

189, Idowu Taylor Street, P.O. Box 74788, Victoria Island, Lagos. Tel: 615401, 613232

Prima Garnet

Ever drawn from your Savings Account without going to the bank?

NETWORK SAVERS VOUCHER ACCOUNT

makes it possible



For the first time ever, NETWORK MORTGAGE FINANCE LIMITED introduces the NETWORK SAVERS VOUCHER ACCOUNT to save you the trouble of coming all the way to the bank to draw from your Savings Account.

Convenient Time Saving Interest Yielding

With the NETWORK SAVERS VOUCHER, high networth individuals and corporate bodies can authorise withdrawals from and payments into their SAVINGS ACCOUNTS without going to the bank. It's easy, all you need to do is simply fill in the voucher and send it to us.

Corporate bodies can also pay wages once this account is opened for their workers.

The NETWORK SAVERS VOUCHER ACCOUNT is convenient, flexible and interest yielding. Isn't it high time you contacted us?

THE NETWORK SAVERS VOUCHER ACCOUNT
The Savings Account that behaves like a Current Account

NETWORK MORTGAGE FINANCE LIMITED
(Mortgage Bankers)
13, Randle Road, Apapa, Lagos.
Tel: 877498, 876411.

Special Report On Mortgage Banks

Thodel, Out To Make You A House Owner



Mr. Ebenezer Akinfe, MD Thodel Savings and Loans Limited

THODEL Savings and *Loans is one mortgage* institution that knows its onion and leaving no stone unturned to see that the clientele "Housing for All by the Year 2000" is lifted from a nightmare to reality.

An outfit that is comprehensive in scale, and service in the total area of housind delivery, Thodel has highly trained staff that do everything to make house ownership a reality for those eager to have.

According to the Managing Director, Mr. Ebenezer Akinfe, who is *a guru in mortgage* business with close to three decades of experience, everything possible is done to ease the burden of the client.

To make dream a reality, Thodel has devised some schemes for convenience of the applicants. These include House Ownership account, which encourages individuals to *save towards* owning their own houses. Rental Savings Scheme, designed to aid individuals meet up with their rent payment.

*Other scheme is Em*ployers Mortgage Deposit Scheme, designed to assist employers who are interested in helping their employees to build their own houses. To operate this account, a lumo sum amount is deposited with Thodel at a negotiable interest rate.

Thereafter, loans will be granted to staff recommended by the employer, while monthly deduction of 2 and half per cent will be made from the salary of the employee.

Highlighting the benefits derivable from these Schemes, Thodel boss pointed out that they will afford one easy way of owning house with ong's earning; management will be freed of loan burden; and convenient means for the individual *to meet up* with this rental obligations.

Mr. Akinfe hinted that disbursement of money for construction of a building will be by three instalments, while house purchase attracts a lump sum disbursement.

Within one year of operation, commencing operation in July 15, 1991, Thodel Savings and Loans Ltd., has waxed stronger in the firmament. This shows in the manner it has been able to spread its tentacles almost spanning the country. Ten branches *have been opened at* strategic geographical locations throughout the country.

The branches are situated in Ikeja, Central Lagos, Alaba, Ibadan and Kaduna. Others are Ilorin, Abuja, Port Harcourt, Umuahia and Bacita in Kwara State.

"Within one year of operation, commencing operation in July 15, 1991, Thodel Savings and Loans Ltd., has waxed stronger in the firmament. This shows in the manner it has been able to spread its tentacles almost spanning the country. Ten branches have been opened at strategic geographical locations throughout the country."

Mortgage Banking Leadership

We are the first to promote house ownership schemes to more people than any in Nigeria.

General Savings Account

This is a more convenient savings account, where regular savings and withdrawals can be made.

HOUSE OWNERSHIP ACCOUNT

This is an account that is specifically designed for saving towards the ownership of your own house.

BENEFICIAL SAVINGS ACCOUNT

This is a trust account, operated by a depositor on behalf of a named beneficiary. This account matures after a specific event.

Junior SAVINGS ACCOUNT

It is specially designed for children under 18 years, and is operated on their behalf by their parents or guardian. This account recently launched a Scholarship Bonanza Raffle.

THODEL SAVERS INVESTMENT CLUBS

Another winner from Thodel. Designed primarily to create investment outlet that enable members to enjoy a higher yield on their investment.

EMPLOYER MORTGAGE DEPOSIT SCHEME

This is a mortgage scheme that gives employers the opportunity to take care of the mortgage needs of their key staffs.

TARGET SAVINGS ACCOUNT

Allows you to achieve targets by saving towards any specific need eg Equipment, Business.

THODEL FESTIVAL SAVINGS ACCOUNT

We also offer you our Special Festival Deposit Accounts. Save towards any or all of these occasions: Easter, Eid El Kabir, Christmas, Pilgrimage etc.

THODEL Group Development Scheme

It is an ideal scheme for Groups, Unions and Communities through communal contributions and launchings. We shall be on hand to advise on the management of the fund.

THODEL ₦200 Million Mortgage Creation Programme

A programme specifically designed for high net worth individuals, corporate organisations and all those who are desirous of owning property in highbrow areas of Lagos and Abuja.

CHEQUE SAVINGS ACCOUNT

An interest yielding cheque savings account that operates like a normal bank current account.

• Thodel Fixed Deposit Account at very attractive interest rates.

THODEL ...the housing bank for you.

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- Loan Syndication, Bridge and Refinance Mortgages.
- Mortgage Bonds and Guarantees.

*TREASURY...

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Special Report On Mortgage Banks



A beautiful house - the dream of many Nigerians

May Fair: Solid Ground To Build

THE goal of access to housing is achievable if the government policy on housing is pursued vigorously. This is the view of the Managing Director, Mayfair Building Society, Mr. Ralph Okpon.

Though the task is herculean, but the dream is not too far fetched," he said.

Mr. Okpon who also said that the licensing of more mortgage institutions is healthy for the mortgage market as this, he said would improve the efficiency of the services rendered by the mortgage firms to customers and ultimately, the better mortgage institutions will stand out.

The mortgage firm has gone a step further to insure all deposits to ensure safety. Mayfair has a wide array of mortgage products, social mortgage, pension linked mortgage, syndicated mortgage lending.

The mortgage firm which has drawn out a long and short term expansion plan intends to open up branches at Lawanson, Apapa and Ijebu.

Other services rendered by Mayfair include saving/deposit scheme, the child accounts, retirement savings scheme, home savings scheme and the special purpose savings scheme.

All these services are rendered by a crop of efficient staff at their Adeola Hopewell corporate headquarters.



★ OKPON: Mayfair CEO



An housing estate in Ikoyi, Lagos.

Special Report On Mortgage Banks

Shelter Gingers Up The Mortgage Service

SHELTERS Saving and Loans Limited is amongst the new entrants in the increasingly competitive mortgage sector.

Housed in the yellow and green building which is fast becoming a landmark on the choice area of Ikoyi, Lagos, it is set to facilitate housing for Nigerians who want to either buy, build at renovate their own houses with mortgage products such as the home ownership scheme.

Home Improvement/Renovation loan scheme and shelter special scheme are some of the other products being offered by the company. Others are mortgage administration scheme and loan syndicate property development as well as real estate services.

Some of the products are customised to individual demands; for example, Shelter Hybrid Account which is a hybrid of savings and current account. It enjoys the accesibility of a current with cheque while guaranteeing a high interest rate as in savings account. Each of the operator of this account enjoys this or even more personalised services. This product has attracted a lot of response from the public.

The Shelters Personal Pensions Savings Scheme makes it possible to save for one's retirement. The account is to be jointly operated with Crusader Insurance which will underwrite the policy pension. Mr. Thad Ugah said Shelter will soon open its Onitsha branch.

Shelter Mortgage products Line-Up:

★Home ownership Loan Scheme
★Home Improvement/Renovation Loan Scheme
★Shelter Special Secured Loan Scheme
★Mortgage Administration Scheme
★Loan Syndication
★Property Development
★Real Estate Services

Shelter Savings Products

★Regular Savings Account
★Target Savings Account
★Children's Savings Account
★Capital Builder Fund
★Loans Savings Scheme
★Personal—Pensions Plan
★Home Ownership Scheme
★Hybrid Account

Shelter Investment And Treasury Products

★Deposit Accounts
★Mortgage Deposit Administration Scheme
★Money Market and Treasury Services.

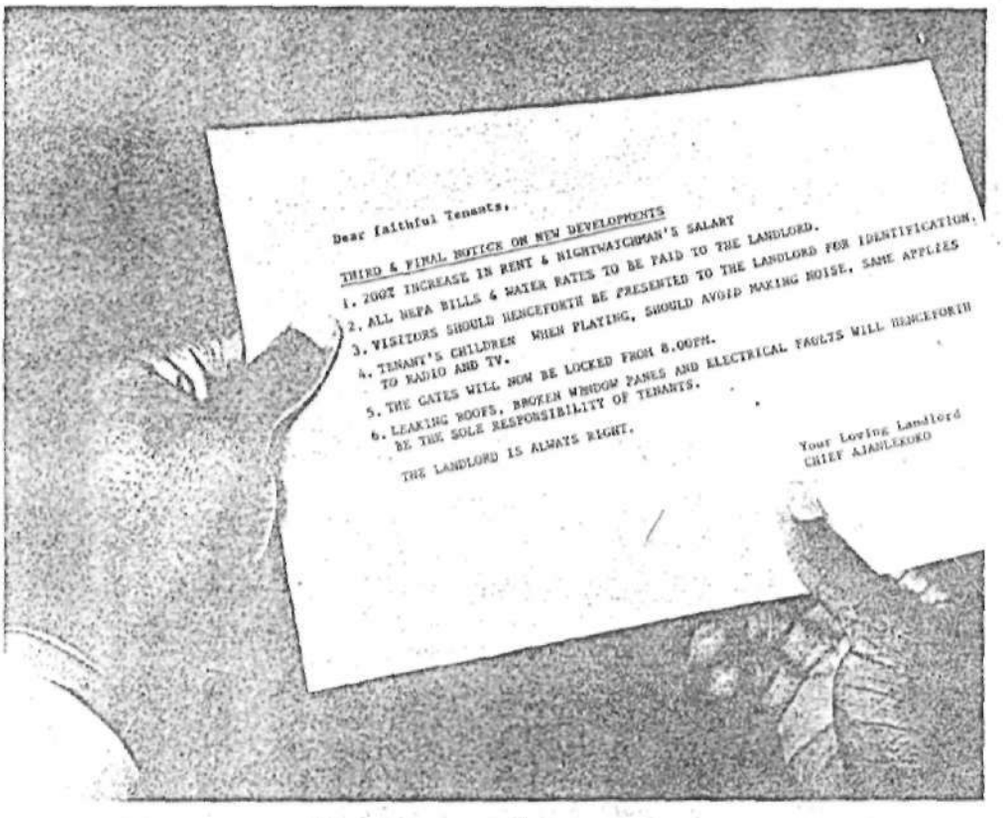
All these are delivered by a team of efficient and qualified team and aided by the state-of-the-art technology.

Canon:

Continued from Page 18

supervise the industry. "We need an independent body such as FMB to ensure the implementation of the housing policy is well done. We have a number of seasoned professionals in FMB who can handle all the issues.

For now, his goal is to endow Canon with all the trappings of a future conqueror, a winner in the mortgage battle of tomorrow. "The future is very bright for mortgage banking because the vision is there," he enthuses.



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APPENDIX G8a



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MONEYWATCH

A businessman's view of Nigeria through to the year 2000

●Being a paper presented by Chief Ernest Shonekan, chairman and chief executive of UACN Plc at the Inaugural Babangida Lecture at Cambridge University lecture theatre, Cambridge, on July 11

I AM particularly honoured and pleased to be invited to give the inaugural speech in the series organised in honour of President Ibrahim Babangida. I feel delighted and would like to express my appreciation to the Britain-Nigeria Association for inviting me to come and "open the floor" in these series of lectures designed to honour one of the great African leaders of our time.

I feel a special interest in this topic for two reasons. First, the tenure of President Babangida can rightly be termed as a watershed in the national history of Nigeria. His administration has not only taken bold and *unexpected decisions* (economic, political and social), but has also shown an uncanny ability for tenacity, as well as strong and unrivalled *commitment to chosen causes*. Whatever the place history may assign to him, one fact remains clear, and that is that he made a genuine *effort at tackling head-on* the myriad of problems confronting the Nigerian nation.

In particular, he has worked to establish an *effective dialogue with* the private sector. President Babangida has played his own part, and well too. My message today to our future leaders is to see that they build on the foundation already put in place by the Babangida administration.

Second, the topic represents an intriguing exercise in crystal-ball gazing which you will agree with me is most difficult to do in our peculiar environment. Because of current problems, it is all too easy to be a little cynical about the future. However, as I turned this matter over in my mind, it became clear to me that the sign-posts for the 1990s are already quite visible to the discerning mind. However, it is necessary to bear in mind that we live in a dynamic world, and the possibility of certain unanticipated changes taking place cannot be ignored. I see a rather positive outlook for Nigeria in the year 2000 provided we ensure better management of the opportunities available to us.

It will soon be 32 years since Nigeria attained political independence from Britain in 1960. Although 32 years in the life of a nation may not have been enough for major transformations, especially given the initial conditions, and when considered in relation to the development history of many countries in the world, it is certainly enough for the nation to record some development landmarks.

In the years immediately following independence, Nigeria as indeed many other Sub-Saharan African countries made tremendous progress up to the end of the decade of 1970s. Nigeria's Gross Domestic Product (GDP) averaged a healthy growth rate of 6.1 per cent between 1965 and 1980. This, however, slipped to about (4.0 per cent) between 1980 and 1989. In absolute terms, Nigeria's GDP amounted to $75.3 billion (N1.397 trillion) in 1985, but by 1989, this had declined to about $28.9 billion (N536.1 million). In 1985, per



●Shonekan

capita GNP stood at about $800 (14.8 billon), but by 1989, this had taken a plunge to under $400 (N7.42 billon). In spite of the new population figure of 88.5 million which is still by and large a poor country by world standards, with per capita GDP at about $2290 at the end of 1991. In terms of growth of per capita GNP, Nigeria could only manage 0.2 per cent on the average between 1965 and 1989. Yet in the same period, the population was assumed to have grown by 2.5 per cent on an annual basis — posing grave implications for the welfare of our people.

The dismal record was, however, not peculiar to Nigeria. According to Pius Okigbo, a Nigerian economist of fine repute, no African country had a positive per capita income growth between 1980 and 1987 apart from Swaziland (1.2 per cent), Congo (1.7 per cent), Cameroon (4.5 per cent), Mauritius (4.4 per cent) and Botswana (8.0 per cent). The other countries witnessed declines in per capita income growth, with Nigeria showing the largest of (-4.8 per cent) Cote d'Ivoire (-3.0 per cent) and Ghana (-2.0 per cent).

Between 1965 and 1980, gross domestic investment increased in Nigeria by 14.7 per cent. This, however, fell by about 12.9 per cent between 1980 and 1989. For the whole of Sub-Saharan Africa, Gross domestic investment increased by 8.6 per cent between 1965 and 1980, while it fell by about 3.9 per cent between 1980 and 1989. Nigeria thus "out-performed" the rest of Sub-Saharan Africa, both during the period when investment was growing and also, when it was on the decline.

In 1965, minerals, metals and fuels amounted to 32 per cent of total merchandise exports in Nigeria, while other primary commodities amounted to about 65 per cent. Manufactures amounted to a mere 3 per cent. By 1989, minerals, metals and fuels alone amounted to about 94 per cent of merchandise export — leaving other primary commodities to

Continued on Page 20

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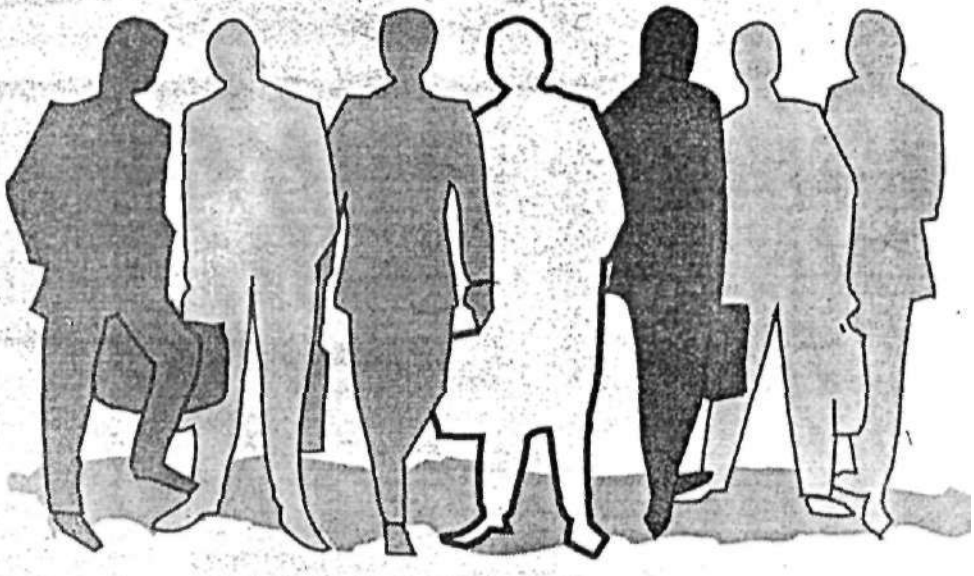
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Source: The Guardian, August 5, 1992, p.19

Interview

Elizabeth Olubuisi: The helms woman at Armour



Mrs. Elizabeth Olubuisi, Chief Executive, Armour Insurance Company.

WHEN Chief Mrs. Elizabeth Olubuisi the Chief Executive of Armour Insurance Company Limited changed her mind from studying law to insurance in the sixties, it was especially because she was very good at figures. Hence she found herself in the insurance industry principally as a matter of choice.

After studying insurance at the East London College with a little bias for life assurance, her first working experience was at the London and Manchester Assurance in 1964. From the Alterations and Endorsement department, she zdomed into Artual risks department of the company.

Mrs. Olubuisi later had a stint with Scottish Widows, one of the oldest Life Assurance societies which started at St. Andrews Square in Scotland. The Armour Insurance helmswoman came back to Nigeria in 1970 shortly after working with the London office of Canada Life Insurance Company.

Being one of the few aggressive females in the male-dominated insurance industry, Mrs. Olubuisi was then offered a senior management position at African Alliance. Two years later she moved over to the National Insurance Corporation of Nigeria (NICON). She rose through the rank and file, from the position of a Superintendent to Deputy General Manager before diving off to T.A. Braithwaite and Company Insurance Brokers.

Last year, the insurance 'saleswoman' made what seemed like her last job - hunting moves by establishing Armour Insurance Company Limited in league with Mr. Akin Disu an industrialist and chairman of Eagle Paints Nigeria Limited, Chief James O. Farodoye, a chartered accountant and executive chairman of Access Bank, Chief Mrs. Tinu Agbelusi an educationist and businesswoman and Mr. Nathaniel Ademuyi, a trained insurer and managing director of RIB Insurance Brokers.

Chief Olubuisi has such great plans for Armour. "We had our teething problems in the first year but now we have improved tremendously. We are currently dealing on general business but we plan to go composite very soon."

Probably before the year runs out Armour will launch a Medical Insurance Scheme to take care of medical expenses. The target consumers here are companies.

Along with management, Mrs. Olubuisi is working on the possibility of broaching life and retirement benefits.

NICON's plan may boost forex inflow

A RECENT decision by the National Insurance Corporation of Nigeria to encourage more indigenous firms to handle the corporation's interests in the international reinsurance market may open a new avenue for additional foreign exchange earnings for the country.

NICON's Managing Director, Mr. Ogala Osoka said while receiving council members of the Nigerian Corporation of Insurance Brokers (NCIB) who visited him in Lagos recently, that his company was reviewing the list of brokers involved in marine, aviation and oil reinsurance to facilitate the assimilation of adequate expertise by those involved.

He cautioned that although, NICON was committed to the encouragement of more indigenous brokerage firms, "we will not compromise professionalism and quality of service."

The managing director noted that the greatest concern of a good insurance company was adequate protection and guarantee for its risks, adding that NICON would do everything to uphold this basic principle of insurance.

Mr. Osoka urged the council members to support the ongoing crusade to give the insurance industry a better image.

He, therefore, called on NCIB to put in place, a self-regulatory machinery.

Members, he said, should champion the crusade to ensure that brokerage firms bear the names of "Known professionals".

President of NCIB, Mr. Siyan Oyebadejo, who led the delegation, welcomed NICON's new shift to facilitate "profitable inward business" for Nigerian brokerage firms.



Mr. Ogala Osoka

News

Settle claims promptly ... Adeniji advises colleagues

A CALL has been made on insurance companies operating in the country to strive towards upliftment of the insurance industry's image through prompt settlement of all admitted claims.

Mr. A.T. Adeniji, Managing Director and Chief Executive of Sun Insurance Nigeria Plc, while speaking at a N10 million cheque presentation for a claim at the Lagoon Restaurant, Victoria Island, argued that it remained the most effective way of remaining relevant.

Mr. Adeniji - who contended that insurance houses were only as good as their claims departments, insisted that in the face of the current image-crisis bedeviling the industry, the best approach towards changing the insuring public's perception of the insurers will be through adequate and prompt compensation of clients who suffer any loss.

The insurance chieftain handed down this charge in Lagos recently while speaking at the presentation of a N10 million cheque to H.F.P. Engineering Nigeria Limited as part payment of a N20 million claim filed in by the engineering firm in respect of a fire loss it suffered last year.

Speaking at the venue of the presentation, Mr. Adeniji said that insurance companies should neither fail nor delay payment of claims, adding that it represents the fulfillment of their own side of the insurance contract.

"Sun Insurance is being called upon to fulfill its own side of a contract today on a very large scale. We are pleased to say that we are not found wanting when reliability as insurers has been tested," he stated promising that HFP would soon receive the second part of the total sum due to it.

Following a fire outbreak which on May 8 last year completely razed the stores of HFP at their Ikotun factory, the company submitted a claim of N33 million to Sun Insurance.

However, this was to be adjusted within six months to a net amount of N20 million after making provision for salvage, a usual adjustment especially in fire claims.

ARMOUR

For protection against the dangers of attack from enemies, a Roman Soldier's Armour included a crested - helmet, leg protector called greaves and a shield made of wood and leather, an Iron headed javelin, a dagger and a sword.

When besieging city walls, Roman Soldiers often fitted shelds together to form a testudo (tortoise) under which protection they withstood heavy blows from above while digging under enemy fortifications.

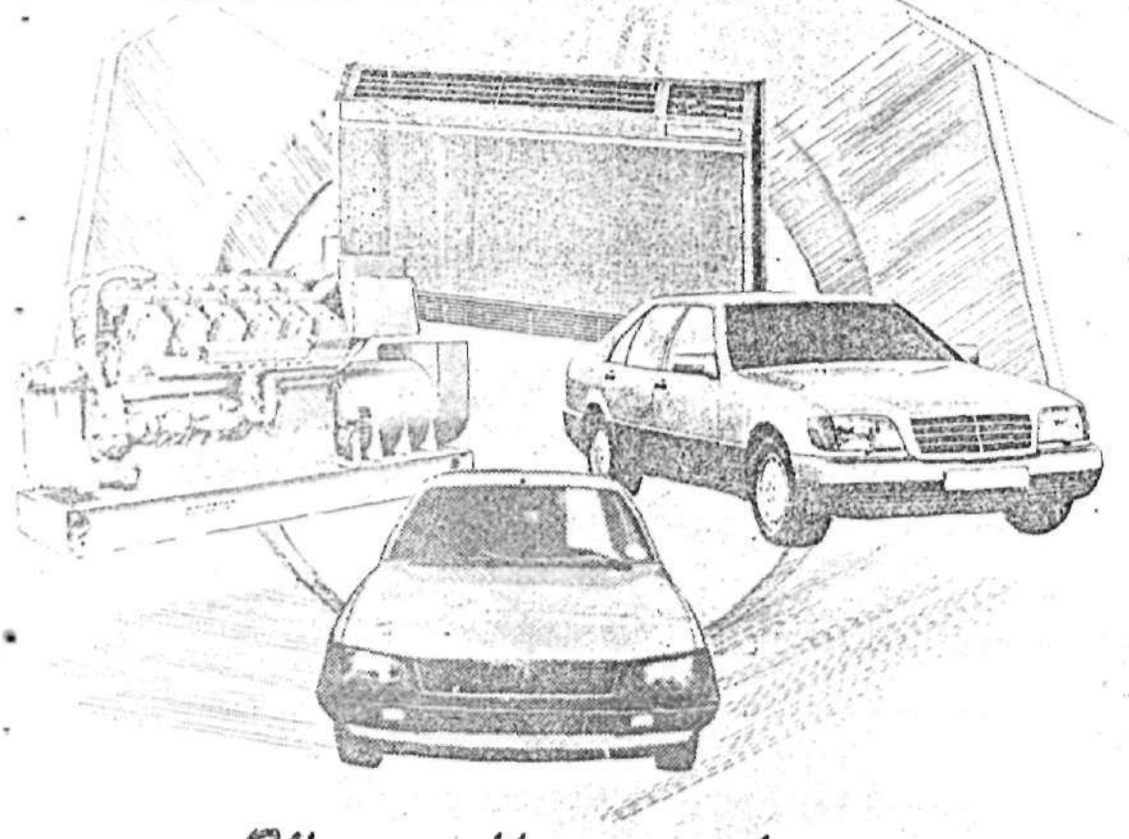
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cpn/9080

NNPC refers marketers to AFRC for review of sale margins

By FRIDAY ATUFE

NIGERIAN National Petroleum Corporation (NNPC) has washed its hands off the issue of margins on petroleum products, saying petroleum marketing companies should appeal to the Armed Forces Ruling Council (AFRC) on the need to review margins on the products they sell.

"The issue of fixing prices on petroleum products is the prerogative of the AFRC and the NNPC is just a passive participant in its implementation," a senior official of the corporation told the BUSINESS TIMES in Lagos.

He said that the NNPC had already made known its stand on the issue through the testification of all its officials at the Belgore Judicial Commission of Inquiry into the recent fuel scarcity, adding that removal of subsidy would earn NNPC about N40 million yearly.

The official remarked that the issue has become political rather than economic.

The issue of the need to review profit margins on products has been in the news in recent times. Some marketers have even said that if the industry was not deregulated early enough, there would be gradual decline because the cost of replacing assets has become enormous due to the inflationary trend in the country.

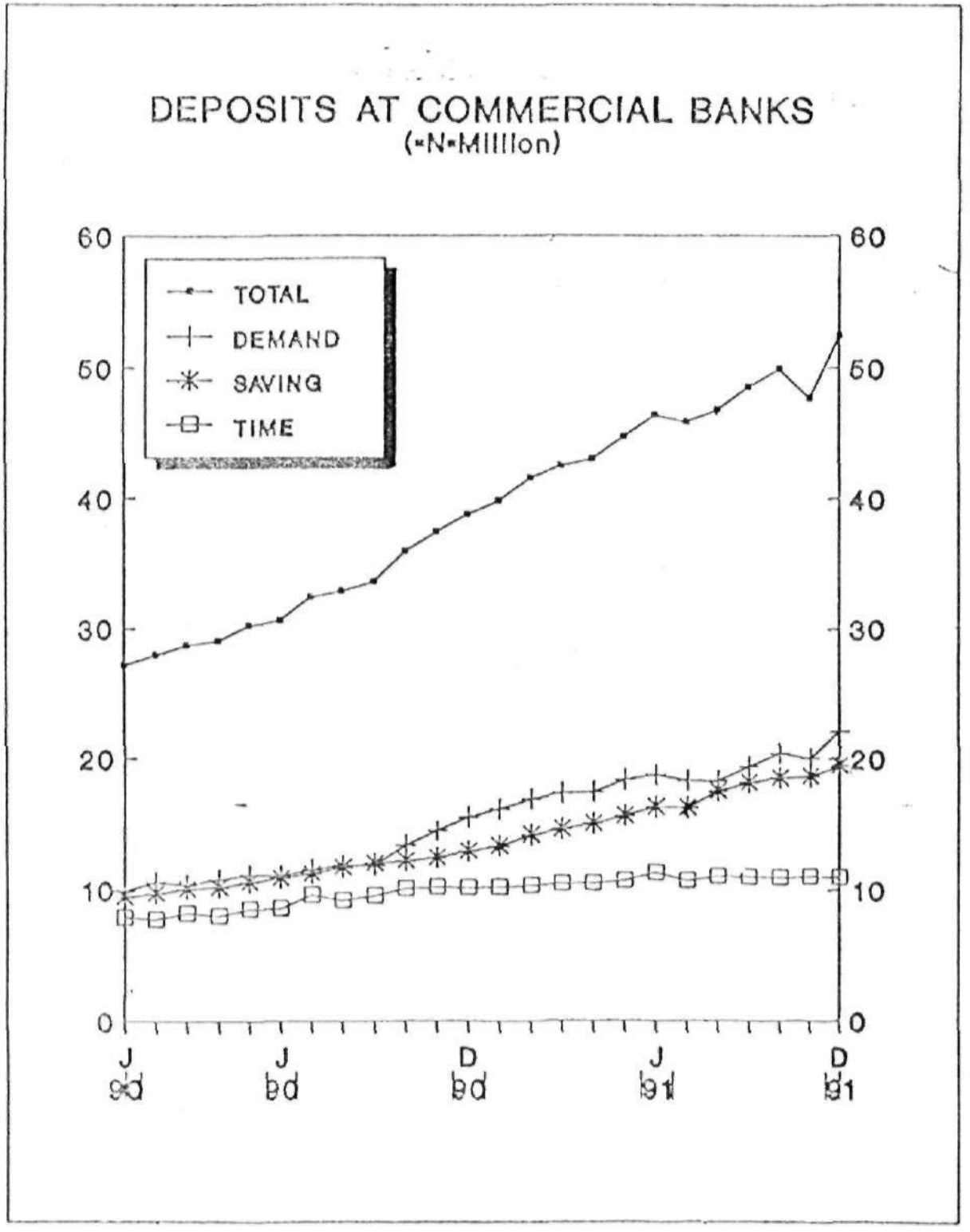
Analysts of the industry expressed dismay on why government has not deregulated the industry since it has already deregulated other sectors of the economy.

Meanwhile, marketers are disputing interest on trade debts due to the NNPC because officials of the corporation did not keep accurate accounts.

Although officials refused to disclose the exact amount of the debts, investigation showed that it cuts across all the major marketing companies that buy white products (refined petroleum products) from the NNPC and that it runs into billions of naira.

An official of one of the marketing companies said that officials of the NNPC who were supposed to raise proper invoices and debit accounts of marketers appropriately simply failed to do so, thus creating an overblown debts figure due to the NNPC by the marketers.

This, he said, caused the corporation to raise alarm on the issue and charged indebted marketers interest on their debts so that they would be compelled to settle it.

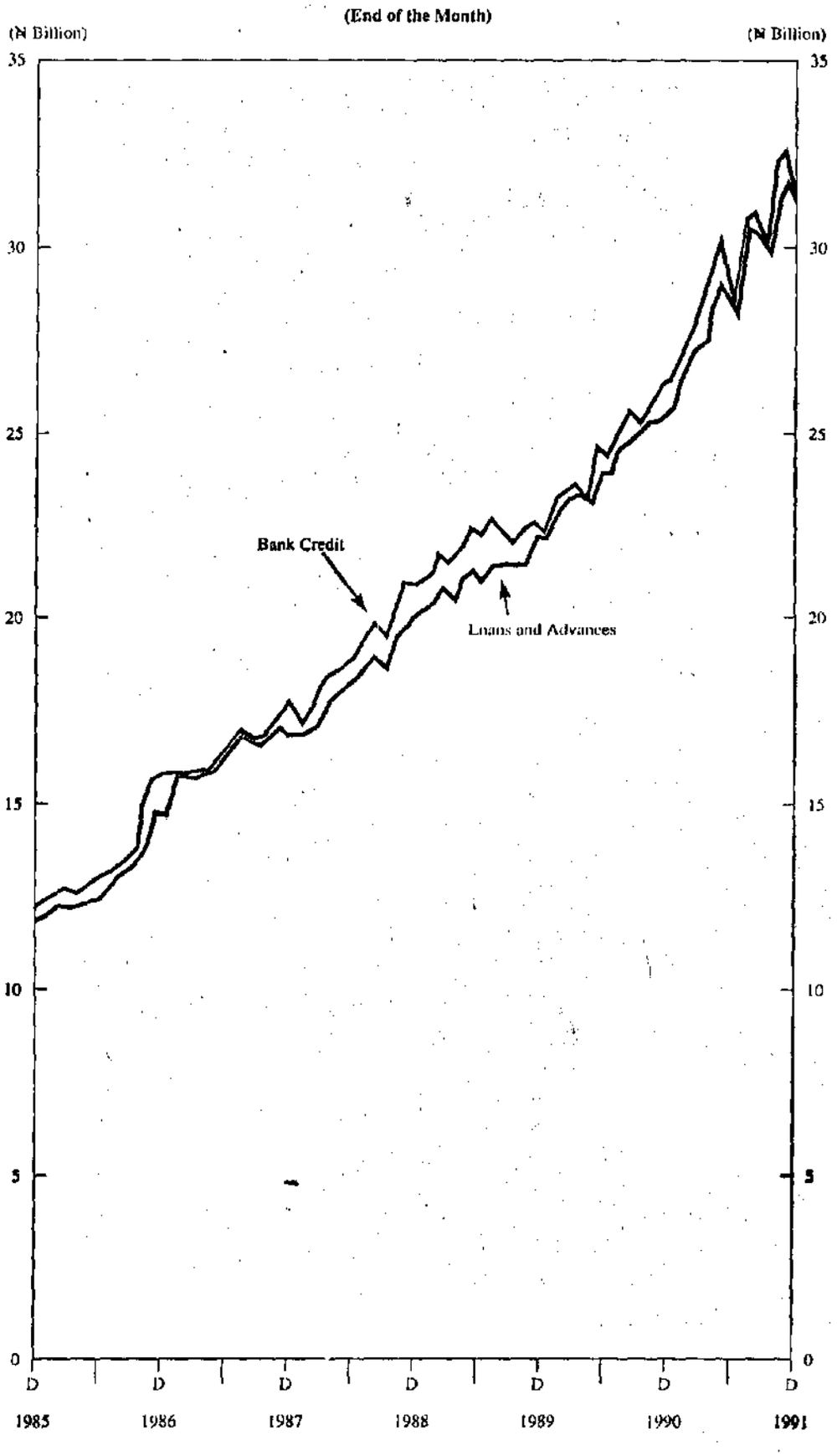


SOURCE: CBN Monthly Report, December, 1991, p.38

APPENDIX I

COMMERCIAL BANKS' CREDIT TO THE PRIVATE SECTOR

(End of the Month)



SOURCE: CBN Annual Report, December, 1991, p.40.

APPENDIX J

SELECTED INTEREST RATES

(Percent)

	1990	1991			
	December (1)	*March* (2)	*June* (3)	*September* (4)	*December* (5)
Government Securities					
Treasury Bills Issue Rate	17.50	14.50	14.50	14.50	14.50
Treasury Certificates (1yr.)	18.20	15.00	15.00	15.00	15.00
Treasury Certificates (2yrs.)	18.50	15.50	15.50	15.50	15.50
Federal Government Stocks					
4-8 Years Maturity	18.64	16.00	16.00	16.00	16.30
9-14 Years Maturity	18.91	16.50	16.50	16.30	16.30
15-20 Years Maturity	19.58	17.20	17.20	17.00	17.00
21-25 Years Maturity	20.42	17.90	17.90	—	—
Minimum Rediscount Rate	18.50	15.50	15.50	15.50	15.50
Commercial and Merchant Banks					
Deposit Rates[1]					
Commercial Banks					
Savings	17.80	13.60	14.00	13.80	14.00
Time Deposits Maturing in:					
7 days	18.30	14.10	14.10	14.20	14.20
1 month	18.90	14.50	14.90	14.80	14.60
3 months	19.80	14.80	15.40	15.30	15.20
6 months	20.40	15.40	16.20	16.20	16.10
12 months	20.90	16.00	16.80	16.70	16.50
Over 12 months	21.90	16.00	17.20	16.90	16.50
Merchant Banks					
Time Deposits Maturing in:					
7 days	18.60	15.50	15.80	16.20	15.70
1 month	20.40	16.00	16.40	17.00	16.90
3 months	21.90	16.80	17.30	17.90	18.20
6 months	23.10	17.10	17.90	18.60	18.80
12 months	24.40	17.20	18.40	19.00	19.00
Over 12 months	25.40	18.10	18.20	18.50	19.40
Commercial and Merchant Banks					
Lending Rates					
Commercial Banks					
Prime	26.00	19.90	20.00	20.40	20.20
Maximum	26.50	20.50	20.90	20.80	21.00
Merchant Banks					
Prime	28.50	20.40	20.80	20.40	20.90
Maximum	29.00	20.80	21.00	21.00	21.00

[1]Weighted Averages

SOURCE: CBN Annual Report, December, 1991, p. 32

APPENDIX K

RURAL BANKING PROGRAMME, 1ST, 2ND AND 3RD PHASES: ALLOCATION OF BRANCHES AND COMPLIANCE BY COMMERCIAL BANKS AS AT 31ST DECEMBER, 1991

No.	Banks	1st Phase			2nd Phase			3rd Phase			Total		
		Allo-cation (1)	Opened (2)	Out-standing (3)	Allo-cation (4)	Opened (5)	Out-standing (6)	Allo-cation (7)	Opened (8)	Out-standing (9)	Allo-cation (10)	Opened (11)	Out-standing (12)
1	African Continental Bank Ltd	16	16	—	19	19	—	14	14	—	49	49	—
2	Allied Bank of Nigeria Ltd	6	6	—	7	7	—	11	11	—	24	24	—
3	African International Bank Ltd[1]	—	—	—	6	6	—	16	16	—	22	22	—
4	Bank of the North Ltd	6	6	—	19	19	—	14	14	—	39	39	—
5	Commercial Bank (C.Lyonnais) Ltd	—	—	—	—	—	—	5	5	—	5	5	—
6	Co-operative Bank Limited	5	5	—	8	8	—	9	9	—	22	22	—
7	Co-op & Comm. Bank Nig. Ltd	7	7	—	8	8	—	9	9	—	24	24	—
8	First Bank of Nigeria Ltd	40	40	—	37	37	—	28	28	—	105	105	—
9	Gamji Bank of Nigeria Ltd	—	—	—	—	—	—	5	5	—	5	5	—
10	Habib Bank Nigeria Ltd	—	—	—	—	—	—	6	6	—	6	6	—
11	Afribank Nigeria Limited[2]	11	11	—	13	13	—	15	15	—	39	39	—
12	Lobi Bank Limited	—	—	—	—	—	—	6	6	—	6	6	—
13	Mercantile Bank of Nigeria Ltd	3	3	—	6	6	—	8	8	—	17	17	—
14	National Bank of Nigeria Ltd	15	15	—	19	19	—	10	9	1	44	43	1
15	New Nigeria Bank Limited	4	4	—	9	9	—	8	8	—	21	21	—
16	Nigeria-Arab Bank Limited	7	7	—	6	6	—	9	9	—	22	22	—
17	Nigeria Int. Bank Limited	—	—	—	—	—	—	5	5	—	5	5	—
18	Nigeria Universal Bank Ltd	3	3	—	6	6	—	5	5	—	14	14	—
19	Owena Bank Nigeria Limited	—	—	—	—	—	—	6	6	—	6	6	—
20	Pan African Bank Limited	5	5	—	6	6	—	5	5	—	16	16	—
21	Progress Bank of Nigeria Ltd	—	—	—	—	—	—	5	5	—	5	5	—
22	Savannah Bank of Nig. Ltd	7	7	—	11	11	—	14	14	—	32	32	—
23	Societe Generale Bank Nigeria Ltd	—	—	—	6	6	—	15	15	—	21	21	—
24	Tropical Commercial Bank Ltd	6	6	—	6	6	—	5	5	—	17	17	—
25	Union Bank of Nigeria Ltd	27	27	—	36	36	—	28	28	—	91	91	—
26	United Bank for Africa Ltd	27	27	—	32	32	—	28	28	—	87	87	—
27	Universal Trust Bank Nigeria Ltd	—	—	—	—	—	—	5	5	—	5	5	—
28	Wema Bank Limited	5	5	—	6	6	—	6	6	—	17	17	—
	Total	200	200	—	266	266	—	300	299	1	766	765	1

[1] Formerly Bank of Credit & Commerce International Limited.
[2] Formerly International Bank for West Africa Ltd.

SOURCE: CBN Annual Report, December, 1991, p. 133.

APPENDIX L

LIST OF FINANCIAL INSTITUTIONS USED FOR ANALYSIS IN THIS STUDY

COMMERCIAL BANKS

1. Pinnacle Commerce Bank Limited
2. Savannah Bank PLC
3. Afribank Limited
4. Senith International Bank Limited
5. Universal Trust Bank Limited (UTB)
6. Wema Bank PLC
7. First Bank PLC.
8. Union Bank PLC
9. Societe Generale Bank Limited (SGN).
10. Chartered Bank Limited
11. United Bank for Africa PLC (UBA)
12. Trade Bank PLC.

MERCHANT BANKS

1. Rims Merchant Bank Limited.
2. Abacus Merchant Bank Limited
3. Continental Merchant Bank Limited (CMB).
4. Intercontinental Merchant Bank Limited (IMB).
5. Financial Merchant Bank Limited
6. Merchant Bank of Commerce Limited.
7. Merchant Bank of Africa Nigeria Limited.

FINANCE COMPANIES

1. Cash Link Finance and Investment Company Limited.
2. Forum Business Finance Limited.
3. Public Finance Limited.
4. Kwara Industrial Trust Fund Limited.
5. Resources Managers Nigeria Limited.

MORTGAGE COMPANIES

1. Mutual Trust Savings and Loans Limited.

2. Countrywide Savings and Mortgage Limited.

3. Network Mortgage Finance Limited.

LEASING COMPANIES

1. Mandilas Leasing.

2. Holt Leasing.

3. Leventis Leasing

4. VT Leasing Limited.

INSURANCE COMPANY

1. African Alliance Insurance Company Limited.

Appendix M(a)

QUESTIONNAIRE ON FINANCIAL INSTITUTIONS

MARKETING FINANCIAL SERVICES UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME

Note: Please tick ( ) or write on the space provided.

1. Type and Name of Financial Institution:

   (a) Commercial Bank .....

   (b) Merchant Bank .....

   (c) Finance Company .....

   (d) Mortgage Bank .....

   (e) Insurance Company .....

   (f) Leasing Company .....

2. How old is your Bank/Company? .....

3. Generally, how would you assess your Bank/Company's performance since the advent of SAP in the following areas:

   (a) Level of deposits: rising or falling? .....

   (b) Level of funds disbursed: rising or falling? .....

   (c) Level of performance relative to competition:-

      i) Very satisfactory .....

      ii) Fairly satisfactory .....

      iii) Not satisfactory .....

4. Briefly describe the key marketing strategies employed since the advent of SAP in the following areas:

   (a) Product/Service (designing, improvement, development, packaging and branding) .....

   (b) Pricing (interest rates fixing) .....

   (c) Promotions (adverts, personal selling, sales promotions) .....

   (d) Place (branch network, service outlet) .....

5. How would you describe the level of marketing consciousness/ skill of the generality of your workforce?

.../2.

6. Briefly state the major complaints/suggestions received from the following:

   (a) Customers .....

   (b) Practitioners .....

   (c) Employees .....

   (d) General Public/Press .....

   (e) Regulatory bodies .....

   (f) Government .....

7. What is needed to improve your product/service offering? .....

8. Briefly, state your marketing plans, if any, for the future .....

9. Any other comment/suggestions? .....

Appendix M(b)

Questionnaire on Customers

MARKETING FINANCIAL SERVICES UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME

1. What type of financial institution do you patronize (you tick more than one)?

   (a) Merchant Bank .....

   (b) Commercial Bank .....

   (c) Mortgage Bank .....

   (d) Finance Company .....

   (e) Leasing Company .....

   (f) Insurance Company .....

   (g) Others (please specify) .....

2. What is the nature of your transactions with the financial institutions?

   (a) Personal .....

   (b) Company .....

   (c) Both of the above .....

3. Fow how long have you been transacting business with the financial institutions?

   (a) Less than 1 year .....

   (b) 1 - 3 years .....

   (c) 3 - 6 years .....

   (d) 6 - 10 years .....

   (e) 10 years & above .....

4. What influences your choice of financial institution?

   .....

   .....

5. Are you aware of any new or improved financial product service?

   (a) Yes .....

   (b) No .....

6. How would you assess such new/improved product/service?

   (a) Highly desirable .....

   (b) Not desirable .....

   (c) Indifferent .....

7. As a customer of a financial institution, what would you say are the major benefits brought about by SAP to the financial sector?

   .....

   .....

8. Generally, how would you assess the performance of financial institutions since the coming of SAP?

   (a) Better than before SAP .....

   (b) Same as before SAP .....

   (c) Worse than before SAP .....

9. In general, how would you rate the product/service delivery of new banks compared to the older banks?

   (a) New banks are better .....

   (b) Old banks are better .....

   (c) Both are the same .....

10. What additional product/service improvement would you want in the financial institution?

    .....

    .....

11. What in general would you suggest for a better financial sector?

    .....

    .....

12. Age of Respondent:-

    (a) Below 25 years .....

    (b) From 25 years - 30 years .....

    (c) From 30 years - 40 years .....

    (d) From 40 years - 50 years .....

    (e) 50 years and above .....

13. Sex: (a) Male..... (b) Female.....

14. Occupation:

(a) Civil Servant .....

(b) Company Employed .....

(c) Self Exmployed .....

15. Educational Attainment:

(a) Primary .....

(b) Secondary .....

(c) Tertiary .....